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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report
Commission file number 001-38699

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED
(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong
(Address of principal executive offices)

Company Secretary, Tel +852 2598 3600, Fax +852 2537 3618
38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
American depositary shares each representing four Class A ordinary shares	MSC	The New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None.
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None.
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

370,352,700 Class A ordinary shares and 72,511,760 Class B ordinary shares outstanding as of December 31, 2021

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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INTRODUCTION

In this annual report on Form 20-F, unless otherwise indicated:

- "2018 Project Facility" refers to the senior secured project facility, dated January 28, 2013 and as amended from time to time, entered into between, among others, Studio City Company, as borrower, and certain subsidiaries as guarantors, comprising a term loan facility of HK$10,080,460,000 (approximately US$1.3 billion) and revolving credit facility of HK$775,420,000 (approximately US$100 million), and which was amended, restated and extended by the 2021 Studio City Senior Secured Credit Facility;
- "2019 Studio City Company Notes" refers to the US$350.0 million aggregate principal amount of 5.875% senior secured notes due 2019 issued by Studio City Company on November 30, 2016 and as to which no amount remains outstanding following the repayment in full upon maturity in November 2019;
- "2020 Notes" refers to the 8.50% senior notes due 2020 in an aggregate principal amount of US$825,000,000 issued by Studio City Finance on November 26, 2012 and as to which no amount remains outstanding following the redemption of all remaining outstanding amounts in March 2019;
- "2020 Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of the outstanding 2020 Notes, which commenced in January 2019 and settled in February 2019;
- "2021 Studio City Company Notes" refers to the US$850.0 million aggregate principal amount of 7.250% senior secured notes due 2021 issued by Studio City Company on November 30, 2016 and as to which no amount remains outstanding following the redemption of all remaining outstanding amounts in August 2020;
- "2021 Studio City Senior Secured Credit Facility" refers to the facility agreement dated November 23, 2016 with, among others, Bank of China Limited, Macau Branch, to amend, restate and extend the 2018 Project Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million, which consist of a HK$233.0 million (approximately US$29.9 million) revolving credit facility and a HK$1.0 million (approximately US$128,000) term loan facility, and which has been amended, restated and extended by the 2028 Studio City Senior Secured Credit Facility;
- "2024 Notes" refers to the 7.25% senior notes due 2024 in an aggregate principal amount of US$600,000,000 issued by Studio City Finance on February 11, 2019 and as to which no amount remains outstanding following the redemption of all remaining outstanding amounts in February 2021;
- "2024 Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of the outstanding 2024 Notes, which commenced and settled in January 2021;
- "2025 Notes" refers to the 6.00% senior notes due 2025 in an aggregate principal amount of US$500,000,000 issued by Studio City Finance on July 15, 2020;
- "2027 Notes" refers to the 7.00% senior secured notes due 2027 in an aggregate principal amount of US$350,000,000 issued by Studio City Company on February 16, 2022;
- "2028 Notes" refers to the 6.50% senior notes due 2028 in an aggregate principal amount of US$500,000,000 issued by Studio City Finance on July 15, 2020;
- "2028 Studio City Senior Secured Credit Facility" refers to the facility agreement dated March 15, 2021 with, among others, Bank of China Limited, Macau Branch, to amend, restate and extend the 2021 Studio City Senior Secured Credit Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million, which consist of a HK$233.0 million (approximately US$29.9 million) revolving credit facility and a HK$1.0 million (approximately US$128,000) term loan facility;

- "2029 Notes" refers to the 5.00% senior notes due 2029 in an aggregate principal amount of US$1,100,000,000 issued by Studio City Finance, of which US$750,000,000 was issued on January 14, 2021 (the "First 2029 Notes") and US$350,000,000 was issued on May 20, 2021 (the "Additional 2029 Notes");
- "ADSs" refers to our American depositary shares, each of which represents four Class A ordinary shares;
- "Altira Macau" refers to an integrated resort located in Taipa, Macau;
- "board" and "board of directors" refer to the board of directors of our Company or a duly constituted committee thereof;
- "China" and "PRC" refer to the People's Republic of China, excluding the Hong Kong Special Administrative Region of the PRC (Hong Kong), the Macau Special Administrative Region of the PRC (Macau) and Taiwan from a geographical point of view;
- "City of Dreams" refers to an integrated resort located in Cotai, Macau, which currently features casino areas and four luxury hotels, including a collection of retail brands, a wet stage performance theater (temporarily closed since June 2020) and other entertainment venues;
- "DICJ" refers to the Direcção de Inspecção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau;
- "Greater China" refers to mainland China, Hong Kong and Macau, collectively;
- "HK$" and "H.K. dollar(s)" refer to the legal currency of Hong Kong;
- "Master Service Providers" refer to certain of our affiliates with whom we entered into a master service agreement and a series of work agreements with respect to the non-gaming services at the properties in Macau, and that are also subsidiaries of Melco Resorts, including Melco Crown (COD) Developments Limited (now known as COD Resorts Limited), Altira Developments Limited (now known as Altira Resorts Limited), the Gaming Operator, MPEL Services Limited (now known as Melco Resorts Services Limited), Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Crown Security Services Limited (now known as Melco Resorts Security Services Limited), MCE Travel Limited (now known as Melco Resorts Travel Limited), MCE Transportation Limited and MCE Transportation Two Limited (now known as MCO Transportation Two Limited);
- "MCO Cotai" refers to MCO Cotai Investments Limited (formerly known as MCE Cotai Investments Limited), a subsidiary of Melco Resorts and a shareholder of our Company;
- "Melco International" refers to Melco International Development Limited, a Hong Kong-listed company;
- "Melco Resorts" refers to Melco Resorts & Entertainment Limited, a Cayman Islands company and with its American depositary shares listed on the Nasdaq Global Select Market;
- "Melco Resorts Macau" or the "Gaming Operator" refers to Melco Resorts (Macau) Limited, a company incorporated under the laws of Macau that is a subsidiary of Melco Resorts, the holder of a subconcession under the Subconcession Contract and the operator of Studio City Casino. The equity interest of the Gaming Operator is 90% owned by Melco Resorts and 10% owned by Mr. Lawrence Ho, the managing director of the Gaming Operator;
- "MOP" or "Pataca(s)" refers to the legal currency of Macau;
- "MSC Cotai" refers to our subsidiary, MSC Cotai Limited, which is a company incorporated in the British Virgin Islands with limited liability;
- "New Cotai" refers to New Cotai, LLC, a Delaware limited liability company;
- "Renminbi" and "RMB" refer to the legal currency of the PRC;

- "Studio City" refers to a cinematically-themed integrated resort in Cotai, an area of reclaimed land located between the islands of Taipa and Coloane in Macau;
- "Studio City Casino" refers to the gaming areas being operated within Studio City;
- "Studio City Company" refers to our subsidiary, Studio City Company Limited, which is a company incorporated in the British Virgin Islands with limited liability;
- "Studio City Developments" refers to our subsidiary, Studio City Developments Limited, a Macau company;
- "Studio City Entertainment" refers to our subsidiary, Studio City Entertainment Limited, a Macau company;
- "Studio City Finance" refers to our subsidiary, Studio City Finance Limited, which is a company incorporated in the British Virgin Islands with limited liability;
- "Studio City Hotels" refers to our subsidiary, Studio City Hotels Limited, a Macau company;
- "Studio City Investments" refers to our subsidiary, Studio City Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability;
- "Subconcession Contract" refers to the subconcession contract executed between the Gaming Operator and Wynn Resorts (Macau) S.A., or Wynn Resorts Macau, on September 8, 2006, that provides for the terms and conditions of the subconcession granted to the Gaming Operator by Wynn Resorts Macau;
- "US$" and "U.S. dollar(s)" refer to the legal currency of the United States;
- "U.S. GAAP" refers to the U.S. generally accepted accounting principles; and
- "we," "us," "our," "our Company" and "the Company" refer to Studio City International Holdings Limited and, as the context requires, its predecessor entities and its consolidated subsidiaries.

This annual report on Form 20-F includes our audited consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 and as of December 31, 2021 and 2020.

Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY

“average daily rate” or “ADR”	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day
“cage”	a secure room within a casino with a facility that allows patrons to carry out transactions required to participate in gaming activities, such as exchange of cash for chips and exchange of chips for cash or other chips
“chip”	round token that is used on casino gaming tables in lieu of cash
“concession”	a government grant for the operation of games of fortune and chance in casinos in Macau under an administrative contract pursuant to which a concessionaire, or the entity holding the concession, is authorized to operate games of fortune and chance in casinos in Macau
“dealer”	a casino employee who takes and pays out wagers or otherwise oversees a gaming table
“drop”	the amount of cash to purchase gaming chips and promotional vouchers that is deposited in a gaming table’s drop box, plus gaming chips purchased at the casino cage
“drop box”	a box or container that serves as a repository for cash, chip purchase vouchers, credit markers and forms used to record movements in the chip inventory on each table game
“electronic gaming table”	table with an electronic or computerized wagering and payment system that allow players to place bets from multiple-player gaming seats
“gaming machine”	slot machine and/or electronic gaming table
“gaming machine handle”	the total amount wagered in gaming machines
“gaming machine win rate”	gaming machine win (calculated before non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) expressed as a percentage of gaming machine handle
“gaming promoter”	an individual or corporate entity who, for the purpose of promoting rolling chip and other gaming activities, arranges customer transportation and accommodation, provides credit in its sole discretion if authorized by a gaming operator and arranges food and beverage services and entertainment in exchange for commissions or other compensation from a gaming concessionaire or subconcessionaire
“integrated resort”	a resort which provides customers with a combination of hotel accommodations, casinos or gaming areas, retail and dining facilities, MICE space, entertainment venues and spas
“junket player”	a player sourced by gaming promoters to play in the VIP gaming rooms or areas
“marker”	evidence of indebtedness by a player to the casino or gaming operator
“mass market patron”	a customer who plays in the mass market segment
“mass market segment”	consists of both table games and gaming machines played by mass market players primarily for cash stakes

“mass market table games drop”	the amount of table games drop in the mass market table games segment
“mass market table games hold percentage”	mass market table games win (calculated before discounts, commissions, non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of mass market table games drop
“mass market table games segment”	the mass market segment consisting of mass market patrons who play table games
“MICE”	Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or specific purpose
“net rolling”	net turnover in a non-negotiable chip game
“non-negotiable chip”	promotional casino chip that is not to be exchanged for cash
“non-rolling chip”	chip that can be exchanged for cash, used by mass market patrons to make wagers
“occupancy rate”	the average percentage of available hotel rooms occupied, including complimentary rooms, during a period
“premium direct player”	a rolling chip player who is a direct customer of the concessionaires or subconcessionaires and is attracted to the casino through marketing efforts of the gaming operator
“progressive jackpot”	a jackpot for a gaming machine or table game where the value of the jackpot increases as wagers are made; multiple gaming machines or table games may be linked together to establish one progressive jackpot
“revenue per available room” or “REVPAR”	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy
“rolling chip” or “VIP rolling chip”	non-negotiable chip primarily used by rolling chip patrons to make wagers
“rolling chip patron”	a player who primarily plays on a rolling chip or VIP rolling chip tables and typically plays for higher stakes than mass market gaming patrons
“rolling chip segment”	consists of table games played in private VIP gaming rooms or areas by rolling chip patrons who are either premium direct players or junket players
“rolling chip volume”	the amount of non-negotiable chips wagered and lost by the rolling chip market segment
“rolling chip win rate”	rolling chip table games win (calculated before discounts, commissions, non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of rolling chip volume
“slot machine”	traditional slot or electronic gaming machine operated by a single player
“subconcession”	an agreement for the operation of games of fortune and chance in casinos between the entity holding the concession, or the concessionaire, and a subconcessionaire, pursuant to which the subconcessionaire is authorized to operate games of fortune and chance in casinos in Macau

“table games win”	the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues. Table games win is calculated before discounts, commissions, non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis
“VIP gaming room”	gaming rooms or areas that have restricted access to rolling chip patrons and typically offer more personalized service than the general mass market gaming areas

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, all of which are largely based on our current expectations and projections. The forward-looking statements are contained principally in the sections entitled "Item 3. Key Information — D. Risk Factors," "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects." Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. See "Item 3. Key Information — D. Risk Factors" for a discussion of some risk factors that may affect our business and results of operations. Moreover, because we operate in a heavily regulated and evolving industry where the Macau Legislative Assembly is currently considering a proposal to amend the key gaming legislation, may become highly leveraged and operate in Macau, a market with intense competition, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

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

- our goals and strategies;
- the material impact of the global COVID-19 outbreak on our business, financial results and liquidity, which could worsen and persist for an unknown duration;
- the reduced access to our target markets due to travel restrictions, and the potential long-term impact on customer retention;
- the expected growth of the gaming and leisure market in Macau and visitation in Macau;
- restrictions or conditions on visitation by citizens of the PRC to Macau, including in connection with the COVID-19 outbreak, with respect to which we are unable to predict when all, or any of, such travel restrictions will be eased, or the period of time required for tourism to return to pre-pandemic levels (if at all);
- the impact on the travel and leisure industry from factors such as an outbreak of an infectious disease, such as the COVID-19 outbreak, extreme weather patterns or natural disasters, military conflicts and any future security alerts and/or terrorist attacks or other acts of violence;
- general domestic or global political and economic conditions, including in the PRC and Hong Kong, which may impact levels of travel, leisure and consumer spending;
- our ability to successfully operate Studio City;
- our ability to obtain all required governmental approvals, authorizations and licenses for the remaining project;
- our ability to obtain adequate financing for the remaining project;
- our ability to develop the remaining project in accordance with our business plan, completion time and within budget;
- our compliance with conditions and covenants under the existing and future indebtedness;

- construction cost estimates for the remaining project, including projected variances from budgeted costs;
- our ability to enter into definitive contracts with contractors with sufficient skill, financial strength and relevant experience for the construction of the remaining project;
- laws, rules and regulations which could bar the trading of the American depositary shares of our company in the United States, such as the Holding Foreign Companies Accountable Act and the rules promulgated thereunder;
- capital and credit market volatility;
- our ability to raise additional capital, if and when required;
- increased competition from other casino hotel and resort projects in Macau and elsewhere in Asia, including the concessionaires (SJM, Wynn Resorts Macau and Galaxy) and subconcessionaires (including MGM Grand Paradise, S.A., or MGM Grand, and Venetian Macau Limited, or Venetian Macau) in Macau;
- government policies, laws and regulations relating to the leisure and gaming industry in Macau, including proposed amendments to the gaming law, the extension of current concessions and subconcessions contracts, the tender for new gaming concessions, and the legalization of gaming in other jurisdictions;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau;
- fluctuations in occupancy rates and average daily room rates in Macau;
- the liberalization of travel restrictions on PRC citizens and convertibility of the Renminbi;
- the tightened control of certain cross-border fund transfers from the PRC;
- significantly increased regulatory scrutiny on Macau gaming promoters' operations that has resulted in the cessation of business of many gaming promoters in Macau;
- the completion of infrastructure projects in Macau;
- our ability to retain and increase our customers;
- our ability to offer new services and attractions;
- our future business development, financial condition and results of operations;
- the expected growth, size of and trends in the market in Macau;
- expected changes in our revenues, costs or expenditures;
- our expectations regarding demand for and market acceptance of our brand and business;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- cybersecurity risks including misappropriation of customer information or other breaches of information security;
- our ability to protect our intellectual property rights;
- growth of and trends of competition in the gaming and leisure market in Macau;
- general economic and business conditions globally and in Macau;
- our ability to comply with the New York Stock Exchange's continued listing standards and maintain the listing of our ADSs on the New York Stock Exchange; and
- other factors described under "Item 3. Key Information — D. Risk Factors."

The forward-looking statements made in this annual report on Form 20-F relate only to events or information as of the date on which the statements are made in this annual report on Form 20-F. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report on Form 20-F and the documents that we referenced in this annual report on Form 20-F and have filed as exhibits with the U.S. Securities and Exchange Commission, or the SEC, completely and with the understanding that our actual future results may be materially different from what we expect.

EXCHANGE RATE INFORMATION

Our reporting currency is the U.S. dollar and functional currencies are the U.S. dollar, Hong Kong dollar and Pataca. This annual report on Form 20-F contains translations of certain Pataca, Hong Kong dollar and Renminbi amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations of Hong Kong dollar and Renminbi amounts into U.S. dollars in this annual report on Form 20-F were made at the rates of HK$7.798487 to US$1.00 and RMB6.376006 to US$1.00, respectively.

The H.K. dollar is freely convertible into other currencies (including the U.S. dollar). Since October 17, 1983, the H.K. dollar has been officially linked to the U.S. dollar at the rate of HK$7.80 to US$1.00. The market exchange rate has not deviated materially from the level of HK$7.80 to US$1.00 since the peg was first established. However, in May 2005, the Hong Kong Monetary Authority broadened the trading band from the original rate of HK$7.80 per U.S. dollar to a rate range of HK$7.75 to HK$7.85 per U.S. dollar. The Hong Kong government has stated its intention to maintain the link at that rate and, acting through the Hong Kong Monetary Authority, has a number of means by which it may act to maintain exchange rate stability. However, no assurance can be given that the Hong Kong government will maintain the link at HK$7.75 to HK$7.85 per U.S. dollar or at all.

The Pataca is pegged to the H.K. dollar at a rate of HK$1.00 = MOP1.03. All translations from Patacas to U.S. dollars in this annual report on Form 20-F were made at the exchange rate of MOP8.032451 = US$1.00.

We make no representation that any Pataca, Hong Kong dollar, Renminbi or U.S. dollar amounts referred to in this annual report on Form 20-F could have been, or could be, converted into U.S. dollar, Pataca, Hong Kong dollar, Renminbi, as the case may be, at any particular rate or at all.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [RESERVED]

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

We are a company incorporated under the laws of the Cayman Islands. We conduct our operations in Macau and we do not have any assets or operations in the PRC. We have no variable interest entities in our corporate structure.

We face various legal and operational risks and uncertainties as a company operating in Macau. Actions by the PRC government can also significantly affect our business by, for example, placing limits on the ability of PRC residents to travel or remit currency outside of the PRC. We also face risks associated with the recently proposed amendments to Macau's gaming laws, as well as the lack of inspection from the U.S. Public Company Accounting Oversight Board, or PCAOB, on our auditors.

You should carefully consider all of the information in this annual report before making an investment in the ADSs. The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D. "Risk Factors" in this annual report for a more thorough description of these and other risks.

You should carefully consider the following risk factors in addition to the other information set forth in this annual report. Our business, financial condition and results of operations can be affected materially and adversely by any of the following risk factors.

Risks Relating to Our Business

- Risks relating to the COVID-19 outbreak and other epidemics and pandemics.
- Risks relating to our reliance on the operation of the Studio City Casino under the Services and Rights to Use Arrangements.
- Risks relating to our short operating history.
- Risks relating to our sole operation of Studio City.
- Risks relating to the potential discontinuation of VIP rolling chip operations at Studio City Casino.
- Risks relating to our history of net losses.
- Risks relating to the development of our remaining project for Studio City.
- Risks relating to the inability to generate sufficient cash flow to meet our debt service obligations.
- Risks relating to our compliance with credit facility and debt instruments.
- Risks relating to our current and potential future indebtedness and our need for additional financing.
- Risks relating to depending on the continued efforts or our senior management and retaining qualified personnel.
- Risks relating to failure to comply with anti-corruption laws and anti-money laundering policies.
- Risks relating to failure to protect the integrity and security of data, including customer information.
- Risks relating to being delisted from the New York Stock Exchange if the PCAOB continues to be unable to inspect our independent registered public accounting firm for three years.
- Risks relating to being based in or having all of our operations in Hong Kong and Macau, uncertainties in the legal systems in the PRC, and policies, campaigns and measures adopted by the PRC and/or Macau governments from time to time.
- Risks relating to inadequate insurance coverage.

Risks Relating to Operating in the Gaming Industry in Macau

- Risks relating to the Gaming Operator's Subconcession Contract.

- Risks relating to facing intense competition.
- Risks relating to adverse changes or developments in gaming laws or regulations in Macau.

Risks Relating to Our Relationship with Melco Resorts

- Risks relating to our dependence on our shareholder, Melco Resorts.

Risks Relating to Conducting Business and Operating in Macau

- Risks relating to restrictions on export of Renminbi.

Risks Relating to Our Shares and ADSs

- Risks relating to compliance with the New York Stock Exchange requirements for continued listing.

Risks Relating to Our Business

The COVID-19 outbreak has had, and will likely continue to have, an adverse effect on our operations, which has negatively affected and may continue to materially impact our business, prospects, financial condition and results of operations.

In December 2019, an outbreak of COVID-19 was identified and has since spread around the world. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Many governments around the world have implemented a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses. Since the beginning of the COVID-19 outbreak, variants of the coronavirus such as Delta and Omicron have emerged and caused widespread global outbreaks due to their increased transmissibility and/or ability to cause more severe disease. The COVID-19 outbreak has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets.

As a result of the COVID-19 outbreak, the PRC government suspended the issuance of group and individual travel visas from the PRC to Macau and the Hong Kong SAR government suspended all ferry and helicopter services between Hong Kong and Macau in February 2020. In addition, the Macau government required all casinos in Macau to be closed for a 15-day period in February 2020. Upon resumption of operations in February 2020, casinos in Macau were required to implement health-related precautionary measures, including temperature checks, mask protection, health declarations and requirements that gaming patrons be stopped from congregating together, that limits are imposed on the number of players and spectators at tables, that gaming patrons be prohibited from sitting in adjacent seats at gaming tables and that gaming patrons and casino employees maintain minimum physical distances.

While some quarantine-free travel, subject to COVID-19 safeguards such as testing and the usual visa requirements, was reintroduced between Macau and an increasing number of areas and cities within the PRC in progressive phases from June 2020, our operations have been impacted by periodic travel restrictions and quarantine requirements being imposed by the governments of Macau, Hong Kong and the PRC in response to various outbreaks and also due to the PRC's "dynamic zero" policy. The appearance of COVID-19 cases in Macau in early August 2021 and late September 2021 led to city-wide mandatory testing, mandatory closure of most entertainment and leisure venues (casinos and gaming areas excluded), and strict travel restrictions and requirements being implemented to enter and exit Macau. Since October 19, 2021, authorities have eased pandemic prevention measures such that travelers are no longer required to undergo a 14 day quarantine on arrival in Zhuhai (which borders Macau in mainland China), and the validity of nucleic acid tests to enter Zhuhai was extended from 24 hours to 7 days. The validity of nucleic acid tests to enter Macau and quarantine

requirements upon entry to Macau vary from time to time and is currently set at 24 hours for entry from Zhuhai. Health-related precautionary measures remain in place and non-resident individuals who are not residents of Taiwan, Hong Kong, or the PRC continue to be unable to enter Macau, except if they have been in Hong Kong or the PRC in the preceding 21 days and are eligible for an exemption application.

According to the DSEC, visitor arrivals to Macau increased by 30.7% on a year-over-year basis in 2021 as compared to 2020 while, according to the DICJ, gross gaming revenues in Macau rose by 43.7% on a year-over-year basis in 2021. However, visitor arrivals in 2021 were still 80.4% lower than in 2019, and gross gaming revenues in 2021 were still 70.3% lower than in 2019.

The COVID-19 outbreak has also caused severe disruptions to the businesses of our tenants and other business partners, which may increase the risk of them defaulting on their contractual obligations with us, which may adversely affect our business, financial condition and results of operations, including causing increases in our bad debts.

As the impact from the COVID-19 outbreak is ongoing, the pace of recovery from COVID-19 will depend on future events, including the duration of travel and visa restrictions, the pace of vaccination progress, development of new medicines for COVID-19, the impact of potentially higher unemployment rates, declines in income levels, and loss of personal wealth resulting from the COVID-19 outbreak, and remains highly uncertain. While COVID-19 vaccines have been approved and administered in various countries, the continued production, distribution and administration of any such vaccines on a widespread basis may take a significant amount of time, and there can be no assurances as to the long-term safety and efficacy of such vaccines or if the current vaccines will be effective against new strains of the coronavirus that causes COVID-19. Moreover, even if the COVID-19 outbreak subsides, there is no guarantee that travel and consumer sentiment will rebound quickly or at all.

The disruptions to our business caused by the COVID-19 outbreak have had an adverse effect on our operations. As such disruptions are ongoing, they could materially impact our business, prospects, financial condition and results of operations.

Because neither we nor any of our subsidiaries hold a gaming license in Macau, Studio City Casino is operated by the Gaming Operator through the Services and Right to Use Arrangements under the Gaming Operator's subconcession. Changes in Macau's gaming law or the requirements applicable to a new concession granted to the Gaming Operator by the Macau government could necessitate amendments to or the termination of the Services and Right to Use Arrangements, which may have a material adverse effect on the operation of Studio City Casino.

The Gaming Operator and our subsidiary, Studio City Entertainment, have entered into the Services and Right to Use Arrangements under which the Gaming Operator has agreed to operate Studio City Casino since we do not hold a gaming license in Macau. Under such arrangements, the Gaming Operator deducts gaming taxes and the costs incurred in connection with its on-going operations from Studio City Casino's gross gaming revenues. We receive the residual amount and recognize such residual amount as revenue from provision of gaming related services.

The Services and Right to Use Arrangements were approved by the Macau government and are subject to the satisfaction of certain conditions imposed by the Macau government on the Gaming Operator and us in connection with granting its approval. Such conditions include but are not limited to Studio City Entertainment being subject to Macau government supervision applicable to gaming concessionaires and subconcessionaires. As a substantial part of our revenues and cash flows are generated from the Gaming Operator's operation of Studio City Casino, any failure by the Gaming Operator to comply with any statutory, contractual or any other duties imposed on it as a subconcessionaire, or any failure by the Gaming Operator or us to comply with its or our respective obligations under the Services and Right to Use Arrangements, including but not limited to any conditions imposed by the Macau government in granting its approval for our entry into the Services and Right to

Use Arrangements, may result in the approval for the Services and Right to Use Arrangements being revoked by the Macau government and consequently an inability to receive any amounts thereunder or provide any gaming facilities at Studio City and may have a material adverse effect on the operation of Studio City Casino including its suspension or cessation, and may cause the suspension or termination of the Gaming Operator's subconcession.

In January 2022, the Macau government put forth a proposed law amending the gaming law for approval by the Macau Legislative Assembly. Such proposed law is under review and a revised proposed law amending the gaming law is expected to be put forth by the Macau government for final approval by the Macau Legislative Assembly in April 2022. In accordance to the proposed law, initially put forth by the Macau Government after a transition period of three years, gaming activities must be operated by a concessionaire within premises owned by the gaming concessionaire or premises leased or otherwise granted a right to use by the Macau government. Premises owned by a gaming concessionare are to revert to the Macau government without compensation upon the concession expiration or earlier termination. At present, we, and not the Gaming Operator, own the premises of Studio City Casino. In order to comply with the requirements of the proposed law, if enacted under its currently proposed terms, in order for the gaming business to continue at the Studio City Casino, we would be required to transfer the Studio City Casino premises to the Gaming Operator. For that purpose, we would need to seek an amendment to the terms of the Studio City land grant as well as comply with and complete various other administrative procedures which are subject to Macau government's consents, approvals and authorizations. We will be required to comply with the requirements of the proposed law once those requirements are enacted as law and become effective. Under the proposed law, the status of the existing services agreements or the arrangements implemented in such agreements after the three-year transition period is unclear. There is a risk that, after the three-year transition period, the existing services arrangements may terminate, be required to be amended or replaced to comply with the amended gaming law or other applicable regulations. As a result, if the Services and Right to Use Arrangements terminates, we may not be able to enter into a new services agreement. In addition, any amended or replaced terms of the Services and Right to Use Arrangements required to comply with any amendments to the applicable law may not be comparable to our current arrangements and may not be, totally or partially, acceptable to us. Even if these provisions of the proposed law are not adopted, upon the award of new concessions, the Macau government approval for the Services and Rights to Use Arrangements may be revoked and we may not be able to enter into an arrangement for the operation of Studio City Casino on comparable terms or terms that are acceptable to us or at all.

If the Gaming Operator's subconcession terminates and the Gaming Operator is not awarded a new concession, the Gaming Operator will discontinue operating the Studio City Casino and the Services and Right to Use Arrangements will terminate and we may not be able to enter into an arrangement for the operation of Studio City Casino with another concessionaire on terms that are comparable or acceptable to us or at all, and the casino and gaming equipment operated by the Gaming Operator under its subconcession will revert to the Macau government without compensation.

Furthermore, the Gaming Operator has exclusive access to the customer database of the gaming operations at Studio City Casino and in the event of termination of the arrangement under the Services and Right to Use Arrangements, we may not be able to gain access to such database.

Any material dispute with the Gaming Operator or any failure by the Gaming Operator to comply with its obligations under its subconcession or under a new concession, including in relation to ownership of premises, or by the Gaming Operator or us to comply with its or our respective obligations under, or any termination of, the Services and Right to Use Arrangements, including but not limited to any conditions imposed by the Macau government in granting its approval for our entry into the Services and Right to Use Arrangements, may have a material adverse effect on the operation of Studio City Casino and in turn affect our financial condition and results of operations and may also result in a default under the terms of our existing and/or future indebtedness obligations and other agreements.

We have a short operating history compared to many of our competitors and are therefore subject to significant risks and uncertainties. Our short operating history may not be indicative of our future operating results and prospects.

We have a short business operating history compared to many of our competitors, and there is limited historical information available about us upon which you can base your evaluation of our business and prospects. Studio City commenced operations in October 2015. As a result, you should consider our business and prospects in light of the risks, expenses, uncertainties and challenges that we may face given our short operating history in the intensely competitive market of the gaming business. The historical performance at the other casinos operated by the Gaming Operator should not be taken as an indication of Studio City Casino's future performance or the performance of our remaining project once it commences operations.

We may encounter risks and difficulties frequently experienced by companies with early stage operations, and those risks and difficulties may be heightened by challenging market conditions of the gaming business in Macau and other challenges our business faces. Certain of these risks relate to our ability to:

- operate, support, expand and develop our operations and our facilities;
- respond to economic uncertainties, including the social and economic disruptions caused by the coronavirus (COVID-19) pandemic;
- respond to competitive market conditions;
- fulfill conditions precedent to draw down or roll over funds from current and future credit facilities;
- comply with covenants under our existing and future debt issuances and credit facilities;
- respond to changing financial requirements and raise additional capital, as required;
- complete the development of our remaining project for Studio City on time and in compliance with the conditions under the relevant land concession contract;
- obtain the necessary authorizations, approvals and licenses from the relevant governmental authorities for the development of our remaining project for Studio City;
- attract and retain customers and qualified staff;
- maintain effective control of our operating costs and expenses;
- maintain internal personnel, systems, controls and procedures to assure compliance with the extensive regulatory requirements applicable to our business as well as regulatory compliance as a public company; and
- assure compliance with, and respond to changes in, the regulatory environment and government policies.

If we are unable to successfully manage one or more of such risks, we may be unable to operate our businesses in the manner we contemplate and generate revenues in the amounts and at the rate we anticipate. If any of these events were to occur, it may have a material adverse effect on our business, prospects, financial condition, results of operation and cash flows.

We rely on services provided by subsidiaries of Melco Resorts, including hiring and training of personnel for Studio City.

According to the Services and Right to Use Arrangements, the Gaming Operator, a subsidiary of Melco Resorts, is responsible for the operation of the Studio City Casino facilities, including hiring, employing, training and supervising casino personnel. The Gaming Operator deducts gaming taxes and the costs incurred in connection with its on-going operations, including staff costs from Studio City Casino's gross gaming revenues. We expect the Gaming Operator to continue managing all recruitment and training-related matters for staff that have been deployed at Studio City Casino.

In addition, under the Management and Shared Services Arrangements, we receive certain services from certain members of the Melco Resorts group. We rely on the Master Service Providers to recruit, allocate, train, manage and supervise a substantial majority of the staff who are all solely dedicated to our property to perform our corporate and administrative functions and carry out other non-gaming activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities, among others. In addition, pursuant to the Management and Shared Services Arrangements, certain shared services staff including certain senior management from the Master Service Providers are not solely dedicated to our property and may not devote all of their time and attention to the operation of Studio City. These shared services staff work for other properties owned by Melco Resorts, which may directly and indirectly compete with us. Any expansion of the business of Melco Resorts, whether effectuated through the Gaming Operator or other companies, could divert the attention and time of these shared services staff from the operations of Studio City and adversely affect us.

If the Gaming Operator or the Master Service Providers are unable to attract and retain a sufficient number of qualified staff or to provide satisfactory services to us or the costs of qualified staff increase significantly, our business, financial condition and results of operations could be materially and adversely affected.

The costs associated with the Services and Right to Use Arrangements and the Management and Shared Services Arrangements may not be indicative of the actual costs we could have incurred as an independent company.

Under the Services and Right to Use Arrangements, the Gaming Operator deducts gaming taxes and the costs of operation of Studio City Casino. We receive the residual gross gaming revenues and recognize these amounts as our revenues from provision of gaming related services.

Under the Management and Shared Services Arrangements, certain of our corporate and administrative functions as well as operational activities are administered by staff employed by certain subsidiaries of Melco Resorts, including senior management services, centralized corporate functions and operational and venue support services. Payment arrangements for the services are provided for in the individual work agreements and may vary depending on the services provided. Corporate services are charged at pre-negotiated rates, subject to a base fee and cap. Senior management service fees and staff costs on operational services are allocated to us based on percentages of efforts on the services provided to us. Other costs in relation to shared office equipment are allocated based on a percentage of usage.

We believe the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the consolidated financial statements reflect our cost of doing business. However, such allocations may not be indicative of the actual expenses we would have incurred had we operated as an independent company.

We face concentration risk in relation to our sole operation of Studio City.

We are dependent upon the operation of Studio City to generate our revenue and cash flows. Given that our operations are conducted only at Studio City in Macau, we are subject to greater risks than a company with several operating properties in several markets. These risks include, but are not limited to:

- changes in Macau governmental laws and regulations, including gaming laws and regulations, or interpretations thereof, as well as PRC travel and visa policies;
- dependence on the gaming, tourism and leisure market in Macau;
- limited diversification of our business and sources of revenue;
- a decline in air, land or ferry passenger traffic to Macau from the PRC or other areas or countries due to higher ticket costs, fears concerning travel, travel restrictions or otherwise, including as a result of the

outbreak of widespread health epidemics or pandemics, such as the outbreak of COVID-19, or any social unrest in Hong Kong;

- a decline in economic and political conditions in Macau, the PRC or Asia, or an increase in competition within the gaming industry in Macau or generally in Asia;
- inaccessibility to Macau due to inclement weather, road construction or closure of primary access routes;
- austerity measures imposed now or in the future by the governments in the PRC or other countries in Asia;
- tightened control of cross-border fund transfers, foreign exchange and/or anti-money laundering regulations or policies effected by the PRC or Macau governments;
- any enforcement or legal measures taken by the PRC government to deter gaming activities and/or marketing thereof;
- lower than expected rate of increase or decrease in the number of visitors to Macau;
- natural and other disasters, including typhoons, outbreaks of infectious diseases, terrorism or violent criminal activities, affecting Macau;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau market;
- government restrictions on growth of gaming markets, including policies on gaming table allocation and caps; and
- a decrease in gaming activities and other spending at Studio City Casino.

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

Furthermore, Macau is a limited gaming concession market nearing its land capacity for the development of integrated resorts and there are no opportunities to expand our operations.

The Gaming Operator will continue the operation of VIP rolling chip tables at the Studio City Casino until December 31, 2022, subject to early termination with 30 days' prior notice by either Studio City or the Gaming Operator. Any discontinuation of such VIP rolling chip operations may materially and adversely affect our financial condition and results of operations.

VIP rolling chip operations were introduced at Studio City Casino in early November 2016. Such VIP rolling chip operations are operated by the Gaming Operator under the Services and Right to Use Arrangements. The VIP tables used in such operations were initially allocated by the Macau government for operation by the Gaming Operator at gaming areas of the Gaming Operator's other properties in Macau. In December 2021, the Gaming Operator agreed to extend the VIP rolling chip operations at Studio City Casino to December 31, 2022. Such VIP rolling chip operations are subject to early termination with 30 days' prior notice by either Studio City Entertainment or the Gaming Operator.

The 250 mass market gaming tables permitted to be operated at the Studio City Casino by the Gaming Operator are designated for mass market purposes only and there is no assurance or expectation that such tables may be operated as VIP rolling chip tables in the future as the Macau government does not currently allow for tables authorized for mass market gaming operations to be utilized for VIP gaming operations. Amounts received from the Studio City Casino VIP gaming operations, as determined under the Services and Right to Use Arrangements, amounted to negative US$15.2 million, negative US$16.7 million and US$20.0 million in 2021, 2020 and 2019, respectively.

While we expect our business strategy going forward to continue to focus on cultivating further growth in the premium mass and mass market segments at the Studio City Casino and enhancing our differentiated non-gaming amenities to complement our gaming operations, any discontinuation of the VIP rolling chip operations at Studio City Casino may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Studio City Casino's VIP rolling chip operations, while they continue, may cause volatility in our financial condition and results of operations due to changes in the economic and regulatory environments and Studio City Casino's ability to attract and retain VIP rolling chip players.

Studio City Casino has and, to the extent VIP rolling chip operations continue, is expected to incur costs associated with the VIP rolling chip operations, while the expected revenues to be generated from the VIP rolling chip operations may be volatile primarily due to high bets and the resulting high winnings and losses. Gross win per VIP table per day were approximately US$2,400, US$3,700 and US$21,000 in 2021, 2020 and 2019, respectively. VIP rolling chip operations are also more vulnerable to changes in the economic environment and therefore inherently more volatile than mass market operations. For example, according to statistics compiled from the DICJ, VIP rolling chip gross gaming revenues declined in Macau from 2015 to 2016 and again from 2018 to 2019 and in 2021, while mass market gross gaming revenues increased during the same periods. Moreover, VIP rolling chip operations may involve commissions to gaming promoters and, as a result, the margins associated with VIP rolling chip operations are usually lower than the margins for the mass market operations and may be volatile from period to period due to significant variances in winnings and losses. As a result, Studio City Casino's business, results of operations and cash flows may become more volatile, while VIP rolling chip operations continue, compared to that of other casinos with only mass market gaming operations.

Further, the VIP rolling chip players pool is limited and we cannot assure you that the existing VIP rolling chip players at Studio City Casino will be recurring players. If Studio City Casino loses its existing VIP rolling chip players or fails to attract new VIP rolling chip players while VIP rolling chip operations are ongoing, our revenues and cash flows from the provision of gaming-related services could be materially and adversely affected. In addition, the VIP rolling chip segment may be particularly susceptible to certain changes in government policies, regulations and enforcement actions. For instance, the anti-corruption campaign of the PRC government has had a negative effect on the VIP rolling chip segment in Macau. In addition, in November 2021, the Court of Final Appeal in Macau issued a final unappealable decision that a gaming operator is jointly liable with a gaming promoter for the refund of funds deposited with such gaming promoter and the Macau authorities arrested executives from a gaming promoter for alleged illegal overseas gaming related activities. In January 2022, the Macau authorities also arrested an executive from another gaming promoter and certain related individuals. Any further changes in government policies, regulations and enforcement actions may negatively affect the numbers of VIP rolling chip players in Macau and in turn, may materially and adversely affect our business.

We have a history of net losses and may not achieve profitability in the future.

Studio City may not be financially successful or generate the cash flows that we anticipate. We generated net income attributable to Studio City International Holdings Limited of US$33.6 million for the year ended December 31, 2019 while we had net losses attributable to Studio City International Holdings Limited of US$252.6 million, US$321.6 million, US$21.6 million, US$76.4 million and US$242.8 million for the years ended December 31, 2021, 2020, 2018, 2017 and 2016, respectively, primarily because of the impact of the COVID-19 outbreak in the case of the years ended December 31, 2021 and 2020 and also due to Studio City having commenced operations only in October 2015 and was ramping up operations. In addition, we incurred negative operating cash flows of US$136.8 million, US$167.4 million and US$113.1 million in 2021, 2020 and 2015, respectively.

We expect our costs and expenses to increase in absolute amounts due to (i) the continued expansion of our operations, which will cause us to incur increased costs and expenses associated with the operation of our businesses; and (ii) the continued development of our remaining project.

We also expect that we will continue to incur significant capital expenditures as we continue to expand our existing operations and develop our remaining project. These efforts may be more costly than we expect and our revenue may not increase sufficiently to offset these expenses. We may continue to take actions and make investments that do not generate optimal short-term financial results and may even result in increased operating losses in the short term with no assurance that we will eventually achieve the intended long-term benefits or profitability. These factors may adversely affect our ability to achieve profitability and service debt obligations and interest payments under any of our existing or future financing facilities.

We have a substantial amount of existing indebtedness and may incur additional indebtedness, which could have significant effects on our business and future operations.

We have a substantial amount of existing indebtedness. As of December 31, 2021, we had total principal amount of outstanding indebtedness of approximately US$2.10 billion, representing the outstanding principal balances of our existing notes and credit facility. See “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness.” Significant interest and principal payments are required to meet our obligations under the existing indebtedness. This substantial indebtedness could have important consequences for you and significant effects on our business and future operations. For example:

- if Studio City is not operating with certain minimum requirements as specified in the 2028 Studio City Senior Secured Credit Facility, or if we fail to meet our payment obligations or otherwise default under the agreements governing our existing indebtedness, including due to any termination or any substantial or adverse amendment of the terms of the Services and Right to Use Arrangements, the applicable lenders or note holders under our indebtedness will have the right to accelerate such indebtedness and exercise other rights and remedies against us;
- we may be limited in our ability to obtain additional financing, if needed, to fund our working capital requirements, capital expenditures, debt service, general corporate or other obligations, including our obligations with respect to the existing indebtedness;
- we are required to use all or a substantial portion of our cash flow from operations of Studio City to service our indebtedness, which will reduce the available cash flow to fund our operations, capital expenditures and other general corporate purposes;
- we may be limited in our ability to respond to changing business and economic conditions, including regulatory changes, and to withstand competitive pressures, which may affect our financial condition;
- under certain existing indebtedness, the interest rates we pay in respect of the indebtedness which we are not required to hedge will fluctuate with the current market rates and, accordingly, our interest expense will increase if market interest rates increase;
- we may be placed at a competitive disadvantage to our competitors who are not as highly leveraged; and
- in the event that we or one of our subsidiaries were to default, it may result in the loss of all or a substantial portion of our and/or our subsidiaries’ assets over which our creditors have taken or will take security.

Under the terms of the indentures governing our existing indebtedness, we will be permitted to incur additional indebtedness if certain conditions are met, some of which may be senior secured indebtedness. If we incur additional indebtedness, certain risks described above will be exacerbated.

If we are unable to comply with our existing and/or future indebtedness obligations and other agreements, including due to any termination or any substantial or adverse amendment to the terms of the

Services and Right to Use Arrangements, there could be a default under those agreements. If that occurs, lenders could terminate their respective commitments to lend to us or terminate their respective agreements, and holders of our debt securities could accelerate repayment of debt and declare all outstanding amounts due and payable, as the case may be. Furthermore, existing agreements governing our indebtedness contain, and future agreements governing our indebtedness are likely to contain, cross-acceleration or cross-default provisions. As a result, our default under any such agreement may cause the acceleration of repayment of other indebtedness or result in a default under agreements governing our other indebtedness. If any of these events occur, our assets and cash flows may not be sufficient to repay in full all of our indebtedness and we may not be able to find alternative financing. Even if we are able to obtain alternative financing, it may not be on terms that are comparable or acceptable to us.

Certain covenants under our agreements governing our existing indebtedness restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.

Certain covenants under our agreements governing our existing indebtedness impose operating and financial restrictions on us. The restrictions that are imposed under these debt instruments include, among other things, limitations on our ability to do some or all of the following:

- pay dividends or distributions on account of our equity interests;
- make specified restricted payments;
- incur additional debt;
- engage in other businesses or make investments;
- create liens on assets;
- enter into transactions with affiliates;
- merge or consolidate with another company;
- transfer and sell assets;
- issue preferred stock;
- create dividend and other payment restrictions affecting subsidiaries; and
- designate restricted and unrestricted subsidiaries.

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

As a result of these covenants and restrictions, we will be limited in how we conduct our business, and we may be unable to raise additional financing to compete effectively or to take advantage of new business opportunities. Future indebtedness or other contracts could contain financial or other covenants more restrictive than those contained in the agreements governing the existing indebtedness. In addition, general economic conditions, industry conditions and other events beyond our control may also affect our ability to comply with these provisions. If we fail to abide by such covenants, we may be unable to maintain our current financing arrangements, obtain suitable future financings or avoid an event of default which may adversely impact our cash flows, existing operations and future development.

We generate a portion of our revenues from, and are subject to risks in operating, non-gaming offerings.

We generate a portion of our revenues from non-gaming offerings and our financial performance in part depends on our ability to attract new and repeat customers to the non-gaming facilities at Studio City. Both

visitation and the level of spending at our themed attractions, hotel, retail shops, restaurants and other leisure and entertainment facilities are key drivers of revenues and profitability, and reductions in either could have a material adverse effect on our business, prospects, results of operations and cash flows. In addition, any cessation of the operation of VIP tables by the Gaming Operator at Studio City Casino, or any reduction in such operation, could have a material adverse effect on visitation and the level of spending at our leisure and entertainment facilities as rolling chip patrons have become increasingly significant growth drivers for our high-end retail and fine-dining offerings. We do not have a long track record in operating these non-gaming facilities and may not be able to attract new and recurring customers to our non-gaming facilities at Studio City. Our success in non-gaming offerings depends on, among others, the effectiveness of our advertising and marketing initiatives, the attractiveness and safety of our entertainment facilities as compared to other resorts in Macau, the compliance with legal and regulatory requirements for our retail, entertainment and food and beverage outlets and our continued cooperation with the popular retail brands and restaurants. Moreover, many of our attractions which draw in large numbers of visitors, such as the Golden Reel may become obsolete in terms of technology or otherwise fail to continue to attract sufficient number of visitors. We cannot assure you that we will be financially successful in our non-gaming offerings or be able to maintain the average daily rate, occupancy rate and REVPAR of Studio City hotel or visitation to Studio City in general, which may adversely affect our ability to generate the cash flows that we anticipate and impact our operations and financial condition.

Studio City Casino's gaming operations could be impacted by the reputation and integrity of the parties engaged in business activities at Studio City Casino and we cannot assure you that these parties will always maintain high standards of conduct or suitability throughout the term of Studio City Casino's association with them. Failure to do so may potentially cause the Gaming Operator, us and our shareholders to suffer harm to our and our shareholders' reputation, as well as impaired relationships with, and possibly sanctions from, gaming regulators.

The reputation and integrity of the parties who are or will be engaged in gaming activities at Studio City Casino are important to the continued operations of the casino in compliance with Gaming Operator's subconcession and our own reputation. For parties that engage in gaming related activities, where relevant, the gaming regulators are expected to undertake their own probity checks and will reach their own suitability findings in respect of the activities and parties with which Studio City Casino may be associated. In addition, we conduct, and we expect that the Gaming Operator will conduct, an internal due diligence and evaluation process prior to the engagement of such parties. However, notwithstanding such regulatory probity checks, the Gaming Operator's due diligence and our own due diligence, we cannot assure you that the parties with whom Studio City Casino is or will be associated will always maintain the high standards that gaming regulators, the Gaming Operator and we require or that such parties will maintain their suitability throughout the term of Studio City Casino's association with them. If Studio City Casino were to be associated with any party whose probity was in doubt, this may reflect negatively on the Gaming Operator and our own probity when assessed by gaming regulators. A party associated with Studio City Casino may fall below the gaming regulators' suitability standards.

In particular, the reputation of the gaming promoters that may operate in Studio City Casino from time to time is important to the Gaming Operator's ability to continue to operate in compliance with its subconcession and our own reputation. While we endeavor, and we expect that the Gaming Operator also endeavors, to ensure high standards of probity and integrity in any such gaming promoters, we cannot assure you that such gaming promoters will always maintain such high standards. In addition, if the probity of any gaming promoter associated with Studio City Casino was in doubt or such promoter failed to operate in compliance with Macau laws consistently, this may be considered by regulators or investors to reflect negatively on the Gaming Operator's and on our own probity and compliance records. Such a gaming promoter may fall below the Gaming Operator's or our standards of probity, integrity and legal compliance. There can also be no assurance that any allegation against, or negative publicity relating to, the gaming promoters operating in Studio City Casino from time to time or the Gaming Operator's or our standards of probity, integrity and legal compliance will not have a material adverse impact on our reputation and business operations.

If any of the above were to occur, we, the Gaming Operator and our shareholders may suffer harm to our, the Gaming Operator's and our shareholders' reputation, as well as impaired relationships with, and possibly sanctions from, gaming regulators with authority over operations.

We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by December 27, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land.

Land concessions in Macau are issued by the Macau government and generally have terms of 25 years and are renewable for further consecutive periods of ten years. Land concessions further stipulate a period within which the development of the land must be completed. The land on which Studio City is located must be fully developed by December 27, 2022.

While we opened Studio City in October 2015, development for the remaining land of Studio City is still ongoing. Although we have already made significant capital investments for the development for the remaining land of Studio City, we expect to require significant additional capital investments to complete the development. As of December 31, 2021, we had incurred approximately US$721.5 million aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning and construction costs. Based on our current plan for the remaining project, we currently expect a project budget of approximately US$1.2 billion for the development of the remaining project (exclusive of any pre-opening costs and financing costs). Such development for the remaining project of Studio City may be funded through various sources, including cash on hand, operating free cash flow as well as debt and/or equity financing. Our ability to obtain any debt financing also depends on a number of factors beyond our control, including market volatility and a contraction of liquidity in the global credit markets caused by the global COVID-19 outbreak and investors' and lenders' perceptions of, and demand for the debt financing for the remaining project of Studio City. The recent sell-off in Chinese property bonds has negatively impacted the market for high yield bonds of issuers in other sectors connected with the PRC, including those issued by Macau gaming operators. There is no guarantee that we can secure the necessary additional capital investments, including any debt or equity financing, required for the development of the remaining project at Studio City in a timely manner or at all.

There is also no guarantee that we will complete the development of the remaining land of Studio City by the deadline, including due to, among others, any disruptions from the COVID-19 outbreak, worldwide supply chain disruption and constraints or inclement weather, among other factors. Any further extension of the development period for the remaining project at Studio City is subject to Macau government review and approval at its discretion. While the Macau government may grant extensions if we meet certain legal requirements, there can be no assurance that the Macau government will grant us any further extension of the development period or not exercise its rights to terminate the Studio City land concession. In the event that no further extension is granted or the Studio City land concession is terminated, we could lose all or substantially all of our investment in Studio City, including our interest in the land and building and may not be able to continue to operate Studio City as planned, which will materially and adversely affect our business and prospects, results of operations and financial condition.

We may be required to amend the terms of the land concession for Studio City and complete certain procedures to comply with the terms of the proposed amended gaming law. In the event we are unable to complete such procedures on time or at all, this may have material adverse effect on the operation of Studio City Casino, including its suspension or cessation of operation, which will materially and adversely affect our business, our operations and our financial condition.

In January 2022, the Macau government put forth a proposed law amending the gaming law for approval by the Macau Legislative Assembly. Such proposed law is under review and a revised proposed law

amending the gaming law is expected to be put forth by the Macau government for final approval by the Macau Legislative Assembly in April 2022. Under the proposed law initially put forth by the Macau Government, it is contemplated that after a transition period of three years, gaming activities must be operated by a concessionaire within premises owned by the gaming concessionaire or premises leased or otherwise granted a right to use by the Macau government or such premises will revert to the Macau government without compensation upon the concession expiration or earlier termination. At present, we, and not the Gaming Operator, own the premises of Studio City Casino. In order to comply with the requirements of the proposed law, if enacted under its currently proposed terms, in order for the gaming business to continue at the Studio City Casino, we would be required to transfer the Studio City Casino premises to the Gaming Operator. For that purpose, we may need to seek an amendment to the terms of the Studio City land grant as well as comply with and complete various other administrative procedures which are subject to Macau government's consents, approvals and authorizations. If the proposed law is adopted in its current form and we are unable to obtain all consents, approvals and/or authorizations from the Macau government and complete the necessary procedures within the three year transition period, or at all, it could have a material adverse effect on the operation of the Studio City Casino, including suspension or cessation of operations, which will materially and adversely affect our business and prospects, results of operations and financial condition.

Future development of the remaining project is subject to significant risks and uncertainties.

Under our current plan for the remaining project, the remaining project is expected to consist of two hotel towers with a total of approximately 900 rooms and suites and a gaming area. In addition, we currently envision the remaining project to also contain a waterpark with indoor and outdoor areas. Other attractions expected to be part of the remaining project include MICE space, retail and food and beverage outlets and a cineplex.

The development and construction risks of the remaining project at Studio City include:

- failure or delay in obtaining the necessary permits, authorizations, approvals and licenses from the relevant governmental authorities, including for any further extension of the development period;
- lack of sufficient, or delays in availability of, financing;
- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to leisure, real estate development or construction projects;
- costs in relation to compliance with environmental rules and regulations in our development plans;
- disruptions to key supply markets, including shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation, including any disruptions resulting from the COVID-19 outbreak;
- labor disputes or work stoppages;
- shortage of qualified contractors and suppliers or inability to enter into definitive contracts with contractors with sufficient skills, financial resources and experience on commercially reasonable terms, or at all;
- disputes with and defaults by or between suppliers, contractors and subcontractors and other counter-parties;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread or outbreak of infectious diseases, such as the ongoing COVID-19 outbreak;
- fires, typhoons and other natural disasters, including weather interferences or delays; and
- other unanticipated circumstances or cost increases.

We are currently developing the remaining project. However, there is no assurance that our expected development plan will be successful and that we will be able to secure commercial terms favorable to us from our potential business or financing sources. In addition, we expect that our capital expenditures and depreciation and amortization expenses will increase as we continue to develop our remaining project. As of December 31, 2021, we incurred approximately US$721.5 million of aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning costs and construction costs. Based on our current plan for the remaining project, we currently expect a project budget of approximately US$1.2 billion for the development of the remaining project (exclusive of any pre-opening costs and financing costs). As we obtain additional debt and/or equity financing, our leverage may intensify, our financing-related costs may increase and your equity interest in us may be diluted, as the case may be. Furthermore, there is no guarantee that we may be able to respond adequately to competitive or unfavorable market conditions to successfully operate and capitalize on our investment in the remaining project when it commences operations.

The occurrence of any of these developments or construction risks could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of the remaining project at Studio City. In addition, we cannot guarantee that our construction costs or total project costs for the remaining project at Studio City will not increase above our budget. Any extension of the development period of the remaining project for Studio City is subject to Macau government review and approval at its discretion. Any failure to complete the remaining project on time or within our budget could have a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

We may not be able to obtain adequate financing on satisfactory terms for our existing business and/or remaining project, or at all.

In the past, we have funded our capital investment projects primarily through credit facilities, issuance of debt securities and other debt and equity financings. We will require additional funding in the future for the expansion of our current business and/or development of our remaining project, which may be substantial and which we may raise through a combination of credit, debt and equity financings. We may be required to seek the approval or consent of or notify the relevant government authorities or third parties in order to obtain such financings. We cannot assure you that we would be able to obtain such required approval or consent from the relevant government authorities or third parties with respect to such financing in a timely manner or at all.

Any financing related to the remaining project at Studio City will also be subject to, among others, the terms of our existing and any future financings. In addition, our ability to obtain credit, debt or equity financing on acceptable terms depends on a variety of factors that are beyond our control, including market conditions such as the economic disruptions caused by the effect of the large-scale global COVID-19 outbreak, investors' and lenders' perceptions of, and demand for, bond, bank and equity securities of gaming companies and interest rates. For example, changes in ratings outlooks may subject us to ratings agency downgrades, which could make it more difficult for us to obtain financing on acceptable terms. Moody's revised the outlook for Studio City Finance to negative in May 2020. S&P placed Studio City Company on credit watch negative in February 2020, revised the outlook to negative in September 2020 and subsequently downgraded Studio City Company to B+ in October 2021.

As a result, we cannot assure you that we will be able to obtain sufficient funding on terms satisfactory to us, or at all, to finance our existing business and/or remaining project. If we are unable to obtain such funding, our business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected. We may, from time to time, seek to obtain new financings or refinance our outstanding debt through the international markets. Any such financing or refinancing, and our evaluation thereof, will depend on the prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Our results of operations are subject to seasonality and other fluctuations.

We are subject to seasonality and other fluctuations in our business. Our revenue is also largely affected by promotional and marketing activities and revenue may increase as a result of these activities. Launch of new promotions or the timing of such promotions may further cause our quarterly results to fluctuate and differ from historical patterns. Our results of operations will likely fluctuate due to these and other factors, some of which are beyond our control, including but not limited to: (i) fluctuations in overall consumer demand for gaming and hospitality, leisure and resort during certain months and holidays; (ii) introduction of new policies or regulatory measures; and (iii) macro-economic conditions and their effect on discretionary consumer spending. Because of these and other factors as well as the short operating history of our business, it is difficult for us to accurately identify recurring seasonal trends in our business. In addition, our rapid growth has masked certain fluctuations that might otherwise be apparent in our results of operations. When our growth stabilizes, the seasonality in our business may become more pronounced. If we fail to accurately identify the seasonal trends in our business and match our customer services and supplies in an effective manner, it may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Macau's infrastructure may not adequately support the development of Macau's gaming and leisure industry, which may adversely affect our expected performance.

Macau consists of a peninsula and two islands and is connected to the PRC by two border crossings. Macau has an international airport and connections to the PRC and Hong Kong by road, ferry and helicopter. To support Macau's planned future development as a gaming and leisure destination, the frequency of bus, car, air and ferry services to Macau will need to increase. While various projects are under development to improve Macau's internal and external transportation links, including the Macau Light Rapid Transit and capacity expansion of border crossings, these projects may not be approved, financed or constructed in time to handle the projected increase in demand for transportation or at all, which could impede the expected increase in visitation to Macau and adversely affect Studio City. For example, there had been a delay in the commencement of operation of the Macau Light Rapid Transit, which occurred in December 2019. Any further delays or termination of Macau's transportation infrastructure projects may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Furthermore, the expected benefits from the completion of the Hong Kong-Zhuhai-Macau Bridge, which opened to traffic on October 23, 2018, may not fully materialize, and may not result in significantly increased traffic to Macau and to Studio City.

Health and safety or food safety incidents at Studio City may lead to reputational damage and financial exposures.

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

Our information technology and other systems are subject to cybersecurity risks, including misappropriation of customer information, other breaches of information security or other cybercrimes, as well as regulatory and other risks.

We rely on information technology and other systems (including those maintained by third-parties with whom we contract to provide data services) to maintain and transmit large volumes of customer information,

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

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

Despite the security measures we currently have in place, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, phishing attacks, computer viruses, misplaced or lost data, programming or human errors, other cybercrimes and other events. Cyber-attacks are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature and, as a result, the technology we use to protect our systems could become outdated. The occurrence of any of the cyber incidents described above could have a material adverse effect on our business, results of operations and cash flows.

Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, whether by us or by a third party, could disrupt our business, damage our reputation and relationships with our customers, suppliers and staff, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers', suppliers' and staff's confidence in us, and adversely affect our business, results of operations and financial condition. Any perceived or actual unauthorized disclosure of personally identifiable information of our staff, customers, suppliers or website visitors could harm our reputation and credibility and reduce our ability to attract and retain staff, customers and suppliers. We are also subject to enactment of new laws or amendments to existing laws with more stringent requirements in relation to cybersecurity. For example, a new Cybersecurity Law was introduced in Macau in 2019 which also applies to our businesses in Macau. See "Item 4. Information on the Company — B. Business Overview — Cybersecurity Regulations." As any of the above cybersecurity threats develop and grow and our obligations under cybersecurity regulations increase, we may find it necessary to make significant further investments to protect our data and infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of personnel.

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

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

Our customers, suppliers and staff have a high expectation that we will adequately protect their personal information. Such collection, use and/or transmission of personal data are governed by privacy laws and regulations and such laws and regulations change often, vary significantly by jurisdiction and often are newly enacted. For example, the European Union (EU)'s General Data Protection Regulation, or the GDPR, which became effective in May 2018, requires companies to meet new and more stringent requirements regarding the handling of personal data. The GDPR may also capture data processing by non-EU firms with no EU establishment if, for example, they conduct direct marketing that specifically targets individuals in the EU. As GDPR is a newly enacted law, there is limited precedence on the interpretation and application of GDPR.

In some jurisdictions, including the PRC where we do not currently have operations, the cybersecurity, data privacy, data protection, or other data-related laws and regulations are relatively new and evolving, and their interpretation and application may be uncertain. For example, the Cybersecurity Administration of China, or CAC, issued the New Measures for Cybersecurity Review, or the New Measures, on January 4, 2022, which amended the Measures for Cybersecurity Review (Draft Revision for Comments) released on July 10, 2021 and came into effect on February 15, 2022. The New Measures extend the scope of cybersecurity review to network platform operators engaging in data processing activities that affect or may affect national security, including overseas listings. Specifically, the New Measures provide that if a network platform operator who possesses personal information of more than one million users plans to be listed in foreign countries, it must apply for cybersecurity review and, in any event, the CAC has the authority to initiate a cybersecurity review if it considers the data processing activities in connection with a proposed listing will or may affect national security. The New Measures do not specify the types of public listings that will be subject to cybersecurity review and do not give sufficient guidance on the specific types of data processing activities that may be subject to cybersecurity review. As such, we cannot predict the impact of the New Measures on us, if any, at this stage, and we will closely monitor and assess the developments in the rule-making process. If the practical application of the New Measures results in mandated clearance of cybersecurity reviews and other specific actions to be completed by companies operating in Macau like us, we face uncertainties as to whether such clearance can be timely obtained, or at all.

We do not have any operations or maintain any office or personnel in mainland China. We have not collected, stored, or managed any personal information in mainland China. As such, we currently do not expect the draft measures by the CAC or other recent regulations to have an impact on our business or results of operations. However, we still face uncertainties regarding the interpretation and implementation of these laws and regulations in the future. Cybersecurity review could result in disruption in our operations, negative publicity with respect to our company, and diversion of our managerial and financial resources. Therefore, potential cybersecurity review, if applicable to us, could materially and adversely affect our business, financial condition, and results of operations.

In addition, the PRC Data Security Law, which was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and took effect on September 1, 2021, requires data collection to be

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

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

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

Unfavorable publicity regarding us or our directors, officers or affiliates, whether substantiated or not, may have a material and adverse effect on our business, brand and reputation. Such negative publicity may require us to engage in a defensive media campaign, which may divert our management's attention, result in an increase in our expenses and adversely impact our results of operations, financial condition, prospects and strategies. The continued expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated. Any negative press or publicity could also lead to government or other regulatory investigations, including causing regulators to take action against us or the Gaming Operator, including actions that could affect the ability or terms upon which the Gaming Operator holds its subconcession, its or our suitability to continue as a shareholder of certain subsidiaries and/or the suitability of key personnel to remain with the Gaming Operator. If any of these events were to occur, it could cause a material adverse effect on our business and prospects, financial condition and results of operations.

If qualified management and personnel cannot be retained at Studio City, our business could be significantly harmed.

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau market possessed by members of our board of directors, our senior management team as well as other management personnel who serve Studio City under the Management and Shared Services Arrangements. We may experience changes in our key management in the future for reasons beyond our control.

Loss of Mr. Lawrence Ho's services or the services of the other members of our board of directors or key management personnel could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for members of our board of directors or senior management could be difficult, and competition for personnel of similar experience could be intense in Macau. In addition, we do not currently carry key person insurance on any members of our senior management team.

Operation of Studio City also requires extensive operational management and staff. The supply of experienced skilled personnel in Macau is severely limited. Many of the personnel occupy sensitive positions requiring qualifications sufficient to meet gaming regulatory and other requirements or are required to possess other skills for which substantial training and experience may be needed. Competition to retain qualified personnel is likely to continue as competition in the Macau integrated resort market increases. In addition, concessionaires and subconcessionaires are not currently allowed under the Macau government's policy to hire non-Macau resident dealers and supervisors. We cannot assure you that a sufficient number of qualified individuals will be attracted and retained to operate Studio City or that costs to recruit and retain such personnel will not increase significantly. In addition, the Gaming Operator has previously been subject to certain labor demands. The inability to attract, retain and motivate qualified staff and to continuously optimize our workforce based on changing business demands by the Gaming Operator and Master Service Providers could have a material adverse effect on our business.

In addition, recruitment efforts for the operations of Studio City may be adversely impacted by Macau government's policies with respect to the approval and renewal of work permits for non-resident workers. In its policy address for 2017, the Macau government announced that it would continue to submit the applications for employment of non-resident workers to a rigorous exam and to stimulate the promotion of local workers to management positions in the gaming industry, signaling a tighter control on the employment of non-resident workers. Further, in its policy addresses for 2018 to 2022, the Macau government has continuously stressed that it will continue to monitor the proportion of management positions held by local workers in gaming operators and implement measures to ensure that such proportion is kept at a percentage not lower than 85% for senior and mid-management positions.

As we develop our remaining project, the construction of such project is subject to hazards that may cause personal injury or loss of life that expose us to liabilities and possible losses.

The construction of large-scale properties, such as the remaining project for Studio City, can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and negative publicity. For example, in December 2021, there was a fatality at the construction site at the remaining project and certain façade related works were suspended for approximately two weeks. We believe, and require that, our contractors take safety precautions that are consistent with industry practice, but these safety precautions may not be adequate to prevent serious personal injuries or loss of life, damage to property or delays. We are currently developing the remaining project. However, if accidents occur during the construction of our remaining project, there may be serious delays, including delays imposed by regulators, liabilities and possible losses which may not be covered by insurance, and our business, prospects and reputation may be materially and adversely affected.

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

There may be overlap in the planning, design, development and construction periods of our remaining project. Members of our senior management will be involved in planning and developing our remaining project at the same time, in addition to overseeing our day-to-day operations. Our management may be unable to devote sufficient time and attention to the remaining project, as well as Studio City, which may result in delays in the

construction or opening of any of our future projects, cause construction cost overruns or cause the performance of Studio City to be lower than expected, which could have a material adverse effect on our business, financial condition and results of operations.

Our contractors may face difficulties in finding sufficient labor at an acceptable cost, which could cause delays and increase construction costs in the development of our remaining project.

The contractors we retain to construct our projects may face difficulties and competition in finding qualified construction labor and managers as more projects commence construction in Macau and as substantial construction activity continues in the PRC as well as due to the imposition of travel restrictions, such as the travel restrictions imposed as a result of a COVID-19 outbreak. Immigration and labor regulations as well as travel restrictions in Macau or the PRC may cause our contractors to be unable to recruit sufficient laborers from the PRC to make up for any shortage in available labor in Macau and to help reduce the costs of construction, which could cause delays and increase the construction costs of our remaining project. The COVID-19 outbreak has caused, among others, disruptions to the supply and import of labor and also equipment and materials for our remaining project.

The possible infringement of key intellectual property used in our business, the dissemination of proprietary information used in our business or the infringement or alleged infringement of intellectual property rights belonging to third parties could adversely affect our business.

As part of our branding strategy, we have applied for or registered a number of trademarks (including “Studio City” trademarks) in Macau, Hong Kong and other jurisdictions for use in connection with Studio City. Where possible, we intend to continue to register trademarks as we develop, review and implement our branding strategy for Studio City. We intend to take steps to safeguard our intellectual property from infringement by third parties, such as taking actions against trademark and copyright violations, if and when necessary, and our staff and/or staff of the Gaming Operator or its affiliates or its designees are subject to confidentiality provisions in their employment agreements. Despite such measures, we cannot assure you that we will be successful in defending against the infringement of intellectual property to be used in our business or that any proprietary information to be used in our business will not be disseminated to our competitors, which could have an adverse effect on our future results of operations. In addition, our current and any future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them prior to expiration. Our inability to renew the registration of certain trademarks and the loss of such trademarks could have an adverse effect on our business, financial condition, results of operations and cash flows.

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

We may not have sufficient insurance coverage.

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. These insurance policies provide coverage that is subject to policy terms, conditions and limits. Certain of these policies have been obtained by us and certain of these policies have been obtained by Melco Resorts. We cannot assure you that we or, in the case of policies obtained by Melco Resorts, Melco Resorts will be able to renew such insurance coverage on equivalent premium costs, terms, conditions and limits upon their expiration. Certain events, such as typhoons and fires, may increase and have increased our premium costs. The cost of coverage may in the future become so high that insurance policies we deem necessary

for the operation of our projects may not be obtainable on commercially practicable terms, or at all, or policy limits may need to be reduced or exclusions from our coverage expanded.

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

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

Studio City Entertainment's tax exemption from complementary tax on income received from the Gaming Operator under the Services and Right to Use Arrangements expired in 2021.

Companies in Macau are subject to complementary tax of 12% of taxable income, as defined in relevant tax laws. The Macau government granted to Studio City Entertainment, one of our subsidiaries, a Macau complementary tax exemption until 2021 on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and has been subject to gaming taxes. Studio City Entertainment has applied for the extension of the complementary tax exemption for 2022. However, we cannot assure you that the complementary tax exemption to Studio City Entertainment will be extended beyond its expiration date. If the tax exemption cannot be extended and we are held liable for complementary tax, it may have a material adverse effect on our financial condition.

From time to time, we may be involved in legal and other proceedings arising out of our operations.

We may be involved in disputes with various parties involved in the construction and operation of Studio City, including contractual disputes with contractors, consultants, suppliers, retailers, food and beverage operators and construction workers. See "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Legal and Administrative Proceedings." Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in our development schedule and the diversion of resources and management's attention. In addition, we may be involved in a variety of litigation, regulatory proceedings and investigation arising out of our business, which are inherently unpredictable. Ultimate judgments or settlements for such proceedings could increase our costs and thereby lower our profitability or have a material adverse effect on our liquidity. We cannot assure you that we will be able to obtain the appropriate and sufficient types or levels of insurance for Studio City. We may also have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative

proceedings and unfavorable decisions that result in penalties, suspension or restrictions on our operations, and/or delay the development of our remaining project at Studio City or closure of outlets at Studio City that are currently in operation. In such cases, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

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

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

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

While we and our affiliated companies have adopted and implemented an anti-corruption compliance program covering both commercial bribery and public corruption which includes internal policies, procedures and training aimed to prevent and detect anti-corruption compliance issues and risks, and procedures to take remedial action when compliance issues are identified, we cannot assure you that our employees, consultants, contractors and agents, and those of our affiliates, will adhere to the anti-corruption compliance program, or that any action taken to comply with, or address compliance issues, will be considered adequate by the regulatory bodies with jurisdiction over us and our affiliates. Any violation of our compliance program or applicable law by us or our affiliates could subject us or our affiliates to investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions, any of which may result in a material adverse effect on our reputation, cause us to lose customer relationships or lead to other adverse consequences on our business, prospects, results of operations and financial condition. In addition, as a U.S. listed company, certain U.S. laws and regulations apply to our operations and compliance with those laws and regulations increases our cost of doing business.

Fluctuation in the value of the H.K. dollar, U.S. dollar, Pataca or RMB may adversely affect our indebtedness, expenses and profitability.

Although the majority of the revenues from the operation of Studio City are denominated in H.K. dollars, we have certain expenses and revenues denominated in Patacas. In addition, a certain portion of our indebtedness and certain expenses are denominated in U.S. dollars, and the costs associated with repaying such debt and servicing interest payments are denominated in U.S. dollars. The value of the H.K. dollar and Patacas against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. Although the exchange rate between the H.K. dollar and the U.S. dollar has been pegged since 1983 and the Pataca is pegged to the H.K. dollar, we cannot assure you that the H.K. dollar will remain pegged to the U.S. dollar and that the Pataca will remain pegged to the H.K. dollar. In addition, the currency market for Patacas is relatively small and undeveloped and therefore our ability to convert large amounts of Patacas into U.S. dollars over a relatively short period of time may be limited. As a result, we may experience

difficulty in converting Patacas into U.S. dollars, which could hinder our ability to service a portion of our indebtedness and certain expenses denominated in U.S. dollars. On the other hand, to the extent that we are required to convert U.S. dollar financings into H.K. dollars or Patacas for our operations, fluctuations in the exchange rates between H.K. dollars or Patacas against the U.S. dollar could have an adverse effect on the amounts we receive from the conversion.

Furthermore, the depreciation of RMB against U.S. dollar or H.K. dollar will affect the purchasing power of visitors from the PRC, which in turn may affect the visitation and level of spending at Studio City. To date we have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations. Instead, we plan to maintain a certain amount of our operating funds in the same currencies in which we have obligations, thereby reducing our exposure to currency fluctuations. However, we may occasionally enter into foreign exchange transactions as part of financing transactions and capital expenditure. We will consider our overall policy on hedging for foreign exchange risk from time to time. Any significant fluctuations in the exchange rates mentioned above may have a material adverse effect on our revenues and financial condition.

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

The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and internal control over financial reporting and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit reports included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Since our auditor is located in Hong Kong, a special administrative region of the PRC where the PCAOB has been unable to conduct inspections without the approval of the local authorities, our auditor and its audit work is not currently inspected by the PCAOB.

This lack of PCAOB inspections prevents the PCAOB from fully evaluating audits and quality control procedures of our independent registered public accounting firm. As a result, we and investors of our ADSs are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in Hong Kong makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of Hong Kong and China that are subject to the PCAOB inspections, which could cause investors and potential investors of our securities to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be delisted and our ADSs and shares prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, or the HFCAA, if the PCAOB is unable to inspect or fully investigate auditors located in Hong Kong. On December 16, 2021, the PCAOB issued the HFCAA Determination Report, according to which our auditor is subject to the determinations that the PCAOB is unable to inspect or investigate completely. Under the current law, delisting and prohibition from trading on a national securities exchange and in the over-the-counter market in the U.S. could take place in 2024. If this happens there is no certainty that we will be able to list our ADS or shares on a non-U.S. exchange or that a market for our shares will develop outside of the U.S. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the HFCAA has been signed into law on December 18,
2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the U.S. Accordingly, under the current law this could happen in 2024.

On December 2, 2021, the SEC adopted final amendments to its rules implementing the HFCAA (the "Final Amendments"). The Final Amendments include requirements to disclose information, including the auditor name and location, the percentage of shares of the issuer owned by governmental entities, whether governmental entities in the applicable foreign jurisdiction with respect to the auditor has a controlling financial interest with respect to the issuer, the name of each official of the Chinese Communist Party who is a member of the board of the issuer, and whether the articles of incorporation of the issuer contains any charter of the Chinese Communist Party. The Final Amendments also establish procedures the SEC will follow in identifying issuers and prohibiting trading by certain issuers under the HFCAA.

On December 16, 2021, the PCAOB issued the HFCAA Determination Report, according to which our auditor is subject to the determinations that the PCAOB is unable to inspect or investigate completely.

The HFCAA or other efforts to increase U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of the ADSs could be adversely affected. Additionally, whether the PCAOB will be able to conduct inspections of our auditor before the issuance of our financial statements on Form 20-F for the year ended December 31, 2023, which is due by April 30, 2024, or at all, is subject to substantial uncertainty and depends on a number of factors out of our control. If we are unable to meet the PCAOB inspection requirement in time, we could be delisted from the New York Stock Exchange and our ADSs will not be permitted for trading "over-the-counter" either. Such a delisting would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our listed securities. Also, such a delisting would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

The potential enactment of the Accelerating Holding Foreign Companies Accountable Act would decrease the number of non-inspection years from three years to two, thus reducing the time period before our ADSs may be delisted or prohibited from trading on a national securities exchange and in the over-the-counter market. If this bill were enacted, our ADS could be delisted from the New York Stock Exchange and prohibited from over-the-counter trading in the U.S. in 2023.

On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act, to amend Section 104(i) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)) to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded over-the-counter if the auditor of the registrant's financial statements is not subject to PCAOB inspection for two consecutive years, instead of three consecutive years as currently enacted in the HFCAA.

On February 4, 2022, the U.S. House of Representatives passed the America Competes Act of 2022 which includes the exact same amendments as the bill passed by the Senate. The America Competes Act however includes a broader range of legislation not related to the HFCAA in response to the U.S. Innovation and Competition Act passed by the Senate in 2021. The U.S. House of Representatives and U.S. Senate will need to agree on amendments to these respective bills to align the legislation and pass their amended bills before the U.S. President can sign into law. It is unclear when the U.S. Senate and U.S. House of Representatives will resolve the differences in the U.S. Innovation and Competition Act and the America Competes Act of 2022 bills, or when the U.S. President will sign on the bill to make the amendment into law, or at all.

In the case that the bill becomes the law, it will reduce the time period before our ADSs could be delisted from the New York Stock Exchange and prohibited from over-the-counter trading in the U.S. from 2024 to 2023.

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

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

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

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

Governments, regulatory authorities, investors, customers, employees and other stakeholders are increasingly focusing on environmental, social and governance, or ESG, and sustainability practices and disclosures, and expectations in this area are rapidly evolving and growing. There are also risks associated with the physical effects of climate change (including changes in sea levels, water shortages, droughts, typhoons and other extreme weather phenomena and natural disasters). Inability to maintain reliable energy supply due to extreme weather and climate change disruptions may also impact our business continuity. See "— Risks Relating to Conducting Business and Operating in Macau — Macau is susceptible to typhoons and heavy rainstorms that may damage our property and disrupt our operations."

We are also subject to the changes in related laws and regulation and their compliance could be difficult and costly. The criteria by which our ESG and sustainability practices are assessed may also change due to the evolution of the sustainability landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. If we are unable to satisfy such new criteria, stakeholders may conclude our policies and/or actions with respect to ESG and sustainability matters are inadequate. In addition, we utilize a significant amount of energy and water and produce a substantial amount of waste in our operations and any failure in our efforts to use materials efficiently or reduce waste may not meet the expectations of our stakeholders and our own ESG objectives. Compliance with future climate-related legislation and regulation, and our efforts to achieve emissions reduction targets, could also be difficult and costly. Consumer travel and consumption preferences may also shift due to sustainability related concerns or costs. As a result of the foregoing, we may experience significant increased operating and compliance costs, operating disruptions or limitations, reduced demand, and constraints on our growth, all of which could adversely affect our profits.

Risks Relating to Operating in the Gaming Industry in Macau

The Subconcession Contract expires in June 2022 and if the Gaming Operator is unable to secure an extension of the subconcession and thereafter a new concession, the Gaming Operator would be unable to operate Studio City Casino.

The Subconcession Contract expires on June 26, 2022. The Macau government has publicly stated that the concessions and subconcessions contracts may be extended until December 31, 2022 to enable the conclusion of the proposed amendments to Macau's gaming law and the completion of the tender process for new concessions. In March 2022, the Gaming Operator filed an application with the Macau government for the extension of its Subconcession Contract until December 31, 2022 and, in connection with such application, will be required to pay an extension premium of up to MOP47 million (equivalent to approximately US$5.9 million) and provide a bank guarantee in favor of the Macau government for the payment of potential labor liabilities should the Gaming Operator not be granted a new concession (or have its subconcession further extended) after December 31, 2022. The extension of the Subconcession Contract is subject to the approval of the Macau government and execution of an addendum to the Subconcession Contract.

The Macau government has put forth to the Macau Legislative Assembly a proposed law to amend the gaming law pursuant to which it is contemplated that up to six new concessions may be granted with terms of up to ten years (which period may be extended, one or more times, for up to a maximum of an additional three years by dispatch from the Chief Executive of Macau). The COVID-19 outbreak has affected and may continue to affect the Macau government's process in relation to the award of new concessions and may hinder the process related to an extension of the current concessions and subconcessions. Apart from the existing three concessionaires and three subconcessionaries authorized to operate gaming activities in Macau, new bidders can also enter into the first public tender for the grant of concessions for the operation of gaming activities in Macau held after the amended law becomes effective. The new bidders, if any, could have more financial resources than the current concessionaires and subconcessionaries, among other things. In the event the Gaming Operator is not able to secure the extension of the subconcession and thereafter a new concession on terms favorable or acceptable to it, or at all, the Gaming Operator's operations will cease on the current expiration date of June 26, 2022, and in accordance with current legislation on reversion of casino premises, Studio City Casino's casino and gaming equipment operated by the Gaming Operator under its subconcession will revert to the Macau government without compensation. In such an event, our results of operations, financial condition, cash flows and prospects may be materially and adversely affected, and it would result in an event of default or a mandatory prepayment obligation under our credit facilities and the cancellation of committed amounts as well as a requirement to prepay the credit facilities in relation to such indebtedness in full. Furthermore, under the terms of the senior notes issued by our subsidiaries, we would also be required to offer to repurchase such notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amounts specified under such indebtedness to the date of repurchase. See also "— Risks Relating to Our Relationship with Melco Resorts — Changes in Melco Resorts' share ownership, including a change of control

of its subsidiaries' shares, could result in our inability to draw loans or cause events of default under our indebtedness, or could require us to prepay or make offers to repurchase certain indebtedness."

The Macau government may terminate the subconcession under certain circumstances without compensation to the Gaming Operator and may, pursuant to the Gaming Operator's subconcession or the proposed law amending the gaming law, determine that Studio City Casino may not continue to operate under the Services and Right to Use Arrangements, which would prevent the operation of Studio City Casino.

Under the Gaming Operator's subconcession, the Macau government has the right to unilaterally terminate the subconcession in the event of non-compliance by the Gaming Operator with its basic obligations under the subconcession and applicable Macau laws. If such a termination were to occur, the Gaming Operator would be unable to operate gaming in Macau, including at Studio City Casino. Termination events include, among others, the operation of gaming without permission or operation of a business which does not fall within the business scope of the subconcession; abandonment of approved business or suspension of operations of its gaming business in Macau without reasonable grounds for more than seven consecutive days or more than 14 non-consecutive days within one calendar year; transfer of all or part of the Gaming Operator's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval; failure to pay taxes, premiums, levies or other amounts payable to the Macau government; and systematic non-compliance with the Macau Gaming Law's basic obligations. These events could lead to the termination of the Gaming Operator's subconcession without compensation and the Gaming Operator would be unable to operate gaming in Macau, which may have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness agreements and a partial or complete loss of our investments in Studio City. In many of these instances, the Subconcession Contract does not provide a specific cure period within which any such events may be cured and, instead, the Gaming Operator would rely on consultations and negotiations with the Macau government to remedy any such violation.

Under the terms of the Services and Right to Use Arrangements to which Studio City Entertainment, one of our subsidiaries, is a party, the Gaming Operator has agreed to operate Studio City Casino. If, upon termination of the Gaming Operator's subconcession, or upon the effectiveness of the law amending the gaming law, or upon the Gaming Operator being awarded a new concession, Studio City Entertainment were not able to continue the same arrangements or enter into similar arrangements, Studio City Casino may not be able to continue to operate in the same manner or at all, and the casino and gaming equipment operated by the Gaming Operator under its subconcession will revert to the Macau government without compensation.

Further, under the proposed law amending the gaming law initially put forth for review by the Macau government, during a transition period of three years, Studio City Entertainment shall be subject to the legal framework set for management companies. See "Item 4. Information on the Company — B. Business Overview — Gaming Regulations." If Studio City Entertainment were to breach the obligations set for management companies or were to be found unsuitable or to undertake actions that are inconsistent with the Gaming Operator's subconcession terms and requirements, the terms and requirements of a new concession or any then applicable law, the Gaming Operator could suffer penalties, including the termination of its subconcession, or any new concession, and the Macau government may determine that Studio City Casino may not continue to operate under the Services and Right to Use Arrangements or at all. This could have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness, and a partial or complete loss of our investments in Studio City. For details of the terms of the Services and Right to Use Arrangements, see "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Services and Right to Use Arrangements."

Under the Gaming Operator's subconcession, the Macau government is allowed to request various changes in the plans and specifications of the properties operated by the Gaming Operator, including the Studio City Casino, and to make various other decisions and determinations that may be binding on us. The proposed

law amending the gaming law also grants the Macau government authority to require for changes and specifications to be made to properties operated by concessionaires, including the Gaming Operator. In addition, the Chief Executive of Macau has the right to, and the proposed law amending the gaming law contemplates, the increase of the Gaming Operator's share capital or that the Gaming Operator provides certain deposits or other guarantees of performance with respect to its obligations in any amount determined by the Macau government to be necessary. The Gaming Operator also needs to first obtain the approval of the Macau governmental authorities before raising certain financing. The Gaming Operator's ability to incur indebtedness or raise equity may be further restricted by its existing and any future financings. As a result, we cannot assure you that the Gaming Operator will be able to comply with these requirements or any other requirements of the Macau government or with the other requirements and obligations imposed by the subconcession, a new concession or the law amending the gaming law or other related regulations.

The Subconcession Contract also contains various covenants and other obligations as to which the determination of compliance is subjective, and any failure to comply with any such covenant or obligation could result in the termination of the subconcession. For example, requirements of compliance with general and special duties of cooperation and special duties of information may be subjective, and we cannot assure you that the Gaming Operator will always be able to operate gaming activities in a manner satisfactory to the Macau government. The recently proposed law amending the Macau gaming law also contemplates imposing various covenants and obligations the determination of which is discretionary or subjective. Accordingly, we will be impacted by the Gaming Operator's continuing communications and good faith negotiations with the Macau government to ensure that the Gaming Operator is performing its obligations under the subconcession, a new concession and then applicable law in a manner that would avoid any violations.

Furthermore, pursuant to the Subconcession Contract, the Gaming Operator is obligated to comply not only with the terms of that agreement, but also with laws, regulations, rulings and orders that the Macau government might issue or enact in the future. We cannot assure you that it will be able to comply with all such laws, regulations, rulings or orders or that any such laws, regulations, rulings or orders would not adversely affect its ability to operate the Studio City Casino. If any disagreement arises between the Gaming Operator and the Macau government regarding the interpretation of, or its compliance with, a provision of the Subconcession Contract or then applicable law, we will be relying on its consultation and negotiation process with the applicable Macau government department as described above. During any such consultation, however, the Gaming Operator will be obligated to comply with the terms of the Subconcession Contract or law, as interpreted by the Macau government.

Upon the expiration or termination of the Gaming Operator's subconcession by the Macau government, all of the Gaming Operator's casino and gaming equipment, including Studio City Casino's gaming area and equipment, would revert to the Macau government without compensation to the Gaming Operator.

Studio City Casino faces intense competition in the gaming industry of Macau and elsewhere in Asia, and it may not be able to compete successfully.

The gaming industry in Macau and elsewhere in Asia is highly competitive. Our competitors include many of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are larger than us and may have more diversified resources, better brand recognition and greater access to capital to support their developments and operations in Macau and elsewhere. In particular, in recent years, some of our competitors have opened new properties, expanded operations and/or announced their intention for further expansion and developments in Cotai, where Studio City is located. For example, Galaxy Casino, S.A., or Galaxy, opened Galaxy Macau Resort in Cotai in May 2011, phase 2 of the Galaxy Macau Resort opened in May 2015 and phase 3 of the Galaxy Macau Resort is currently being developed and expected to be completed and fully operational as early as 2022, while phase 4 is expected to be completed and operational within a few years after the completion of Phase 3. Sands Cotai Central in Cotai opened in April 2012, Wynn Palace opened in August 2016, Parisian Macao opened in September 2016 and MGM Cotai opened in February

2018. In addition, Sociedade de Jogos de Macau, S.A., or SJM, opened Grand Lisboa Palace in July 2021 and Sands Cotai Central in Cotai has been rebranded and redeveloped into The Londoner Macau, which opened in February 2021.

Studio City Casino will also compete to some extent with casinos located in other countries, such as Singapore, the Philippines, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand, Japan and elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, a law which conceptually enables the development of integrated resorts in Japan took effect in December 2016, with corresponding legislation providing a legislative framework for the development and implementation of integrated resorts in Japan taking effect in July 2018. Certain other markets may in the future legalize casino gaming, including Taiwan and Thailand. Certain of these gaming markets may not be subject to as stringent regulations as the Macau market. Studio City Casino will also compete with both legal and illegal online gaming and sports-betting websites, cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. The proliferation of gaming venues in Asia could significantly and adversely affect our business, results of operations, financial condition, cash flows and prospects.

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

Furthermore, Melco Resorts, as well as the Gaming Operator, may take action to construct and operate new gaming projects or invest in such projects, located in other countries in the Asia region (including new gaming projects in Macau) or outside the Asia region, which, along with their current operations, such as Altira Macau and City of Dreams, may increase the competition Studio City Casino will face. See "— Risks Relating to Our Relationship with Melco Resorts — We may have conflicts of interest with Melco Resorts and, because of Melco Resorts' controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us."

Gaming is a highly regulated industry in Macau and adverse changes or developments in gaming laws or regulations could be difficult to comply with or significantly increase costs, which could cause Studio City Casino to be unsuccessful.

Gaming is a highly regulated industry in Macau and is subject to the risk of changes in laws and policies. Current laws, such as licensing requirements, tax rates and other regulatory obligations, including those for anti-money laundering, could change or become more stringent resulting in additional regulations being imposed upon gaming operations in Macau as well as increased audits and inspections by regulators, including the Studio City Casino. Any such adverse developments in the regulation of the gaming industry could be difficult to comply with and could significantly increase costs, which could cause Studio City Casino to be unsuccessful and adversely affect our financial performance.

Under the initially proposed law amending the gaming law, it is contemplated that concessionaires will become subject to the payment of a special premium if the actual gross gaming revenue of a concessionaire does not reach the minimum limit set by the Macau government in an amount equal to the difference between the amount of the special tax on games of chance payable, calculated according to the actual gross gaming revenue, and such minimum limit. The actual gross revenue is calculated based on the maximum number of gaming tables and gaming machines authorized for the concessionaire in the year to which it relates. The minimum limit for gross gaming revenue of each gaming table and each gaming machine is determined by dispatch from the Chief Executive of Macau. If the minimum limit is set at a higher or substantially higher level than the actual gross gaming revenue for the relevant period, Studio City Casino's financial performance and results of operation may be materially and adversely affected.

While the Gaming Operator does not currently have gaming promoters arrangements at the Studio City Casino following their cessation in December 2021, if the Gaming Operator decides to enter into new arrangements with gaming promoters in the future, such arrangements and related activities will be subject to the requirements under the applicable laws and regulations. In September 2009, the Macau government set a cap on commission payments to gaming promoters of 1.25% of net rolling. This policy may limit the Gaming Operator's ability to develop successful relationships with gaming promoters from time to time in the future and attract VIP rolling chip players, which in turn may adversely affect the financial performance of the VIP rolling chip operations at Studio City Casino. In addition, the Macau government is currently considering amending the Macau Administrative Regulation no. 6/2002, as amended by the Administrative Regulation 27/2009, which, if adopted, would, among other things, impose more stringent and restrictive licensing requirements for gaming promoters. Separately, the proposed law amending the gaming law contemplates that gaming promoters may only operate with one concessionaire and that revenue share and fixed room operations are not permitted. Any failure to comply with these regulations, as they may be applicable, may result in the imposition of liabilities, fines and other penalties and may materially and adversely affect the Gaming Operator's subconcession or new concession or the operation of the Studio City Casino. See "Item 4. Information on the Company — B. Business Overview — Gaming Promoters Regulations."

In addition, the Macau government has imposed regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, entry into casinos by off-duty gaming-related employees, location requirements for sites with gaming machine lounges, data privacy and other matters. Any such legislation, regulation or restriction which is being or may in the future be imposed by the Macau government may have a material adverse impact on our operations, business and financial performance. Furthermore, our inability to address any of these requirements or restrictions imposed by the Macau government could adversely affect our reputation and result in criminal or administrative penalties, in addition to any civil liability and other expenses. See "Item 4. Information on the Company — B. Business Overview — Gaming Regulations."

Also, starting from January 1, 2019, smoking on the premises of casinos is only permitted in authorized segregated smoking lounges with no gaming activities, and such segregated smoking lounges are required to meet certain standards determined by the Macau government. Studio City Casino currently has a number of segregated smoking lounges. We cannot assure you that the Macau government will not enact more stringent smoking control legislations. Such limitations imposed on smoking have and may deter potential gaming patrons who are smokers from visiting casinos in Macau, which could adversely affect our business, results of operations and financial condition. See "Item 4. Information on the Company — B. Business Overview — Smoking Regulations."

Furthermore, in March 2010, the Macau government announced that the number of gaming tables operating in Macau should not exceed 5,500 until the end of the first quarter of 2013. On September 19, 2011, the Secretary for Economy and Finance of the Macau government announced that for a period of ten years thereafter, the total number of gaming tables to be authorized in Macau will increase by an amount equal to an average 3% per annum for ten years. The Macau government subsequently clarified that the allocation of tables over this ten-year period does not need to be uniform and tables may be pre-allocated to new properties in Macau. Under the proposed law amending the gaming law, if adopted in its current form, the maximum number of gaming tables permitted to be operated by a concessionaire will be determined by the Chief Executive of Macau and gaming tables previously allocated may be revoked if certain minimum gross gaming revenue thresholds are not met for two consecutive years or the tables are not fully utilized without reason within a certain period. There is no assurance that the Studio City Casino will be allocated any new gaming tables or be able to retain any existing gaming tables authorized by the Macau government. The Macau government does not currently allow tables authorized for mass market gaming operations to be utilized for VIP gaming operations or the reallocation of gaming tables between properties operated by the same concessionaire or subconcessionaire. Some of these restrictions may not be legislated or enacted into statutes or ordinances and, as such, different policies, may be adopted, and existing policies amended, at any time by the relevant Macau government authorities.

Current Macau laws and regulations concerning gaming and gaming concessions and matters such as prevention of money laundering are fairly recent or there is little precedent on the interpretation of these laws and regulations. While we expect that the Gaming Operator will operate Studio City Casino in compliance in all material respects with all applicable laws and regulations of Macau, these laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations or issue new or modified regulations that differ from our or the Gaming Operator's interpretation, which could have a material adverse effect on the operation of Studio City Casino and on our financial condition, results of operations, cash flows and prospects.

Our activities in Macau are subject to administrative review and approval by various departments of the Macau government. For example, our business activities and Studio City Casino are subject to the administrative review and approval by the DICJ, Macau health department, Macau labor bureau, Macau public works bureau, Macau fire department, Macau finance department and Macau government tourism office. We cannot assure you that we or the Gaming Operator will be able to obtain or maintain all necessary approvals, which may materially affect our business, financial condition, results of operations, cash flows and prospects. Macau law permits redress to the courts with respect to administrative actions. However, such redress is largely untested in relation to gaming regulatory issues.

Studio City Casino is subject to operational risks commonly faced by other gaming facilities in Macau.

Studio City Casino faces operational risks commonly experienced in the gaming industry in Macau. Such risks include, but are not limited to, the following:

- *Inability to Collect Gaming Receivables from Credit Customers.* The Gaming Operator may grant gaming credit directly to certain customers at Studio City Casino, which will often be unsecured. The Gaming Operator may not be able to collect all of its gaming receivables from its credit customers at Studio City Casino, and we expect that the Gaming Operator will be able to enforce its gaming receivables only in a limited number of jurisdictions, including Macau and under certain circumstances, Hong Kong. The Gaming Operator's inability to collect gaming receivables from credit customers may in turn affect our financial performance.
- *Limited Availability of Credit to Gaming Patrons.* The Gaming Operator conducts its table gaming activities at Studio City Casino partially on a credit basis. The Gaming Operator may extend credit to certain of its patrons. Any general economic downturn and turmoil in the financial markets may result in broad limitations on the availability of credit from credit sources as well as lengthening the recovery cycle of extended credit. In particular, due to credit conditions in the PRC and the tightening of cross-border fund transfers by the PRC government to control capital outflows in recent years, the number of visitors to Macau from the PRC, as well as the amounts they are willing to spend in casinos, may decrease, which could have a material adverse effect on our business, financial condition and results of operations.
- *Inability to Control Win Rates.* The gaming industry is characterized by an element of chance. In addition to the element of chance, theoretical expected win rates will also be affected by the spread of table limits and factors that are beyond the operator's control, such as a player's skill and experience, the mix of games played, the financial resources of players, the volume and mix of bets played, the amount of time players spend on gambling and the number of players. As a result of the variability in these factors, the actual win rates at Studio City Casino may differ from the theoretical win rates anticipated and could result in less winnings than anticipated.
- *Risk of Fraud or Cheating of Gaming Patrons and Staff.* Gaming customers may attempt or commit fraud or cheat in order to increase their winnings, including in collusion with the casino's staff. Internal acts of cheating could also be conducted by staff through collusion with dealers, surveillance staff, floor managers or other gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in Studio City Casino operations and negative publicity for Studio City. In

addition, gaming promoters, if any, or other persons could, without the knowledge of the Gaming Operator, enter into betting arrangements directly with patrons on the outcomes of games of chance, thus depriving Studio City Casino of revenues.

- *Risk of Counterfeiting.* All gaming activities at Studio City Casino's table games are conducted exclusively with gaming chips which are subject to the risk of alteration and counterfeiting. The Gaming Operator has incorporated a variety of security and anti-counterfeit features to detect altered or counterfeit gaming chips. Despite such security features, unauthorized parties may try to copy gaming chips and introduce, use and cash in altered or counterfeit gaming chips in Studio City's gaming areas. Any negative publicity arising from such incidents could result in losses in Studio City Casino operations and negative publicity for Studio City.
- *Risk of Malfunction of Gaming Machines*. There is no assurance that the slot machines at Studio City will be functioning properly at all times. If any one or more gaming machines malfunction due to technical or other reasons, the win rates associated with the gaming machines may be affected in a way that adversely impact the revenue of Studio City Casino. In addition, Studio City Casino's reputation may be materially and adversely affected as a result of any incidents of malfunction.

Any of these risks has the potential to materially and adversely affect Studio City Casino and our business, financial condition, results of operations, cash flows and prospects.

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

Pursuant to the terms of the Macau Gaming Law, the Macau government is precluded from granting more than three gaming concessions. Each concessionaire was permitted to enter into a subconcession agreement with one subconcessionaire. The total number of concessions and subconcessions granted in Macau is six. The initially proposed law amending the gaming law under review by the Macau Legislative Assembly contemplates the award of up to six concessions in total and the prohibition of subconsessions. Even if the Gaming Operation is able to secure any new concession, in the event any new bidder apart from the existing concessionaires and subconcessionaries is able to secure one or more of the new concessions, these new concessionaires may have more competitive advantages than the Gaming Operator and could cause Studio City Casino to lose or be unable to maintain or gain market share. In addition, the policies and laws of the Macau government could result in the grant of additional concessions or subconcessions, which could significantly increase competition in Macau and also cause Studio City Casino to lose or be unable to maintain or gain market share and as a result, adversely affect our business.

We cannot assure you that anti-money laundering policies that have been implemented at Studio City Casino and its compliance with applicable anti-money laundering laws will be effective to prevent Studio City Casino from being exploited for money laundering purposes.

Macau's free port, offshore financial services and free movement of capital create an environment whereby Macau's casinos could be exploited for money laundering purposes. Melco Resorts' and the Gaming Operator's anti-money laundering policies, which we believe to be in compliance with all applicable anti-money laundering laws and regulations in Macau, are applied to the operation of Studio City Casino. However, we cannot assure you that the Gaming Operator, our contractors, agents or the staff performing services at Studio City Casino will continually adhere to such policies or any such policies will be effective in preventing Studio City Casino operations from being exploited for money laundering purposes, including from jurisdictions outside of Macau. We cannot assure you that we will not be subject to any accusation or investigation related to any possible money laundering activities despite the anti-money laundering measures we have adopted and undertaken or that we will adopt and undertake in the future.

The Gaming Operator also deals with significant amounts of cash in Studio City Casino's operations and is subject to various reporting and anti-money laundering regulations as well as audits and inspections by regulators. Any incidents of money laundering, accusations of money laundering or regulatory investigations into possible money laundering activities involving Studio City Casino, its staff, gaming promoters, if any, or customers or others with whom it is associated could have a material adverse impact on our reputation, business, cash flow, financial condition, prospects and results of operations. Any serious incident of, or repeated violation of, laws related to money laundering or any regulatory investigation into money laundering activities may cause a revocation or suspension of the subconcession held by the Gaming Operator. For more information regarding anti-money laundering regulations in Macau, see "Item 4. Information on the Company — B. Business Overview — Anti-Money Laundering and Terrorism Financing Regulations."

Risks Relating to Our Relationship with Melco Resorts

We are heavily dependent on our shareholder, Melco Resorts, and expect to continue to be dependent on Melco Resorts.

Melco Resorts is a developer, owner and operator of integrated resort facilities in Asia and Europe, and our business has benefited significantly from Melco Resorts' strong market position in Macau and its expertise in both gaming and non-gaming businesses. We cannot assure you we will continue to receive the same level of support from Melco Resorts in the future.

Melco Resorts has provided us with substantially all of our financial, administrative, sales and marketing, human resources and legal services and has also provided us with the services of a number of its staff pursuant to the Management and Shared Services Arrangements. Other than our property general manager, all of the Studio City dedicated staff are employed by the Master Service Providers under such arrangements. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Management and Shared Services Arrangements." We expect Melco Resorts to continue to provide us with such support services in the future. However, there is no assurance that employees of Master Service Providers, who also support our financial, management, administration and other corporate functions, will be able to carry out their responsibilities in the best interests of Studio City or provide sufficient support for us to operate as an independent public company in compliance with the relevant financial reporting, internal control and other legal and regulatory requirements. In addition, to the extent Melco Resorts does not continue to provide us with such support, we may need to create our own support systems and may encounter operational, administrative and strategic difficulties. Having to create our own support systems due to lack of support from Melco Resorts may cause us to react more slowly than our competitors to industry changes and may divert our management's attention from running our business, increase our operating costs or otherwise harm our operations.

In addition, since we have only been a public company since October 2018, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relations issues. Prior to our initial public offering, we were indirectly subject to requirements to maintain an effective internal control over financial reporting under Section 404 of the Sarbanes–Oxley Act of 2002 as a subsidiary of Melco Resorts. However, as a public company itself, our management will have to evaluate our internal control system independently with new thresholds of materiality and to implement necessary changes to our internal control system. We cannot guarantee that we will be able to do so in a timely and effective manner.

Our business has benefited significantly from our relationship with Melco Resorts. Any negative development in Melco Resorts' market position or brand recognition may materially and adversely affect our marketing efforts and the strength of our brand.

We are a subsidiary of Melco Resorts and have benefited significantly from our relationship with Melco Resorts in marketing our brand. For example, we have benefited by providing services to Melco Resorts'

long-term customers. We also benefit from Melco Resorts' strong brand recognition in Macau, which has provided us credibility and a broad marketing reach. If Melco Resorts loses its market position, the effectiveness of our marketing efforts through our association with Melco Resorts may be materially and adversely affected. In addition, any negative publicity associated with Melco Resorts will likely have an adverse impact on the effectiveness of our marketing as well as our reputation and our brand.

We may have conflicts of interest with Melco Resorts and, because of Melco Resorts' controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us.

Conflicts of interest may arise between Melco Resorts and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest include:

- *Other Integrated Resorts in Macau.* Melco Resorts owns other integrated resorts in Macau and the Gaming Operator, as a subsidiary of Melco Resorts, operates casinos and gaming areas at such resorts owned by Melco Resorts. The ownership and operation of City of Dreams and Altira Macau by Melco Resorts and the Gaming Operator may divert their attention and resources. For example, VIP rolling chip operations at Studio City Casino are operated by the Gaming Operator under the Services and Right to Use Arrangements and the VIP tables used in such operations were initially allocated by the Macau government for operation by the Gaming Operator at gaming areas of the Gaming Operator's other properties in Macau. The Gaming Operator will continue VIP rolling chip operations at the Studio City Casino until December 31, 2022, subject to early termination with 30 days' prior notice by either Studio City Entertainment or the Gaming Operator. Any discontinuation of operation of VIP tables at Studio City Casino and potential allocation of such VIP tables to other Melco Resorts properties, as well as any strategic decisions made by Melco Resorts to focus on their other projects in Macau rather than us, could materially and adversely affect our financial condition and results of operations.
- *Allocation of Business Opportunities*. Melco Resorts, as well as the Gaming Operator, may take action to construct and operate new gaming projects or invest in such projects located in the Asian region (including new gaming projects in Macau) or elsewhere, which, along with their current operations, including City of Dreams and Altira Macau, may divert their attention and resources. For example, in 2015, Melco Resorts opened City of Dreams Manila, a casino, hotel, retail and entertainment resort in Manila, the Philippines. In 2019, Melco Resorts acquired from Melco International a 75% equity interest in the City of Dreams Mediterranean project, which is currently under development, as well as the temporary and satellite casinos opened prior to the official launch of the City of Dreams Mediterranean project. We could face competition from these other gaming projects. Due to the Management and Shared Services Arrangements we have with Melco Resorts, should Melco Resorts decide to focus more attention on gaming projects located in other areas, including in jurisdictions that may be expanding or commencing their gaming industries, or should economic conditions or other factors result in a significant decrease in gaming revenues and number of patrons in Macau, Melco Resorts may make strategic decisions to focus on their other projects rather than us, which could adversely affect our development and operation of Studio City and future growth.
- *Related Party Transactions.* We have entered into a number of related party transactions, including the Management and Shared Services Arrangements, that we believe allow us to leverage off the experience and scale of Melco Resorts. While these arrangements were entered into at pre-agreed rates that we believe are commercially reasonable, the determination of such commercial terms were subject to judgment and estimates and we may have obtained different terms for similar types of services had we entered into such arrangements with independent third parties or had we not been a subsidiary of Melco Resorts.
- *Our Board Members and Executive Officers May Have Conflicts of Interest*. Certain of our directors are also the directors and/or executive officers of Melco Resorts, our property general manager serves on Melco Resorts' executive committee and our chief financial officer is an executive officer of Melco

Resorts. In addition, our senior management team (including staff of Melco Resorts designated to Studio City under the Management and Shared Services Arrangements) also has reporting obligations to Melco Resorts. Certain of our directors have also been appointed by New Cotai. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for Melco Resorts or New Cotai, as the case may be, and us. See "— Risks Relating to Our Business — We rely on services provided by subsidiaries of Melco Resorts, including hiring and training of personnel for Studio City" and "— Certain of our directors and executive officers hold a substantial amount of share options, restricted shares and ordinary shares of Melco Resorts, which could create an appearance of potential conflicts of interests." While we have appointed independent directors to our board of directors, and our audit and risk committee consists solely of independent directors, due to the nature of their role as independent directors, such directors may not have access to the same information, resources and support as directors who are also directors and/or executive officers of Melco Resorts, which may hinder their ability to eliminate all conflicts of interest presented by our relationships with Melco Resorts.

- *Developing Business Relationships with Melco Resorts' Competitors*. So long as Melco Resorts remains our controlling shareholder, we may be limited in our ability to do business with its competitors, such as other gaming operators in Macau. This may limit our ability to market our services for the best interests of our company and our other shareholders.

We expect to operate, for as long as Melco Resorts is our controlling shareholder, as a subsidiary of Melco Resorts. Melco Resorts may from time to time make strategic decisions that it believes are in the best interests of its business as a whole, including our company. These decisions may be different from the decisions that we would have made on our own. Melco Resorts' decisions with respect to us or our business may be resolved in ways that favor Melco Resorts and therefore Melco Resorts' own shareholders, which may not coincide with the interests of our other shareholders. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with a non-controlling shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved among unaffiliated parties, this may not succeed in practice.

Certain of our directors and executive officers hold a substantial amount of share options, restricted shares and ordinary shares of Melco Resorts, which could create an appearance of potential conflicts of interests.

Certain of our directors and executive officers hold a substantial amount of share options, restricted shares and ordinary shares of Melco Resorts, and the value of such share options and restricted shares are related to the value of the ordinary shares of Melco Resorts. In addition, our directors and executive officers are eligible to participate in the share incentive plan of Melco Resorts. See "Item 6. Directors, Senior Management and Employees — B. Compensation of Directors and Executive Officers — Share Incentive Plan." The direct and indirect interests of our directors and executive officers in the ordinary shares of Melco Resorts and the presence of certain directors and executive officers of Melco Resorts on our board of directors or senior executive team could create, or appear to create, conflicts of interest with respect to matters involving both Melco Resorts and us that could have different implications for Melco Resorts and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between Melco Resorts and us, or the affiliates of Melco Resorts and us, regarding the terms of the arrangements we have with Melco Resorts or its affiliates. These arrangements include the Services and Right to Use Arrangements, the Management and Shared Services Arrangements and any commercial agreements between Melco Resorts and us, or the affiliates of Melco Resorts and us. Potential conflicts of interest may also arise out of any commercial arrangements that Melco Resorts and us may enter into in the future. Similar potential conflicts may also arise related to the pursuit of certain opportunities, including growth opportunities in Macau or elsewhere.

Changes in Melco Resorts' share ownership, including a change of control of its subsidiaries' shares, could result in our inability to draw loans or cause events of default under our indebtedness, or could require us to prepay or make offers to repurchase certain indebtedness.

Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of Melco Resorts' obligations relating to the control and/or ownership of certain of its and our subsidiaries including their and our assets. Under the terms of such credit facility agreements, the occurrence of certain change of control events, including a decline below certain thresholds in the aggregate direct or indirect shareholdings in certain of Melco Resorts' subsidiaries, including Studio City Holdings Five Limited, Studio City Finance and Studio City Investments, may result in an event of default and/or a cancellation of committed amounts as well as a requirement to prepay the credit facilities in relation to such indebtedness in full.

The terms of the agreement of certain indebtedness also contain change of control provisions whereby the occurrence of a relevant change of control event will require us to offer to repurchase the securities at a price equal to 101% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amounts specified under such indebtedness to the date of repurchase.

Any occurrence of these events could be outside our control and could result in events of default and cross-defaults which may cause the termination and acceleration of our credit facilities and other indebtedness and potential enforcement of remedies by our lenders or note holders (as the case may be), which would have a material adverse effect on our financial condition and results of operations.

Risks Relating to Conducting Business and Operating in Macau

Our business, financial condition and results of operations may be materially and adversely affected by any economic slowdown in Macau, the PRC and nearby Asia regions as well as globally.

All of our operations are in Macau. Accordingly, our results of operations and financial condition may be materially adversely affected by significant political, social and economic developments in Macau and the PRC. A slowdown in economic growth in the PRC could adversely impact the number of visitors from the PRC to Studio City as well as the amount they are willing to spend in our hotel, restaurants and other facilities as well as at Studio City Casino, which could have a material adverse effect on our results of the operations and financial condition. Various factors have recently negatively impacted economic growth in the PRC, including the government's efforts to cool the PRC's housing market and disruptions caused by COVID-19, leading to reduced consumer discretionary budget and ultimately affecting their spend on travel and leisure. Moreover, the PRC's common prosperity drive which started in 2021 aims to narrow the nation's wealth gap by reducing wealth inequality; any changes in the income tax rate or government policy which discourages conspicuous consumption may affect the spending patterns of our patrons. All of these measures as well as a number of measures taken by the PRC government in recent years to control the rate of economic growth, including those designed to tighten credit and liquidity, may have contributed to a slowdown of the PRC's economy. According to the National Bureau of Statistics of China, the PRC's GDP growth rate was 8.1% in 2021. Although this figure was higher than the 2.2% in 2020, the GDP growth has been slowing down on each sequential quarter with the fourth quarter of 2021 reporting a 4.0% year-over-year growth only. Any slowdown in the PRC's future growth may have an adverse impact on financial markets, currency exchange rates and other economies, as well as the spending of visitors in Macau and Studio City. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in the PRC will not occur or persist in the future, that they will not be protracted or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations

In addition, the global macroeconomic environment is facing significant challenges, including the effects from the global COVID-19 outbreak and dampened business sentiment and outlook. These events have also caused significant declines as well as volatility in global equity and debt capital markets, further elevating

the risk of an extended global economic downturn or even a global recession that could in turn trigger a contraction of liquidity in the global credit markets. Even prior to these events, the global economy was facing the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone in 2014, uncertainties relating to the United Kingdom's withdrawal from the European Union, the continuation of international trade conflicts, including the trade disputes between the United States and the PRC and the potential further escalation of trade tariffs and related retaliatory measures between these two countries and globally. The United States and the PRC have, in recent years, been involved in disputes over trade policies and practices and each has implemented or proposed to implement tariffs on certain imported products. There is considerable uncertainty over the impact and duration of the COVID-19 outbreak on the global macroeconomic environment. In addition, tensions between the United States and the PRC have continued to escalate in 2021 in connection with ongoing trade disputes as well as other political factors, including the COVID-19 outbreak and the status of Hong Kong. Finally, rising inflation rates globally and in Macau may not only weaken discretionary spending of our customers but also increase our operating costs due to possible hikes in salary payments for our staff or key expenditures in our business. Potential interest rate hikes from one or more central banks across the world to address inflation or other macroeconomic factors would increase the cost of credit throughout the economies, impacting cashflows for both businesses and consumers as they spend more on interest payments, which in turn reduces the amount available for capital investments and for discretionary consumption.

Continued rising political tensions could reduce levels of trade, investment, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. The introduction of the National Security Law for Hong Kong and the U.S. State Department's statements in reaction to it has resulted in a further deterioration in the Sino-U.S. bilateral relationship, which could negatively affect the PRC economy and its demand for gaming and leisure activities.

In addition, other factors affecting discretionary consumer spending, including amounts of disposable consumer income, fears of recession, lack of consumer confidence in the economy, change in consumer preferences, high energy, fuel and other commodity costs and increased cost of travel may negatively impact our business. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could materially adversely affect our business, results of operations and financial condition.

Considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and the PRC, remains. There have been concerns over conflicts, unrest and terrorist threats in the Ukraine, Middle East, Europe and Africa, including the recent military conflict between Russia and Ukraine has led to sanctions and export controls being imposed by the United States, the European Union, the United Kingdom and other countries targeting Russia, its financial system and major financial institutions and certain Russian entities and persons. The conflict has also caused volatility in global financial markets as well as rising prices in oil, gas and other commodities. In addition, concerns over conflicts involving the United States and Iran and potential conflicts involving the Korean peninsula persist. Any severe or prolonged slowdown in the global economy or increase in international trade or political conflicts may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

Studio City Casino's operations could be adversely affected by foreign exchange restrictions on the Renminbi.

Gaming operators in Macau are currently prohibited from accepting wagers in Renminbi, the currency of the PRC. There are currently restrictions on the export of the Renminbi outside of the PRC, including to Macau. For example, a PRC citizen traveling abroad is only allowed to take a total of RMB20,000 (US$3,137) plus the equivalent of up to US$5,000 out of the PRC. Moreover, an annual limit of RMB100,000 (US$15,684) on the aggregate amount that can be withdrawn overseas from PRC bank accounts was set by the PRC government, with effect on January 1, 2018. In addition, the PRC government's ongoing anti-corruption

campaign has led to tighter monetary transfer regulations, including real-time monitoring of certain financial channels, reducing the amount that PRC-issued ATM cardholders can withdraw in each withdrawal, imposing a limit on the annual aggregate amount that may be withdrawn and the launch of facial recognition and identity card checks with respect to certain ATM users, which could disrupt the amount of money visitors can bring from mainland China to Macau. Furthermore, the Macau government has launched identity card checks with respect to certain ATM users and recently recommended banks perform adequate due diligence and monitoring of merchants with respect to usage of point-of-sales machines, such as cash registers where a customer is charged for goods or services purchased. These measures may limit liquidity availability and curb capital outflows. In addition, on June 12, 2017, a law with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer was enacted and came into effect on November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount of MOP120,000 (US$14,939) as determined by the Chief Executive of Macau are required to declare such amount to the customs authorities. For further details, please refer to “Item 4. Information on the Company — B. Business Overview — Control of Cross-border Transportation of Cash Regulations.” The adoption of digital currency by the Chinese government may also cause more restrictions on the export of the Renminbi out of the PRC, which may impede the flow of customers from the PRC to Macau, inhibit the growth of gaming in Macau and negatively impact the operation of Studio City Casino.

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

Our operating results may be adversely affected by:

- tightening of travel restrictions to Macau or from the PRC, including due to the outbreak of infectious diseases, such as the COVID-19 outbreak;
- austerity measures which may be imposed by the PRC government;
- changes in government policies, laws and regulations, or in the interpretation or enforcement of these policies, laws and regulations;
- changes in cross-border fund transfer and/or foreign exchange regulations or policies effected by the PRC and/or Macau governments;
- measures taken by the PRC government to deter marketing of gaming activities to mainland Chinese residents by offshore casinos;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the rate or method of taxation by the Macau government.

A significant number of the customers of Studio City Casino come from, and are expected to continue to come from, the PRC. Any travel restrictions imposed by the PRC, such as the travel restrictions imposed due to the COVID-19 outbreak, could negatively affect the number of patrons visiting Studio City from the PRC. Since mid-2003, under the Individual Visit Scheme, or IVS, PRC citizens from certain cities have been able to travel to Macau individually instead of as part of a tour group. In mid-2008 through 2010, the PRC government adjusted its visa policy and limited the number of visits PRC citizens may make to Macau in a given time period. The PRC also banned “zero fare tours,” popular among visitors to Macau from the PRC, whereby travelers avail the services of tour guides at minimal or no cost if they agree to shop in designated areas in exchange. Further, in 2014, the PRC government and the Macau government tightened visa transit policies for mainland China residents. Starting on July 1, 2014, the Macau government has tightened transit visa rule implementation, limiting such travelers to a five-day stay, with documented proof that they were going to a third destination. From July 2015, Macau eased the restrictions and again allowed mainland Chinese passport holders who transit via the city to stay for up to seven days. While the PRC government has restricted and then loosened IVS travel

frequently, it has recently indicated its intention to maintain tourism development by opening the IVS to more PRC cities to visit Macau. In March 2016, for instance, the Ministry of Public Security of China announced a new practice to make it easier for some mainland Chinese citizens to apply for the IVS visa. It is unclear whether these and other measures will continue to be in effect or become more restrictive in the future. For instance, as a result of the COVID-19 outbreak, the PRC government suspended the issuance of group and individual travel visas from the PRC to Macau. The IVS program was fully resumed by the PRC government on September 23, 2020. A decrease in the number of visitors from the PRC could adversely affect Studio City's results of operations.

In addition, certain policies and campaigns implemented by the PRC government may lead to a decline in the number of patrons visiting Studio City and the amount of spending by such patrons. The strength and profitability of our business depends on consumer demand for integrated resorts in general and for the type of luxury amenities that a gaming operator offers. Initiatives and campaigns undertaken by the PRC government in recent years have resulted in an overall dampening effect on the behavior of PRC consumers and a decrease in their spending, particularly in luxury good sales and other discretionary spending. For example, the PRC government's ongoing anti-corruption campaign has had an overall dampening effect on the behavior of PRC consumers and their spending patterns both domestically and abroad. In addition, the number of patrons visiting Studio City may be affected by the PRC government's focus on deterring marketing of gaming to mainland Chinese citizens by casinos and its initiatives to tighten monetary transfer regulations, increase monitoring of various transactions, including bank or credit card transactions, reduce the amount that PRC-issued ATM cardholders can withdraw in each withdrawal and impose a limit on the annual aggregate amount that may be withdrawn. For example, certain staff of a foreign casino were convicted in the PRC in connection with gaming-related promotional activities in the PRC which created regulatory uncertainty on marketing activities in the PRC. More recently, amendments to the PRC's criminal laws, which provide that anyone that organizes trips for PRC citizens for the purpose of gambling outside of mainland China, including Macau, may be deemed to have conducted a criminal act, came into effect on March 1, 2021. Furthermore, in November 2021, the Court of Final Appeal in Macau issued a final unappealable decision that a gaming operator is jointly liable with a gaming promoter for the refund of funds deposited with such gaming promoter and the Macau authorities arrested executives from a gaming promoter for alleged illegal overseas gaming related activities. In January 2022, the Macau authorities also arrested an executive from another gaming promoter and certain related individuals. The PRC government has also developed its digital currency and has performed certain test trials in its application within mainland China. If a digital currency is adopted by the Macau government for gaming operations in Macau, there could be a material and adverse impact on Studio City Casino's VIP rolling chip operations if limitations on transactions per player are also introduced in conjunction with the adoption of the digital currency. A wide interpretation, application or enforcement of these laws and regulations by the PRC governmental authorities could have a material and adverse effect on our business and prospects, financial condition and results of operations.

Our operations in Macau are also exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. Further, certain terms of the Gaming Operator's subconcession, the proposed extension of such subconcession from June 26, 2022 to December 31, 2022, or the grant of a new concession may be subject to negotiations with the Macau government, including with respect to the amount of any premium the Gaming Operator will be obligated to pay the Macau government in order to continue operations including at Studio City Casino. For example, the proposed law to amend the Macau gaming law contemplates the payment of a special premium if gross gaming revenue falls below the gross gaming revenue threshold set by the Macau government. As Studio City Entertainment is expected to fund part of the premium for the operation of Studio City Casino, increased premium could have a material adverse effect on the results of our operations and financial condition. Significantly increased regulatory scrutiny of gaming promoters in Macau has resulted, and may continue to result, in the cessation of business of many gaming promoters. In December 2021, the Gaming Operator terminated the arrangements with gaming promoters in Macau, including at Studio City Casino.

Uncertainties in the legal systems in the PRC may expose us to risks.

We are based in and have all of our operations in Hong Kong and Macau. In addition, as a significant number of our customers come from, and are expected to continue to come from, the PRC, our results of operations and financial condition may be materially and adversely affected by significant regulatory developments not only in Macau but also in the PRC. Gaming related activities in the PRC, including marketing activities, are strictly regulated by the PRC government and subject to various PRC laws and regulations. The PRC legal system continues to rapidly evolve and the interpretations of many laws, regulations and rules are not always uniform. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all. As a result, we may not be aware of all policies and rules imposed by the PRC authorities which may affect or relate to our business and operations. There is also no assurance that our interpretation of the laws and regulations that affect our activities in the PRC is or will be consistent with the interpretation and application by the PRC governmental authorities. These uncertainties may impede our ability to assess our legal rights or risks relating to our business and activities. Any changes in the laws and regulations, or in the interpretation or enforcement of these laws and regulations, which affect gaming related activities in the PRC could have a material and adverse effect on our business and prospects, financial condition and results of operations. The PRC may also intervene or influence our operations at any time, or may exert more control over offerings conducted overseas and/or foreign investment in PRC-based issuers, which could result in a material change in our operations and/or the value of our ordinary shares. Additionally, given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our securities to significantly decline or be worthless. See also "— Risks Relating to Our Business — Failure to protect the integrity and security of company staff, supplier and customer information and comply with cybersecurity, data privacy, data protection or any other laws and regulations related to data may materially and adversely affect our business, financial condition and results of operations, and/or result in damage to reputation and/or subject us to fines, penalties, lawsuits, restrictions on our use or transfer of data and other risks."

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

Terrorism, violent criminal acts, the uncertainty of war, widespread health epidemics or pandemics, political developments and other factors affecting discretionary consumer spending and leisure travel may reduce visitation to Macau and harm our operating results.

The strength and profitability of our business will depend on consumer demand for integrated resorts and leisure travel in general. Terrorist and violent criminal activities in Europe, the United States, Southeast Asia and elsewhere, military conflicts in the Middle East, social events and natural disasters such as typhoons, tsunamis and earthquakes, and outbreaks of widespread health epidemics or pandemics, including the COVID-19 outbreak, among other things, have negatively affected travel and leisure expenditures. Terrorism, other criminal acts of violence or social events and widespread health epidemics or pandemics could have a negative impact on international travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which such acts may affect us, directly or indirectly, in the future. See also "— Risks Relating to Our Business — The COVID-19 outbreak has had, and will likely continue to have, an adverse effect on our operations, which has negatively affected and may continue to materially impact our business, prospects, financial condition and results of operations" and "— An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations."

In addition, other factors affecting discretionary consumer spending, including amounts of disposable consumer income, fears of recession, lack of consumer confidence in the economy, change in consumer preferences, high energy, fuel and other commodity costs and increased cost of travel may negatively impact our business. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could materially adversely affect our business, results of operations and financial condition.

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

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

Several countries, including Japan, South Korea and Vietnam, have registered cases of avian flu since the end of 2020. Fully effective avian flu vaccines have not been developed and there is evidence that the H5N1 virus is constantly evolving so we cannot assure you that an effective vaccine can be discovered or commercially manufactured in time to protect against the potential avian flu pandemic. In the first half of 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia, which seriously interrupted economic activities and caused the demand for goods and services to plummet in the affected regions.

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

Macau is susceptible to typhoons and heavy rainstorms that may damage our property and disrupt our operations.

Macau's subtropical climate and location on the South China Sea renders it susceptible to typhoons, heavy rainstorms and other natural disasters. In the event of a major typhoon, such as Typhoon Hato in August 2017, Typhoon Mangkhut in September 2018 or other natural disaster in Macau, Studio City may be severely damaged, our operations may be materially and adversely affected and Studio City Casino may even be required

to temporarily cease operations by regulatory authorities. Any flooding, unscheduled cessation of operations, interruption in the technology or transportation services or interruption in the supply of public utilities is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of Studio City, including operations at Studio City Casino. Although we benefit from certain insurance coverage with respect to these events, our coverage may not be sufficient to fully indemnify us against all direct and indirect costs, including loss of business, which could result from substantial damage to, or partial or complete destruction of, Studio City or other damages to the infrastructure or economy of Macau.

Risks Relating to Our Shares and ADSs

We are a Cayman Islands holding company. Our sole material asset is our equity interest in MSC Cotai and we will be accordingly dependent upon distributions from MSC Cotai to pay dividends and cover our corporate and other expenses.

We are a Cayman Islands holding company and have no material assets other than our equity interest in MSC Cotai. We have also undertaken that we will not own equity interests in any other entity other than MSC Cotai and that we will contribute to MSC Cotai all net proceeds received by us from sales of equity securities and sales of assets. Please see "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions." Because we will have no independent means of generating revenue, our ability to pay dividends, if any, and cover our corporate and other expenses is dependent on the ability of MSC Cotai to generate revenue to pay such dividends and expenses. This ability, in turn, may depend on the ability of MSC Cotai's subsidiaries to make distributions to it. The ability of MSC Cotai and its subsidiaries to make such distributions will be subject to, among other things, (i) the applicable laws and regulations of the relevant jurisdictions that may limit the amount of funds available for distribution, (ii) restrictions in the Participation Agreement or relevant debt instruments issued by MSC Cotai or its subsidiaries in which it directly or indirectly holds an equity interest and (iii) the availability of funds to distribute. For example, if the COVID-19 outbreak continues to disrupt our operations or escalates, it may have a material adverse effect on the availability of funds for MSC Cotai and its subsidiaries to distribute. To the extent that we need funds and MSC Cotai or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any financing arrangements, or are otherwise unable to provide such funds, our liquidity and financial condition could be materially and adversely affected. In addition, we are not a Chinese operating company and investors may never directly hold equity interests in our operating subsidiaries. This organizational structure involves unique risks to investors, including the possibility of Chinese or Macau regulatory authorities disallowing our organizational structure, which would likely result in a material change in our operations and/or value of our ADSs making them significantly decline or worthless.

Our listing was authorized by the Macau government subject to certain conditions imposed on the Gaming Operator, us and our direct and indirect shareholders. Failure by the Gaming Operator, us or our direct and indirect shareholders to comply with such conditions may result in our obligation to delist the ADSs from the New York Stock Exchange or, if we fail to do so, result in the approval of the Services and Right to Use Arrangements being revoked.

Our listing was authorized by the Macau government subject to the continued satisfaction of certain conditions including the following:

- the company continues to hold, directly or indirectly, 100% of the equity interest of its subsidiary, Studio City Entertainment;
- Melco Resorts continues to hold, directly or indirectly, at least 50.1% of the equity interest in us;
- Melco International continues to hold, directly or indirectly, the majority of the equity interest in Melco Resorts; and
- Mr. Lawrence Ho, directly or indirectly, continues to hold the majority of the equity interest in Melco International to control such entity.

Under such authorization, the Gaming Operator is required to annually provide the Macau government with evidence with respect to the compliance with the above conditions. In addition, under such authorization, we and the Gaming Operator are also required to comply with the conditions imposed by the Macau government in connection with its approval of our entry into the Services and Right to Use Arrangements.

The Macau government also has the right to revoke the listing authorization if it deems that the listing is contrary to the public interest or in case of breach of the mentioned conditions. In case of revocation of the listing authorization by the Macau government, we may be required by the Macau government to delist the ADSs from the New York Stock Exchange. Failure to do so could result in the approval of the Services and Right to Use Arrangements being revoked, which would prevent us from receiving any amounts thereunder, in a closure order being issued with respect to the Studio City Casino or in the suspension or termination of the Gaming Operator's subconcession and consequently we may be unable to offer any gaming facilities at Studio City.

Participation by certain of our principal shareholders in our equity offerings has reduced the available public float for our ADSs.

MCO Cotai, our controlling shareholder, and certain funds managed by Silver Point Capital, L.P., one of our principal shareholders, participated in our initial public offering and were allocated 25,550,000 ADSs, or 77.3%, of the total amount of ADSs offered in our initial public offering at the initial public offering price. In addition, MCO Cotai, New Cotai and certain funds managed by Silver Point Capital, L.P. also participated in the series of private offers we announced in July 2020 and February 2022 and purchased 121,304,652 Class A shares and 369,645,292 Class A shares, respectively, or 94.4% and 92.4% of the total amount of Class A shares purchased in such offerings. See "Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders."

Such purchases and ownership reduced the otherwise available public float for our ADSs and the liquidity of our ADSs relative to what it would have been had these ADSs been purchased by other investors and thereby may adversely impact the trading price of our ADSs.

We may be unable to remain in compliance with the New York Stock Exchange requirements for continued listing and as a result our ADSs may be delisted from trading on the New York Stock Exchange, which would have a material effect on us and the liquidity of our ADSs and Class A ordinary shares.

On February 20, 2020, we announced that we received a notice from the New York Stock Exchange notifying us that we were not in compliance with Section 802.01A of the New York Stock Exchange Listed Company Manual, or the NYSE Manual, which requires the number of total shareholders of the Company's capital stock be no less than 400 shareholders, or the NYSE Notice. Pursuant to the NYSE Notice, the Company became subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual and was requested to submit a business plan within 90 days of receipt of the NYSE Notice that demonstrated how we expected to return to compliance with the minimum total shareholder requirement within a maximum period of 18 months of receipt of the notice.

In accordance with the timing requirement under the NYSE Notice, we submitted a business plan in May 2020, or the NYSE Business Plan. On July 2, 2020, we were notified the NYSE Business Plan was accepted by the New York Stock Exchange. In such notification, the New York Stock Exchange also notified us that we were not in compliance with the requirement under Section 802.01A of the NYSE Manual which requires the number of total shareholders of the Company's capital stock to be no less than 1,200 shareholders if the average monthly volume of its ADSs is less than 100,000 for the most recent 12 months, or the Additional NYSE Non-Compliance, and subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual for the Additional NYSE Non-Compliance. The NYSE Business Plan addressed both the non-compliance contained in the NYSE Notice and the Additional NYSE Non-Compliance.

On May 7, 2021, the NYSE notified the Company that it had regained compliance with the continued listing requirement contained in the initial NYSE Notice. Subsequently on July 30, 2021, the NYSE further notified the Company that it had regained compliance with the Additional NYSE Non-Compliance. The NYSE also indicated that the Company will be subject to a 12-month monitoring period within which the Company will be reviewed to ensure it does not once again fall below any of the NYSE's continued listing standards, in which case the NYSE may truncate the compliance procedures described in the NYSE Manual or initiate delisting procedures.

We cannot assure you that we can or will continually adhere to all of the continued listing requirements of the New York Stock Exchange, including those required to maintain our listing on the New York Stock Exchange, or that the New York Stock Exchange will not take any other action in the course of monitoring our compliance with the continued listing requirements of the New York Stock Exchange. If we are delisted from the New York Stock Exchange, our ADSs or ordinary shares may be eligible for trading on an over-the-counter market in the United States. In the event that we are not able to obtain a listing on another U.S. stock exchange or quotation service for our ADSs, it may be extremely difficult for holders of our ADSs and shareholders to sell their ADSs or ordinary shares. Moreover, if our ADSs are delisted from the New York Stock Exchange but listed elsewhere, it will likely be on a market with less liquidity and more price volatility than experienced on the New York Stock Exchange. Holders of our ADSs and our shareholders may not be able to sell their ADSs or ordinary shares on any such substitute market in the quantities, at the times or at the prices that could potentially be available on a more liquid trading market. In addition, following a delisting from the New York Stock Exchange, as direct or indirect holders of 5% or more of our shares are subject to suitability and financial capacity reviews by the DICJ, any direct or indirect sales of our ADSs or ordinary shares representing 5% or more of our outstanding share capital may require prior approval by the Macau government. See "Item 4. Information on the Company — B. Business Overview — Gaming Regulations," "Item 4. Information on the Company — B. Business Overview — Gaming Regulations — The Gaming Operator's Subconcession" and "Item 4. Information on the Company — B. Business Overview — Gaming Regulations — Services and Right to Use Arrangements Regulatory Requirements." As a result of these factors, if our ADSs are delisted from the New York Stock Exchange, the price and liquidity of our ADSs and ordinary shares may be materially and adversely affected.

The trading price of our ADSs has been volatile since our ADSs began trading on The New York Stock Exchange and may be subject to fluctuations in the future, which could result in substantial losses to investors.

The trading price of our ADSs has been and may continue to be subject to wide fluctuations. Since our listing on October 18, 2018 to March 25, 2022, the trading prices of our ADSs ranged from US$4.71 to US$28.59 per ADS and the closing sale price on March 25, 2022 was US$7.30 per ADS. The trading price of our ADSs may be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in Macau or the PRC that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- limited public float of our ADSs;
- developments in the Macau market or other Asian gaming markets, including disruptions caused by widespread health epidemics or pandemics, such as the COVID-19 outbreak;
- uncertainties or delays relating to the financing, completion and successful operation of our remaining project for Studio City;
- general economic, political or other factors that may affect Macau, where Studio City is located and/or the macroeconomic environment, including the COVID-19 outbreak or any other global pandemic or crisis;

- changes in the economic performance or market valuations of the gaming and leisure industry companies;
- changes in the Gaming Operator's market share of the Macau gaming market;
- regulatory developments affecting us or our competitors;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- announcements of new investments, acquisitions, strategic partnerships, joint ventures or divestments by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, Studio City or our industries;
- additions or departures of key personnel;
- fluctuations in the exchange rates between the U.S. dollar, H.K. dollar, Pataca and Renminbi;
- release or expiration of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- sales or perceived sales of additional shares or ADSs or securities convertible or exchangeable or exercisable for shares or ADSs;
- potential litigation or regulatory investigations; and
- rumors related to any of the above, irrespective of their veracity.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. For example, in connection with the COVID-19 outbreak, securities markets across the globe have experienced significant volatility. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our ADSs, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Techniques employed by short sellers may drive down the market price of our ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The

short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in Greater China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in our ADSs could be greatly reduced or even rendered worthless.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

Holders of ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying Class A ordinary shares of the depositary and in accordance with the provisions of the deposit agreement. Advance notice of at least seven days is required for the convening of our annual general meeting and other shareholders meetings. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw Class A ordinary shares represented by your ADSs to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to convene a shareholder meeting.

Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement. In addition, parties to the Participation Agreement have agreed to resolve any disputes by arbitration.

As a holder of our ADSs, you are a party to the deposit agreement under which our ADSs are issued. Under the deposit agreement, any action or proceeding against or involving the depositary arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of you owning the ADSs may only be instituted in a state or federal court in New York, New York. In addition, under the deposit agreement, you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding and irrevocably submitted to the exclusive jurisdiction of such courts in any such

action or proceeding. The depositary may, however, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration proceeding to be conducted under the terms described in the deposit agreement, which may include claims arising under the U.S. federal securities laws and claims not in connection with our initial public offering, although the arbitration provisions do not preclude you from pursuing claims under the U.S. federal securities laws in federal courts. Furthermore, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the terms and subject to the conditions of the deposit agreement as amended.

In addition, the Participation Agreement, pursuant to which MSC Cotai granted the Participation Interest to New Cotai, provides that all disputes arising out of the Participation Agreement must be resolved through arbitration proceedings subject to certain limited exceptions and such provision will affect the manner by which New Cotai or any other parties to the Participation Agreement may pursue any claim or action arising out of the Participation Agreement. For more information, see "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions — Participation Agreement."

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, subject to the depositary's right to require a claim to be submitted to arbitration, the federal or state courts in the City of New York have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with applicable state and federal law. The enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the U.S. federal securities laws has not been finally adjudicated by the United States Supreme Court. However, based on past court decisions, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under the U.S. federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement as a jury trial.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings, and you may not receive cash dividends if it is unlawful or impractical to make them available to you.

We may, from time to time, distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act of 1933, or the Securities Act, or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary bank will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act, or exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

In addition, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is unlawful, inequitable or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. Also, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property and you will not receive such distribution. Except as otherwise provided under the Registration Rights Agreement, we have no obligation to register under U.S. securities laws any ADSs, Class A ordinary shares, rights or other securities received through such distributions. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Registration Rights Agreement.” We also have no obligation to take any other action to permit the distribution of ADSs, Class A ordinary shares, rights or anything else to holders of ADSs.

Substantial future sales or perceived potential sales of our ADSs, ordinary shares or other equity securities in the public market could cause the price of our ADSs to decline significantly.

As of March 21, 2022, New Cotai owned 31,149,140 ADSs, representing approximately a 14.8% voting and economic interest in our company, and 72,511,760 Class B ordinary shares, representing approximately a 8.6% voting, non-economic interest in our company. New Cotai also has a Participation Interest, which entitles New Cotai to receive from MSC Cotai an amount equal to approximately 9.4% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions. Under the Participation Agreement, New Cotai and its permitted transferees will be entitled to exchange its Participation Interest for Class A ordinary shares. We have granted registration rights with respect to the Class A ordinary shares delivered in exchange for Participation Interests. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions” and “— Registration Rights Agreement.”

In addition, certain funds managed by Silver Point Capital, L.P., as of December 31, 2021 and after taking into account their participation in the 2022 Private Placements, beneficially owned 117,118,352 Class A ordinary shares in the form of ADSs, representing 13.9% of our outstanding ordinary shares, while Melco International beneficially owned 463,095,592 Class A ordinary shares, representing 54.9%, of our outstanding ordinary shares. See “Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders.”

Sales of substantial amounts of our ADSs in the public market, including upon the exchange of all or part of the Participation Interest by New Cotai or its permitted transferees, or the perception that these sales could

occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. We also cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities fur future sales will have on the market price of our ADSs. ADSs held by holders who are not affiliates of our company will be freely tradeable without restriction or further registration under the Securities Act, and shares and ADSs held by our affiliates (in each case, to the extent such holders are deemed to be affiliates of the Company) may also be sold in the public market subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and any applicable lock-up agreements. The ADSs represent interests in our Class A ordinary shares. We would, subject to market forces, expect there to be a close correlation in the price of our ADSs and the price of the Class A ordinary shares and any factors contributing to a decline in one market is likely to result to a similar decline in another.

The depositary for our ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for our ADSs, the depositary will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs at shareholders' meetings if you do not give voting instructions to the depositary, unless:

- we have failed to timely provide the depositary with our notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- voting at the meeting is made on a show of hands.

The effect of this discretionary proxy is that, if you fail to give voting instructions to the depositary, you cannot prevent our Class A ordinary shares underlying your ADSs from being voted, absent the situations described above, and it may make it more difficult for shareholders to influence our management. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. See "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy" and note 17 to the consolidated financial statements included elsewhere in this annual report. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of the laws of the Cayman Islands. Under the laws of the Cayman Islands, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future

price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

You may be subject to limitations on the transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we deem or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

You may have difficulty enforcing judgments obtained against us.

We are a company incorporated under the laws of the Cayman Islands and substantially all of our assets are located outside the United States. All of our current operations are conducted in Macau. As a result, it may be difficult or impossible for you to bring an action against us in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. It may also be difficult for you to enforce in the Cayman Islands and Macau courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our directors and executive officers. In addition, there is uncertainty as to whether the courts of the Cayman Islands and Macau would recognize or enforce judgments of U.S. courts against us or such individuals predicated upon the civil liability provisions of the securities laws of the United States or any state. It is also uncertain whether such Cayman Islands and Macau courts would be competent to hear original actions brought in the Cayman Islands and Macau against us or such individuals predicated upon the securities laws of the United States or any state.

We are a foreign private issuer within the meaning of the rules under the Securities Exchange Act of 1934, or the Exchange Act, and as such we are exempt from certain provisions applicable to domestic public companies in the United States.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we currently publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the New York Stock Exchange. Press releases relating to financial results and material events will be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers.

As a foreign private issuer, we are subject to New York Stock Exchange corporate governance listing standards. However, the New York Stock Exchange rules permit a foreign private issuer like us to follow the

corporate governance practices of its home country, including with respect to board and committee composition and shareholder approval requirements with respect to issuances of equity securities. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from New York Stock Exchange corporate governance listing standards. For instance, shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. In addition, we rely on this "home country practice" exception and do not have a majority of independent directors serving on our board and we are not required to obtain shareholder approval prior to issuances of ordinary shares or ADSs under New York Stock Exchange rules. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a "controlled company" within the meaning of the New York Stock Exchange corporate governance rules, we are eligible to, and, in the event we no longer qualify as a foreign private issuer, we intend to elect not to comply with certain of the New York Stock Exchange corporate governance standards, including the requirement that a majority of directors on our board of directors be independent directors.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. To the extent we choose to follow home country practice with respect to corporate governance matters, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

We incur increased costs as a result of being a public company.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the New York Stock Exchange, impose various requirements on the corporate governance practices of public companies. These rules and regulations have increased our legal and financial compliance costs and have made some corporate activities more time-consuming and costly. We have also incurred significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we have increased the number of independent directors and adopted policies regarding internal controls and disclosure controls and procedures. As a public company, it may be more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (as amended) of the Cayman Islands, or Companies Act, and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive

authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as shareholders of a U.S. public company. For a discussion of significant differences between the provisions of the Companies Act (as amended) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Item 10. Additional Information — B. Memorandum and Articles of Association — Differences in Corporate Law.”

If we are a passive foreign investment company for United States federal income tax purposes for any taxable year, United States holders of our ADSs could be subject to adverse United States federal income tax consequences.

A non-United States corporation will be a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year if either (i) at least 75% of its gross income for such taxable year is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values) during such year is attributable to assets that produce or are held for the production of passive income. Based on the value of our assets and the composition of our income and assets, we do not believe we were a PFIC for United States federal income tax purposes for our taxable year ended December 31, 2021. However, the determination of whether or not we are a PFIC according to the PFIC rules is made on an annual basis and will depend on the composition of our income and assets and the value of our assets from time to time. Therefore, changes in the composition of our income or assets or the value of our assets may cause us to become a PFIC. The determination of the value of our assets (including goodwill not reflected on our balance sheet) may be based, in part, on the quarterly market value of our ADSs, which is subject to change and may be volatile.

The classification of certain of our income as active or passive, and certain of our assets as producing active or passive income, and hence whether we are or will become a PFIC, depends on the interpretation of certain United States Treasury Regulations as well as certain IRS guidance relating to the classification of assets as producing active or passive income. Such regulations and guidance are potentially subject to different interpretations. If due to different interpretations of such regulations and guidance the percentage of our passive income or the percentage of our assets treated as producing passive income increases, we may be a PFIC in one or more taxable years.

If we are a PFIC for any taxable year during which a United States person holds ADSs, certain adverse United States federal income tax consequences could apply to such United States person. See “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation — Passive Foreign Investment Company.”

If a United States person is treated as owning at least 10% of our shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our stock (including our ordinary shares and ADSs), such person may be treated as a "United States shareholder" with respect to us. A United States shareholder of a "controlled foreign corporation" may be required to report annually and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with these reporting obligations may subject you to significant monetary penalties and may prevent the statute of limitations with respect to your U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether we are a controlled foreign corporation or whether such investor is treated as a United States shareholder with respect to us or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult its advisors regarding the potential application of these rules to an investment in the stock.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We were established as an international business company, limited by shares, under the laws of the British Virgin Islands as CYBER ONE AGENTS LIMITED on August 2, 2000 and subsequently re-registered as a business company, limited by shares, under the British Virgin Islands Business Companies Act, 2004. New Cotai acquired a 40% equity interest in us on December 6, 2006. MCO Cotai acquired a 60% equity interest in us on July 27, 2011. Melco Resorts is an exempted company incorporated with limited liability under the Companies Act (as amended) of the Cayman Islands and its American Depositary Shares are listed on the Nasdaq Global Select Market in the United States. On January 17, 2012, our name was changed from CYBER ONE AGENTS LIMITED to STUDIO CITY INTERNATIONAL HOLDINGS LIMITED.

In October 2001, we were granted a land concession in Cotai by the Macau government for the development of Studio City, a cinematically-themed integrated resort. Studio City commenced operations on October 27, 2015. We conduct our principal activities through our subsidiaries, which are primarily located in Macau. We currently operate the non-gaming operations of Studio City. The Gaming Operator operates the Studio City Casino. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions.”

Prior to the completion of our initial public offering, we engaged in a series of organizational transactions, or the Organizational Transactions, through which substantially all of our assets and liabilities were contributed to our subsidiary, MSC Cotai, a business company limited by shares incorporated in the British Virgin Islands, in exchange for newly-issued shares of MSC Cotai. For more information on the Organizational Transactions, see “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions.” In connection with such Organizational Transactions, we redomiciled by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands on October 15, 2018.

In October 2018, we completed the initial public offering of our ADSs, each of which represents four Class A ordinary shares, and listed our ADSs on The New York Stock Exchange under the symbol “MSC.” For more information on our corporate structure, see “— C. Organizational Structure.”

On December 18, 2020, the HFCAA was enacted. In essence, the HFCAA requires the SEC to prohibit foreign companies from listing securities on U.S. securities exchanges if a company retains a foreign accounting firm that cannot be inspected by the PCAOB for three consecutive years, beginning in 2021. The enactment of the HFCAA and any additional rulemaking efforts to increase U.S. regulatory access to audit information in the PRC could cause investor uncertainty for affected SEC registrants, including us, the market price of our ADSs and other securities could be materially adversely affected, and we could be delisted if we are unable to meet the PCAOB inspection requirements in time. See “Item 3. Key Information — D. Risk Factors.”

For a description of our principal capital expenditures for the years ended December 31, 2021, 2020 and 2019, see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources.”

Our principal executive offices are located at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Our telephone number at this address is 852-2598-3600 and our fax number is 852-2537-3618. Our website is www.studiocity-macau.com. The information contained on our website is not part of this annual report on Form 20-F.

The SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

B. BUSINESS OVERVIEW

Overview

Studio City is a world-class integrated resort located in Cotai, Macau and its principal operating activities are the provision of gaming related services and the hospitality business in Macau. Studio City Casino has 250 mass market gaming tables and, in 2019, approximately 947 gaming machines, which we believe provide higher margins and attractive long-term growth opportunities. The mass market focus of Studio City Casino is currently complemented with VIP rolling chip operations, which include up to 45 tables authorized for VIP rolling chip operations. In 2021, Studio City Casino had an average of approximately 290 gaming tables and 645 gaming machines in operation. In 2020, excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Studio City Casino had an average of approximately 282 gaming tables and 586 gaming machines in operation. Our cinematically-themed integrated resort is designed to attract a wide range of customers by providing highly differentiated non-gaming attractions, including the world's first figure-8 Ferris wheel, a deluxe night club and karaoke, a 5,000-seat live performance arena and an outdoor water park. Studio City features approximately 1,600 luxury hotel rooms, diverse food and beverage establishments and approximately 27,000 square meters of complementary retail space.

Studio City is strategically located in Cotai, as one of the few dedicated Cotai hotel-casino resort stops on the Macau Light Rapid Transit Line, with an access bridge leading to Studio City.

Studio City has delivered continuous earnings improvement since commencing operations in October 2015 through 2019. We have grown total operating revenues from US$539.8 million in 2017 to US$571.2 million in 2018 and further to US$626.7 million in 2019. We generated net income attributable to Studio City International Holdings Limited of US$33.6 million in 2019 and net losses attributable to Studio City International Holdings Limited of US$76.4 million and US$21.6 million in 2017 and 2018, respectively. We increased our Adjusted EBITDA from US$279.1 million in 2017 to US$314.8 million in 2018 and further to US$361.0 million in 2019, and expanded our Adjusted EBITDA margin from 51.7% to 55.1% and further to 57.6%, respectively, for these periods. However, due to the temporary casino closure and enhanced quarantine and social distancing measures to contain the COVID-19 outbreak in 2020, our total operating revenues decreased from US$626.7 million in 2019 to US$49.2 million in 2020 and we generated net loss attributable to Studio City International Holdings Limited of US$321.6 million in 2020 compared to a net income attributable to Studio City International Holdings Limited of US$33.6 million in 2019. Due to the year-over-year increase in inbound tourism in 2021, total operating revenues increased to US$106.9 million in 2021 from US$49.2 million in 2020, and we generated net loss attributable to Studio City International Holdings Limited of US$252.6 million in 2021 compared to US$321.6 million in 2020.

Studio City Casino is operated by the Gaming Operator, one of the subsidiaries of Melco Resorts and a holder of a gaming subconcession, and we operate the non-gaming businesses of Studio City.

We generated all of our revenues for each of the years ended December 31, 2021, 2020 and 2019 from our operations in Macau, the sole market in which we compete to operate. For further information on the Macau gaming market, see "— Market and Competition — Macau Gaming Market."

Gaming

Studio City Casino currently consists of mass market table gaming, gaming machine and VIP gaming areas, with a total operating gross floor area of 23,420 square meters, located on the ground, first and second floors of Studio City. Studio City Casino gaming customers currently include mass market and VIP rolling chip players. Studio City Casino catered exclusively to mass market players until it launched its VIP rolling chip operations in November 2016. For the years ended December 31, 2021, 2020 and 2019, Studio City Casino's gross gaming revenues was US$380.8 million, US$264.4 million and US$1,432.0 million, respectively.

Excluding gaming tables and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Studio City Casino had an average of approximately 290 gaming tables and 645 gaming machines in operation in 2021, compared to an average of approximately 282 gaming tables and 586 gaming machines in operation in 2020. These gaming tables offer gaming patrons a variety of options including baccarat, three card baccarat, fortune baccarat, blackjack, craps, Caribbean stud poker, roulette, sic bo, fortune 3 card poker and other games. Studio City Casino also offers VIP rolling chip operations, with up to 45 tables authorized for such operations until December 31, 2022, subject to early termination with 30 days' prior notice by either the Gaming Operator or Studio City Entertainment. We currently expect our business strategy going forward to continue to focus on cultivating further growth in the premium mass and mass market segments at the Studio City Casino and enhancing our differentiated non-gaming amenities to complement our gaming operations.

Mass Market Segment

The mass market gaming area caters to mass market gaming patrons and offers a full range of games, 24 hours daily. The layout of the gaming floor is organized using the different market segments that Studio City Casino targets, namely the mainstream mass market and the premium mass market. The premium mass market gaming area has decorations and features distinctive from the mainstream mass market gaming area.

Studio City Casino's mass market table games drop and hold percentage were US$1.13 billion and 27.7% in 2021, respectively, and US$0.73 billion and 26.6% in 2020, respectively, US$3.49 billion and 29.1% in 2019, respectively. As a result, Studio City Casino had gross gaming revenue from mass market table games of US$313.6 million, US$193.8 million and US$1,014.2 million in 2021, 2020 and 2019, respectively. Studio City Casino's gaming machine handle and gaming machine win rate were US$1.11 billion and 2.7% in 2021, respectively, US$0.74 billion and 2.8% in 2020, respectively, and US$2.60 billion and 3.1%, respectively, in 2019. As a result, Studio City Casino had gross gaming revenue from gaming machine of US$30.4 million, US$20.2 million and US$79.5 million in 2021, 2020 and 2019, respectively. Average net win per gaming machine per day in 2021, 2020 and 2019 was US$129, US$98 and US$230, respectively.

Studio City Casino will continue to re-examine the mass market gaming areas to maximize table utilization, to innovate gaming products and to invest in technologies and analytical capability to enhance table productivity and customer retention.

VIP Rolling Chip Segment

In November 2016, Studio City Casino introduced VIP rolling chip operations, which include up to 45 tables authorized for VIP rolling chip operations. The VIP rolling chip area is comprised of private gaming salons or areas that have restricted access to rolling chip patrons and offer more personalized and ultra-premium services than the mainstream and premium mass market gaming areas. It is also situated at a higher level than the mass market gaming areas with generally higher-end dining and beverage options and special decorations. The Gaming Operator will continue VIP rolling chip operations at the Studio City Casino until December 31, 2022, subject to early termination with 30 days' prior notice by either Studio City Entertainment or the Gaming Operator. Studio City Casino's VIP rolling chip volume, VIP rolling chip win rate and VIP rolling chip gross gaming revenue were US$1.84 billion, 2.00% and US$36.8 million, respectively, in 2021, US$2.21 billion, 2.28% and US$50.4 million, respectively, in 2020 and US$10.99 billion, 3.08% and US$338.3 million, respectively, in 2019.

Hotel

Studio City includes self-managed luxury hotel facilities with approximately 1,600 hotel rooms, all elegantly furnished and complete with services and amenities to match. The hotel facilities include indoor and outdoor swimming pools, beauty salon, spa, fitness centers and other amenities. The Studio City hotel features two distinct towers, enabling it to provide a variety of accommodation selections to visitors. The premium

all-suite Star Tower offers approximately 600 suites complete with lavish facilities and dedicated services for a luxury retreat. There are six types of suites which range in size from the Star Premier King Suite at 62 square meters to the Star Grand Deluxe Suite at 211 square meters which includes a living room, dining room and a separate bedroom. Personalized check-in, private indoor heated pool and health club can be enjoyed by all Star Tower guests. The Celebrity Tower with approximately 1,000 rooms brings a deluxe hotel experience to a board range of travelers, which includes access to all of the entertainment facilities offered by Studio City. It offers eleven different room packages ranging from the Celebrity King at 42 square meters to the Celebrity Deluxe Suite at 95 square meters. The following table sets forth certain data with respect to our hotel for the years indicated:

	For the Year Ended December 31,		
	2021	2020	2019
Average daily rate (US$)	123	128	135
REVPAR (US$)	62	36	135
Occupancy rate	51%	28%	100%

Studio City garnered the Forbes Travel Guide Five-Star recognition for the fourth consecutive year in 2021. Its Star Tower achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification in 2020, recognizing its commitment to creating a culture of accountability and following global best practices to heighten health security.

Dining

We believe that our selection of dining options that include restaurants, bars and lounges offering a diverse selection of local, regional and international cuisine attracts more visitors to Studio City. Studio City offers both high-end and casual dining restaurants, cafes, bars and lounges to cater to the tastes and preferences of our patrons. A wide range of food and beverage outlets are located throughout Studio City, including traditional Cantonese, northern Chinese, South East Asian, Japanese, Italian and other western and international cuisines as well as local Macau cuisine. Studio City offers gourmet dining with a range of signature restaurants including one Michelin-starred *Pearl Dragon*.

Retail

Studio City has approximately 27,000 square meters of themed and innovative retail space at the lower levels of the property. The retail mall showcases a variety of shops and food and beverage offerings including a small portion of our self-operated retail outlets.

The Boulevard at Studio City provides a unique retail experience to visitors. The immersive retail entertainment environment at Studio City enables visitors to shop in a streetscape environment with featured streets and squares inspired by iconic shopping and entertainment locations, including New York's Times Square. Studio City's retail space offers a mix of fashion-forward labels and internationally-renowned brands.

Entertainment

Macau is an increasingly popular tourist destination and in order to attract more tourists and locals, Studio City incorporated many entertainment themes and elements which appeal to the mainstream mass consumer. Our diverse, immersive and entertainment-driven experiences and innovative venues cater to a wide range of demographic groups, including young professionals and families with children. As a major tourist attraction in Macau, Studio City's premier entertainment offerings help to drive visitation to our property. Studio City's entertainment offerings include:

- *Golden Reel* — an iconic landmark of Macau, it is the world's first figure-8 and Asia's highest Ferris wheel. The Golden Reel rises approximately 130 meters high between Studio City's Art Deco-inspired twin hotel towers. The iconic landmark features 17 spacious Steampunk-themed cabins that can each accommodate up to ten passengers.

- *Studio City Event Center* — a 5,000-seat multi-purpose arena representing the centerpiece of Studio City's live entertainment offerings. The complex has a first-class premium seating level offering 16 private VIP suites, in addition to approximately 242 luxury club seats and a deluxe club lounge. Each VIP suite is spacious and elegantly designed, coming fully equipped with stylish furnishings and a flat-screen TV. Playing host to concerts, theatrical shows, sporting events, family shows, award ceremonies and more, the Studio City Event Center is the next generation in versatile, innovative, premier and live entertainment venues.
- *Studio City Water Park* — a water park featuring several high-thrill and family-focused attractions, including the High Point Twister, a 20-meter tall slide tower with waterslides for individuals and small families alike, and the Golden Bucket, a massive water play structure with a classic tipping bucket, four slides and over 60 water features. For small children, the Studio City Water Park includes the Little Lagoon with four slides for kids of all ages and their parents. Finally, the Studio City Water Park also includes Studio City's Riverscape, a jungle-themed action river that is over 450 meters long which offers three routes of differing lengths, three white-sand beaches and 16 water features throughout the guest's journey.
- *Legend Heroes PVRK* — a technology-based entertainment park which combines virtual technology with the physical world to deliver an immersive user experience. Legend Heroes PVRk features flight simulation, VR simulations, bowling alleys, a free arcade, trendy retail, and a high-tech café featuring Macau's only Robot Barista.
- *Studio 88 KTV* — a deluxe night club and karaoke.
- *Studio 8* — the only TV studio facility in Macau to provide open access to "plug-in and play" facilities to create a fully operational television recording and broadcast studio. Studio 8 is a state-of-the-art studio facility with all the best-in-class infrastructure to support portable specialist equipment required for world-class TV production.

Meetings, Incentives, Conventions and Exhibitions

Studio City offers over 4,000 square meters of indoor event space with flexible configurations and customization options, which can accommodate a variety of events from an exclusive banquet to an international conference. The Grand Ballroom space of 1,820 square meters can be configured into three separate ballrooms with a banquet capacity of 1,200 seats or a cocktail reception for 1,500 people. Eight individual salons, together with the Grand Ballroom, provide a banquet seating capacity of up to 1,300 seats or meeting and break-out spaces with extensive pre-function areas for up to 1,800 people. Many of the salons offer views of the pool deck and have private outdoor terraces for coffee and lunch breaks.

MICE events typically take place on weekdays, thereby drawing traffic during the portion of the week when hotels and casinos in Macau normally experience lower demand relative to weekends and holidays when occupancy and room rates are typically at their peak due to leisure travel. Since its opening, events held at Studio City included live concerts from headline acts such as Madonna, four time Grammy Awards nominee FLO RIDA, Aaron Kwok (郭富城), Han Hong (韓紅), Kenny G, A-mei (張惠妹) and Jam Hsiao (蕭敬騰) as well as themed events such as a three-day Wedding Showcase (featuring dream wedding venue set-ups, tableware demonstrations, wedding gown catwalk shows and instrumental performances), a Chinese New Year's Promo, Shakemas Campaign for Christmas, Michelin Guide Street Food Festival and The Super 8 basketball tournament.

Customers

We seek to cater to a broad range of customers with a focus on mass market players through the diverse gaming and non-gaming facilities and amenities at Studio City. The loyalty program, which is operated by the Gaming Operator jointly with other Gaming Operator casinos, at Studio City ensures that each customer segment is specifically recognized and incentivized in accordance with their revenue contribution. The loyalty program is segmented into several tiers. Members earn points for their gaming spending which may be redeemed for a range of retail gifts and complimentary vouchers to be used in our restaurants, bars, shows, hotel and Studio City

Casino. Members also receive other benefits such as discounts, parking entitlement and invitations to member-only promotional events. Dedicated customer hosting programs provide service to our most valuable customers and these customers enjoy exclusive access to private luxury gaming salons. In addition, we utilize sophisticated analytical programs and capabilities to track the behavior and spending patterns of our patrons. We believe these tools will help deepen our understanding of our customers to optimize yields and make continued improvements to our Studio City property.

Gaming Patrons

Gaming patrons currently include mass market players and VIP rolling chip players.

Mass market players are non-VIP rolling chip players that come to Studio City Casino for a variety of reasons, including our brand, the quality and comfort of the mass market gaming offerings. Mass market players are classified as mainstream mass market and premium mass market players. Our premium mass market players generally do not take advantage of our luxury amenities to the same degree as VIP rolling chip players, but they are offered a variety of premium mass market amenities and loyalty programs, such as reserved space on the regular gaming floor and various other services, that are generally unavailable to mainstream mass market players. Mass market players play table games and gaming machines for cash stakes that are typically lower than those of VIP rolling chip players.

VIP rolling chip players are patrons who participate in Studio City Casino's in-house rolling chip programs at the dedicated VIP gaming areas. These patrons include premium direct players sourced through the marketing efforts of the Gaming Operator. VIP rolling chip players can earn a variety of gaming related cash commissions and complimentary products and services, such as rooms, food and beverage and retail products provided by the Gaming Operator.

Non-Gaming Patrons

We provide non-gaming patrons with a broad array of accommodations and leisure and entertainment offerings featured at Studio City, including interactive attractions, rides and attractive retail offerings and food and beverage selections.

We assess and evaluate our focus on different market segments from time to time and adjust our operations accordingly.

Gaming Promoters

Gaming promoters in Macau are independent third parties that include both individuals and corporate entities, all of which are officially required to be licensed by the DICJ. The Gaming Operator has procedures to screen prospective gaming promoters prior to their engagement and conducts periodic checks that are designed to ensure that the gaming promoters with whom the Gaming Operator associates meet suitability standards.

The Gaming Operator typically enters into one-year term gaming promoter agreements that are automatically renewed in subsequent years unless otherwise terminated. The gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. Commission is calculated by reference to monthly rolling chip volume. The gaming promoters may also receive complimentary allowances for food and beverage, hotel accommodation and transportation.

In December 2021, the Gaming Operator terminated the arrangements with gaming promoters in Macau, including at Studio City Casino.

Advertising and Marketing

In order to be competitive in the Macau gaming environment, the Gaming Operator holds various promotions and special events at Studio City and operates a loyalty program for patrons. In addition, Studio City participates in cross marketing and sales campaigns developed by the Gaming Operator. We believe this arrangement helps reduce marketing costs through scale synergies and enhances cross-revenue opportunities.

Moreover, we seek to attract customers to Studio City and to grow our customer base over time by undertaking a variety of advertising and marketing activities.

There are public relations and marketing and branding teams dedicated to Studio City that cultivate media relationships, promote Studio City's brands and directly liaise with customers within target Asian and other countries in order to explore media opportunities in various markets. Advertising activities at Studio City are rolled out through a variety of local and regional media platforms, including digital, social media, print, television, online, outdoor as well as collateral and direct mail pieces. We also engage celebrities for marketing activities. We believe that these marketing and incentive programs will increase our brand awareness and drive further visitation to Studio City.

Awards

Since opening in 2015, Studio City has received numerous awards, including:

- Studio City's Star Tower received the Forbes Travel Guide Five-Star recognition for the fourth consecutive year in 2021 and achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification in 2020, recognizing its commitment to creating a culture of accountability and following global best practices to heighten health security,
- Zensa Spa was awarded the Forbes Travel Guide Five-Star recognition for the third time in 2021,
- Its signature Cantonese restaurant Pearl Dragon received its third Forbes Travel Guide Five-Star recognition in 2021 and was selected as a Regional Winner in the "Chinese Cuisine" category at the 2020 World Luxury Restaurant Award. It received one-Michelin-starred establishment rank for the sixth consecutive year in the Michelin Guide Hong Kong Macau 2022, and
- Studio City Phase 2 received the "Regional Award, Asia" at the 2021 BREEAM Awards which acknowledges the sustainability-related measures implemented during the project, as well as its contribution to the goals of carbon neutrality and zero waste.

Market and Competition

Macau Gaming Market

Gaming in Macau is administered through government-sanctioned concessions awarded to three different concessionaires: SJM, Galaxy and Wynn Resorts Macau.

SJM is a subsidiary of SJM Holdings Ltd., a company listed on the Hong Kong Stock Exchange in which family members of Mr. Lawrence Ho, the chairman of our company and the chairman and chief executive officer of Melco Resorts, have shareholding interests. SJM currently operates multiple casinos throughout Macau. SJM (through its predecessor Tourism and Entertainment Company of Macau Limited) commenced its gaming operations in Macau in 1962 and opened Grand Lisboa Palace in Cotai in July 2021.

SJM has granted a subconcession to MGM Grand. MGM Grand is listed on the Hong Kong Stock Exchange and was originally formed as a joint venture by MGM-Mirage and Ms. Pansy Ho, sister of Mr. Lawrence Ho. MGM Grand opened MGM Macau on the Macau Peninsula in December 2007 and MGM Cotai in February 2018.

Galaxy currently operates multiple casinos in Macau, including StarWorld, a hotel and casino resort in Macau's central business and tourism district. The Galaxy Macau Resort opened in Cotai in May 2011 and the opening of Phase 2 of the Galaxy Macau Resort took place in May 2015. Galaxy is currently developing phase 3 of the Galaxy Macau Resort, which is currently expected to be completed and fully operational as early as 2022, while phase 4 is expected to be completed and operational within a few years after the completion of Phase 3.

Galaxy has granted a subconcession to Venetian Macau Limited, a subsidiary of Las Vegas Sands Corporation and Sands China Limited, which are listed on the New York Stock Exchange and the Hong Kong Stock Exchange, respectively. Las Vegas Sands Corporation is the developer of Sands Macao, The Venetian Macau, Sands Cotai Central and Parisian Macao. Venetian Macau Limited, with a subconcession under Galaxy's concession, operates Sands Macao on the Macau peninsula, together with The Venetian Macau and the Plaza Casino at The Four Seasons Hotel Macao, which are located in Cotai. Venetian Macau Limited also operated Sands Cotai Central in Cotai, which has been rebranded and redeveloped into The Londoner Macau, which opened in February 2021. Sands China Ltd. opened the Parisian Macao in Cotai in September 2016.

Wynn Resorts Macau, is a subsidiary of Wynn Macau, Limited, which is listed on the Hong Kong Stock Exchange, and of Wynn Resorts Limited, which is listed on the Nasdaq Global Select Market. Wynn Resorts Macau opened Wynn Macau in September 2006 on the Macau Peninsula and an extension called Encore in 2010. In August 2016, Wynn Resorts Macau opened Wynn Palace, in Cotai. Melco Resorts Macau obtained its subconcession from Wynn Resorts Macau. Melco Resorts Macau, in addition to Studio City Casino, also operates Mocha Clubs, Altira Macau (located in Taipa Island), which opened in May 2007, and City of Dreams located in Cotai, which opened in June 2009. Phase 3 of City of Dreams, which includes the Morpheus Hotel, opened in June 2018.

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

The existing concessions and subconcessions do not place any limit on the number of gaming facilities that may be operated. The Macau government does, however, limit the aggregate number of gaming tables in Macau. The Macau government has previously announced that the number of gaming tables in Macau should not exceed 5,500 until the end of the first quarter of 2013 and that, thereafter, for a period of ten years, the total number of gaming tables to be authorized will be limited to an average annual increase of 3%. According to the DICJ, the number of gaming tables operating in Macau as of December 31, 2021 was 6,198. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino or gaming area that was not previously authorized by the Macau government, or permit tables authorized for mass market gaming operations to be utilized for VIP gaming operations or authorize the expansion of existing casinos or gaming areas.

In January 2022, the Macau government put forth a proposed law amending the Macau Gaming Law for approval by the Legislative Assembly. Such proposed law is under review and a revised proposed law amending the gaming law is expected to be put forth by the Macau government for final approval by the Macau Legislative Assembly in April 2022. Changes proposed under the initially proposed law include, among others, the following:

- the number of gaming concessions that may be awarded by the Macau government is up to six;
- the term of the concessions may be up to ten years, subject to extension(s) of up to three years in total;
- the registered share capital of each concessionaire shall be at least MOP5 billion (US$622.5 million);
- the managing director of each concessionaire must be a Macau permanent resident and hold at least 15% of the concessionaire's registered share capital;

- significant transactions should be notified by concessionaires to the Macau government in advance;
- an administrative sanctions regime is to be established;
- national security is one of the main objectives of the Macau gaming legal framework and a concession may be terminated without compensation in case it is considered a threat to national security;
- a per gaming table and per gaming machine special premium is due should gross gaming revenue fall below the gross gaming revenue threshold set by the Macau government;
- after a transition period of three years, gaming activities must be operated by a concessionaire within premises owned by the gaming concessionaire, such premises to revert to the Macau government without compensation upon the concession expiration or earlier termination or within premises owned by the Macau government;
- the Macau government sets the maximum number of gaming tables and gaming machines allocated to each concessionaire and the allocation of such gaming tables and gaming machines to a specific casino is subject to the approval of the Macau government;
- the Macau government may reduce the number of gaming tables or gaming machines in certain circumstances;
- the amount of gaming chips of each concessionaire in circulation is subject to Macau government approval; and
- listing of concessionaire or entities in which such concessionaires are a dominant shareholder will be subject to certain requirements, including Macau government approval.

Other Regional Markets

Studio City may also face competition from casinos and gaming resorts in other regions such as Singapore, Malaysia, South Korea, the Philippines, Vietnam, Cambodia, Australia, New Zealand and Japan. Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition.

Singapore legalized casino gaming in 2006. Genting Singapore PLC opened its resort, Resorts World Sentosa, in Sentosa, Singapore in February 2010 and Las Vegas Sands Corporation opened its casino at Marina Bay Sands in Singapore in April 2010. In December 2016, a law which conceptually enables the development of integrated resorts in Japan took effect, with corresponding legislation providing a legislative framework for the development and implementation of integrated resorts in Japan taking effect in July 2018. In addition, several other Asian countries are considering or are in the process of legalizing gambling and establishing casino-based entertainment complexes.

We may also face competition from hotels and resorts, including many of the largest gaming, hospitality, leisure and resort companies in the world. These include Travellers International Hotel Group, Inc., Bloomberry Resorts Corporation, Tiger Resorts Leisure and Entertainment Inc., Melco Resorts Leisure (PHP) Corporation as well as Philippine Amusement and Gaming Corporation.

Genting Highlands is a popular international gaming resort in Malaysia, approximately a one-hour drive from Kuala Lumpur. We believe that the Genting Highlands caters to a different market than Macau, in large part because of the distance and travel times from the Greater China population centers from which Macau is expected to draw its principal traffic.

South Korea has allowed casinos for foreigners for some time including Seven Luck Casino and Paradise Walker Hill Casino in Seoul and Paradise Casinos in Busan and Incheon. Kangwon Land Casino operates the only casino in the country that is open to Korean nationals.

Star Cruises (Hong Kong) Ltd., or Star Cruises, is a leading cruise line in the Asia Pacific and is one of the largest cruise line operators in the world. Worldwide, Star Cruises presently operates a combined fleet of approximately 20 ships with more than 26,000 lower berths. Star Cruises vessels in Asia Pacific offer extensive gaming activities to their passengers. These cruise vessels may compete for Asian-based patrons with Studio City Casino gaming operations in Macau.

There are a number of casino complexes in certain tourist destinations in Cambodia such as Dailin, Bavet, Poipet, Sihanoukville and Koh Kong, but they are relatively small compared to those in Macau.

In addition, there are major gaming facilities in Australia located in Melbourne, Perth, Sydney and the Gold Coast.

Seasonality

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

Land and Properties

Land Concession

In October 2001, we entered into a land concession contract with the Macau government for the land on which Studio City is located. The contract was subsequently amended in 2012 and 2015.

The granted land is located in Cotai, Macau, with a total area of approximately 130,789 square meters. The gross construction area of our granted land is approximately 707,078 square meters. Currently, the gross floor area of Studio City is approximately 457,462 square meters.

The land concession contract has a term of 25 years commencing on October 2001 and is renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. Under the land concession contract, the Macau government may exercise its termination rights under certain conditions.

Pursuant to our land concession contract and the extension granted by the Macau government, our granted land, including the remaining project, must be fully developed by December 27, 2022. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by December 27, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land.” and “ We may be required to amend the terms of the land concession for Studio City and complete certain procedures to comply with the terms of the proposed amended gaming law. In the event we are unable to complete such procedures on time or at all, this may have material adverse effect on the operation of Studio City Casino, including its suspension or cessation of operation, which will materially and adversely affect our business, our operations and our financial condition.”

Development of Our Remaining Project

Under our current plan for the remaining project, the remaining project is expected to consist of two hotel towers with approximately 900 rooms and suites. In addition, we currently envision the remaining project

to also contain a waterpark with indoor and outdoor areas. Other attractions expected to be part of the remaining project include MICE space, retail and food and beverage outlets and a cineplex. As of December 31, 2021, we have incurred approximately US$721.5 million of aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning and construction costs. Based on our current plan for the remaining project, we currently expect a project budget of approximately US$1.2 billion for the development of the remaining project (exclusive of any pre-opening costs and financing costs).

Our plan for the remaining project may be subject to further revision and change and detailed design elements remain subject to further refinement and development. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — We are developing the remaining project for Studio City under the terms of a land concession which currently require us to fully develop the land on which Studio City is located by December 27, 2022. Any extension of the development period is subject to Macau government review and approval at its discretion. In the event of any failure to complete the remaining project, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land." and "We may be required to amend the terms of the land concession for Studio City and complete certain procedures to comply with the terms of the proposed amended gaming law. In the event we are unable to complete such procedures on time or at all, this may have material adverse effect on the operation of Studio City Casino, including its suspension or cessation of operation, which will materially and adversely affect our business, our operations and our financial condition," "— Future development of the remaining project is subject to significant risks and uncertainties," and "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — We may not be able to obtain adequate financing on satisfactory terms for our existing business and/or remaining project, or at all."

Properties

Apart from the property site for Studio City, we do not own or lease any other properties.

Intellectual Property

As part of our branding strategy, we have applied for or registered a number of trademarks (including "Studio City" trademarks) in Macau, Hong Kong and other jurisdictions for use in connection with Studio City. Where possible, we intend to continue to register trademarks as we develop, review and implement our branding strategy for Studio City. However, our current and any future trademarks are subject to expiration and we cannot guarantee that we will be able to renew all of them upon expiration.

Our trademarks and other intellectual property rights distinguish our services and products from those of our competitors and contribute to our ability to compete in our target markets. To protect our intellectual property, we rely on a combination of trademark, copyright and trade secret laws. To protect our intellectual property rights, we monitor any infringement or misappropriation of our intellectual property rights, and staff working at Studio City are generally subject to confidentiality obligations. For our license agreements that are required for our operations, see "Item 5. Operating and Financial Review and Prospects — C. Research and Development, Patents and Licenses, etc."

Insurance

We maintain and benefit from, and expect to continue to maintain and benefit from, insurance of the types and in amounts that are customary in the industry and which we believe will reasonably protect our interests. This includes commercial general liability (including product liability and accidental pollution liability), automobile liability, workers compensation, property damage and machinery breakdown and business interruption insurances. We also require certain contractors who may perform work on Studio City, as well as other vendors, to maintain certain insurances. In each case, all such insurances are subject to various caps on

liability, both on a per claim and aggregate basis, as well as certain deductibles and other terms and conditions. We do not maintain key-man life insurance. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — We may not have sufficient insurance coverage.”

Environmental Matters

We are committed to environmental awareness and have developed built-in innovative and energy saving green technologies for operations at Studio City. Currently, we are not aware of any material environmental complaints having been made against us.

Our Internal Control Policies

We have adopted our own governance policies and internal control measures in order to achieve operations in a professional manner in compliance with its, and Melco Resorts’, internal control requirements and applicable laws.

The Foreign Corrupt Practices Act, or the FCPA, and Macau laws prohibit us and the staff and agents participating in the operations in Studio City from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any government official. The Code of Business Conduct and Ethics, or the Code, includes provisions relating to compliance of all applicable anti-corruption laws including FCPA and the relevant Macau laws. The Ethical Business Practices Program covers corruption in both public and private sectors. It also covers the activities of our shareholders (to the extent they act or take actions on our behalf), directors, officers, employees and dedicated staff members performing services solely at Studio City.

Studio City Casino is managed and operated by the Gaming Operator guided by requirements under the Subconcession Contract and applicable laws and Melco Resorts’ governance policies, including a set of anti-money laundering policies and procedures, or AML Policy, approved by the DICJ, addressing requirements issued by the DICJ and the DICJ’s instructions on anti-money laundering, counter-terrorist financing and other applicable laws and regulations in Macau.

There are training programs in place with the aim that all relevant staff involved in gaming operations managed by the Gaming Operator understand such AML Policy and the related procedures. The Gaming Operator also uses an integrated IT system to track and automatically generate significant cash transaction reports and, if permitted by the DICJ and the Finance Information Bureau, has the capability to submit those reports electronically.

Gaming Regulations

The ownership and operation of casino gaming facilities in Macau are subject to the general civil and commercial laws and specific gaming laws, in particular, Law No. 16/2001, or the Macau Gaming Law. Macau’s gaming operations are also subject to the grant of a concession or subconcession by, and regulatory control of, the Macau government. See “— The Gaming Operator’s Subconcession.”

The DICJ is the supervisory authority and regulator of the gaming industry in Macau. The core functions of the DICJ are:

- to collaborate in the definition of gaming policies;
- to supervise and monitor the activities of the concessionaires and subconcessionaires;
- to investigate and monitor the continuing suitability and financial capacity requirements of concessionaires, subconcessionaires and gaming promoters;
- to issue licenses to gaming promoters;

- to license and certify gaming equipment; and
- to issue directives and recommend practices with respect to the ordinary operation of casinos.

Below are the main features of the Macau Gaming Law, as supplemented by Administrative Regulation no. 26/2001, that are currently applicable to the gaming business.

- If the Gaming Operator breaches the Macau Gaming Law, the Gaming Operator's subconcession could be limited, conditioned, suspended, revoked, or subject to compliance with certain statutory and regulatory procedures. In addition, the Gaming Operator, and the persons involved, could be subject to substantial fines for each separate breach of the Macau Gaming Law or of the Subconcession Contract at the discretion of the Macau government. Further, if the Gaming Operator terminates or suspends the operation of all or a part of its gaming operations without permission for reasons not due to force majeure, or in the event of the insufficiency of the gaming facilities and equipment which may affect the normal operation of its gaming business, the Macau government would be entitled to replace the Gaming Operator during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, the Gaming Operator would bear the expenses required for maintaining the normal operation of the gaming business.
- The Macau government also has the power to supervise concessionaires and subconcessionaires in order to assure financial stability and capability. See "— The Gaming Operator's Subconcession — The Subconcession Contract" below for more details.
- Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau government may be found unsuitable. Any shareholder of a concessionaire or subconcessionaire holding shares equal to or in excess of 5% of such concessionaire's or subconcessionaire's share capital who is found unsuitable will be required to dispose of such shares by a certain time (the transfer itself being subject to the Macau government's authorization). If a disposal has not taken place by the time so designated, such shares must be acquired by the concessionaire or subconcessionaire. The Gaming Operator will be subject to disciplinary action if, after it receives notice that a person is unsuitable to be a shareholder or to have any other relationship with it, the Gaming Operator:
  - pays that person any dividend or interest upon its shares;
  - allows that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
  - pays remuneration in any form to that person for services rendered or otherwise; or
  - fails to pursue all lawful efforts to require that unsuitable person to relinquish his or her shares.
- The Macau government also requires prior approval for the creation of a lien over shares or property comprising a casino and gaming equipment and utensils of a concession or subconcession holder. In addition, the creation of restrictions on its shares in respect of any public offering requires the approval of the Macau government to be effective.
- The Macau government must give its prior approval to changes in control through a merger, consolidation, shares acquisition, or any act or conduct by any person whereby such person obtains control of the Gaming Operator. Entities seeking to acquire control of a concessionaire or subconcessionaire must satisfy the Macau government with regards to a variety of stringent standards prior to assuming control. The Macau government may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated for suitability as part of the approval process of the transaction.

Non-compliance with these obligations could lead to the revocation of the Gaming Operator's subconcession and could materially and adversely affect its gaming operations.

The Macau government has also enacted other gaming legislation, rules and policies. Further, it imposed policies, regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, the number of gaming tables that may be operated in Macau, location requirements for sites with gaming machine lounges, supply and requirements of gaming machines, equipment and systems, instructions on promoting responsible gaming, restrictions on the utilization of mass market gaming tables for VIP gaming operations, restrictions on the reallocation of gaming tables between properties and other matters. In addition, the Macau government may consider enacting new regulations that may adversely affect the Gaming Operator's gaming operations. The Gaming Operator's inability to address the requirements or restrictions imposed by the Macau government under such legislation or rules could adversely affect its gaming operations, including Studio City Casino.

On January 14, 2022, the Macau government put forward to the Legislative Assembly in Macau the terms of the proposed law amending the gaming law. Such law is under review and a revised proposed law amending the gaming law is expected to be put forth by the Macau government for final approval by the Macau Legislative Assembly in April 2022. In accordance with the initially proposed law, the following changes, among others, are contemplated:

- The maximum number of gaming concessions is six.
- The term of a gaming concession is set in the concession contract and cannot exceed 10 years but the term of the concession may exceptionally be extended by a dispatch from the Chief Executive of Macau, one or more times up to three years.
- The concessionaires general contractual compliance is subject to review by the DICJ every three years. In the event that the result of the review reveal non-compliance or lack of proactiveness in complying with the concession contracts, concessionaires should improve compliance within the deadline determined by the Secretary for Economy and Finance.
- The concessionaires registered share capital shall not be less than MOP5 billion (US$622.5 million) and concessionaires must mandatorily notify the Chief Executive of Macau prior to executing large financial initiatives with a value greater than that provided for in the concession contracts.
- The main objectives of the gaming law are, amongst others, safeguarding of national and Macau security, adequate diversification and sustainable development of the Macau economy, assurance that the development and operation of games of chance in casinos are in line with Macau's policies and mechanisms in respect of combating the illegal flow of cross-border capital and preventing money laundering, and the dimension and operation of games of chance in casinos and the entry into casinos are subject to legal restrictions. A concession may be terminated if it poses a threat to national security or that of Macau.
- The operation of games of chance in casinos is limited to the locations and premises authorized by the Chief Executive of Macau with such authorization having to take into account, amongst others, Macau urban planning, its impact on the social community and the opinion of the Specialized Committee for the Games of Chance Sector.
- The concessionaires undertake to operate games of chance in self-owned premises or premises leased or otherwise granted a right to use by the Macau government. Premises owned by a concessionaire will revert to the Macau government without compensation upon the concession expiration or earlier termination. In the event that in the first public tender for the grant of concessions for the operation of games of chance in casinos held after the entry into force of the amended law, a concession is awarded to the current concessionaires, they may continue to operate games of chance in casino, by means of a contract, in properties that are not owned by them, for a period of three years, provided that the Chief Executive of Macau, after hearing the opinion of the Specialized Committee for the Games of Chance Sector, grants such authorization. This does not affect the maintenance of the concessionaires operations with collaborating companies, pursuant to the terms of original contracts, with the

respective contracts to be submitted by the concessionaires to the DICJ within 30 days from the date of entry into force of the law. All provisions relating to managing companies provided for in the law and other regulations, apply, with the necessary adaptations, to the collaborating companies during the three-year transition period, save for the profit sharing or payment of commissions prohibitions.

- The concessionaires shall assume certain corporate social responsibilities, including support for the development of small and medium-sized enterprises; support the diversification of local industries, assuring labor rights and interests, namely those concerning on-the-job training and professional advancement of local employees, as well as a pension scheme designed to protect employees; hiring disabled or rehabilitated individuals; support for public interest activities; support for activities of an educational, scientific and technological, environmental protection, cultural and sporting nature, among others.
- The concessionaires and the shareholders holding 5% or more of their registered share capital, shall not be direct or indirect owners of any registered share capital of another concessionaire for the operation of games of chance in casinos in Macau.
- Management companies are entities that have management powers over all or some casinos from one concessionaire and are subject to suitability reviews at DICJ's discretion. The execution of a contract between a concessionaire and a managing company pursuant to which the company assumes or may assume management powers relating to the concessionaire is prohibited and any such contract will be deemed null and void. Notwithstanding, the Chief Executive of Macau may authorize and approve the engagement of a management company by a concessionaire provided that under such engagement, a concessionaire may only pay to the managing company management expenses, with profit sharing or payment of commissions not being permitted. Members of the corporate bodies of a management company may not be members of a corporate body of a concessionaire or gaming promoter.
- The concessionaires must have a managing-director who is a Macau permanent resident and holds at least 15% of the registered share capital of the concessionaire.
- The concessionaires will be subject to the payment of an annual premium, to be established in the concession contracts, which will vary depending on the number of casinos that each concessionaire is authorized to operate, the number of authorized gaming tables and gaming machines, the games operated, the location of the casinos, and other relevant criteria set by the Macau government. The amount of the annual premium included in the tender proposal may not be subsequently reduced unless agreement from the Chief Executive of Macau is obtained.
- If the actual gross gaming revenue does not reach a set minimum limit, the concessionaire must pay a special premium, in an amount equal to the difference between the amount of the special tax on games of chance, calculated according to the actual gross gaming revenue, and such minimum limit. The actual gross revenue is calculated according to the maximum number of gaming tables and gaming machines authorized for the concessionaire in the year to which it relates. The annual minimum limit of the gross gaming revenue of each gaming table and each gaming machine are determined by dispatches from the Chief Executive of Macau.
- With respect to the gaming promotion activities, the concessionaires must inform the DICJ of any facts that may affect the solvency of gaming promoters, including the fact that they have been named as defendants in civil proceedings or have entered into loan or financing agreements that exceed their solvency, within a period of five days counted from the date of occurrence of the respective facts or the concessionaires' knowledge thereof; inform the DICJ of facts that indicate the practice, by gaming promoters, of crimes and administrative offenses provided for in the law, within five days from the date of the concessionaires' knowledge thereof, without prejudice to obligations provided in other laws; supervise the activity of the gaming promoters, including their fulfillment of the obligations provided in laws and regulations; ensure the compliance by the gaming promoters with the provisions of the law, adopting appropriate measures to prevent gaming promoters from conducting illegal activities in the casinos of the concessionaires.

- Each gaming promoter can only conduct gaming promotion activities with one concessionaire and gaming promoters are prohibited from sharing with the concessionaires, in any form or agreement, the revenue derived from the casinos; are prohibited from operating in exclusive reserved areas of the casino, and are limited to providing support to concessionaires in the promotion of games of chance in casinos, through receipts of commissions.
- The concessionaires are jointly and severally liable for the liabilities arising from the exercise, by their gaming promoters, of the gaming promotion activity in their casinos, as well as for gaming promoters compliance with the applicable laws and regulations and the concessionaires are jointly and severally liable for the liabilities arising from the exercise, by the members of the management body, employees and collaborators of their gaming promoters, of the gaming promotion activities in their casinos, as well as for their compliance with applicable laws and regulations.
- The maximum number of gaming tables and gaming machines to be operated is determined by dispatch from the Chief Executive of Macau and the number of gaming tables and gaming machines to be established, increased and reduced in each casino of the concessionaires is subject to authorization of the Secretary for Economy and Finance. The Secretary for Economy and Finance may reduce the number of gaming tables or gaming machines if the gross gaming revenue from gaming tables or gaming machines fails, for two consecutive years, to reach the minimum limit of the gross revenue determined by dispatch from the Chief Executive of Macau or if the authorized gaming tables or gaming machines are not fully utilized without just cause, by the concessionaires, within the deadline set out by the Secretary for Economy and Finance.
- The number of chips intended to be put into circulation is subject to authorization from the Secretary for Economy and Finance.
- The concessionaires cannot, by any means, disseminate information or activities related to gaming in Macau.
- The listing of concessionaires or of companies in which the concessionaires are dominant shareholders is mandatorily subject to the authorization of the Chief Executive of Macau and the total shares in circulation on a stock exchange shall not exceed 30% of the total shares of these listed companies.
- An administrative sanctions regime is established with fines ranging from MOP100,000 (equivalent to approximately US$12,450) and MOP5,000,000 (equivalent to approximately US$622,475) and, for the more serious offenses, a supplemental penalty of total or partial closure of gaming areas for periods ranging from one month to one year.
- In the event of dissolution of the concessionaire for failing to obtain a new concession in the next tender, the shareholders of the concessionaire holding 5% or more of the concessionaire's share capital and the concessionaire's directors are jointly liable for the concessionaires debt, including outstanding chips liability.

The provisions of the proposed law do not affect the current concession or subconcession contracts for the operation of games of chance in casinos, which continue to be governed by the current Macau gaming law until the end of the term of the concession or subconcession contracts. The proposed law shall become effective on the day following its publication in the Macau official gazette, except for certain specified provisions, including those related to corporate social responsibility, concessionaires share capital, managing director share capital holding requirements, payment of special premium, periodic general contractual compliance reviews by the DICJ, obligations to notify the Chief Executive of Macau of significant financial transactions and listing requirements which shall only become effective upon the provisional award of the concessions resulting from the public tender for the award of new concessions. During the ongoing review and approval process currently being undertaken by the Macau government and the Macau Legislative Assembly, the provisions of the proposed law may change.

Gaming Promoters Regulations

Macau Administrative Regulation no. 6/2002, as amended pursuant to Administrative Regulation no. 27/2009, or the Gaming Promoters Regulation, regulates licensing of gaming promoters and the operations of gaming promotion business by gaming promoters. Applications to the DICJ by those seeking to become licensed gaming promoters must be sponsored by a concessionaire or subconcessionaire. Such concessionaire or subconcessionaire must confirm that it may contract the applicant's services subject to the latter being licensed. Licenses are subject to annual renewal and a list of licensed gaming promoters is published every year in the Macau Official Gazette. The DICJ monitors each gaming promoter and its staff and collaborators. In October 2015, the DICJ issued specific accounting related instructions applicable to gaming promoters and their operations. Any failure by gaming promoters to comply with such instructions may impact their license and ability to operate in Macau.

In addition, concessionaires and subconcessionaires are jointly liable for the activities of their gaming promoters and collaborators within their casinos. In addition to the licensing and suitability assessment process performed by the DICJ, all of the Gaming Operator's gaming promoters (if any) undergo thorough internal vetting procedures. The Gaming Operator conducts background checks and also conducts periodic reviews of the activities of each gaming promoter (if any), its employees and its collaborators for possible non-compliance with Macau legal and regulatory requirements. Such reviews generally include investigations into compliance with applicable anti-money laundering laws and regulations as well as tax withholding requirements.

Concessionaires and subconcessionaires are required to report periodically on commissions and other remunerations paid to their gaming promoters. A 5% tax must be withheld on commissions and other remunerations paid by a concessionaire or subconcessionaire to its gaming promoters. Under the Gaming Promoters Regulation and in accordance with the Secretary for Economy and Finance Dispatch no. 83/2009, effective as of September 11, 2009, a commission cap of 1.25% of net rolling has been in effect. Any bonuses, gifts, services or other advantages which are subject to monetary valuation and which are granted, directly or indirectly, inside or outside of Macau by any concessionaire or subconcessionaires or any company of their respective group to any gaming promoter shall be considered a commission. The commission cap regulations impose fines, ranging from MOP100,000 (US$12,450) up to MOP500,000 (US$62,248), on concessionaires or subconcessionaires that do not comply with the cap and other fines, ranging from MOP50,000 (US$6,225) up to MOP250,000 (US$31,124) on concessionaires or subconcessionaires that do not comply with their reporting obligations regarding commission payments. If breached, the legislation on commission caps has a sanction enabling the relevant government authority to make public a government decision imposing a fine on a concessionaire and subconcessionaire by publishing such decision on the DICJ website and in two Macau newspapers (in Chinese and Portuguese respectively). We believe the Gaming Operator has implemented the necessary internal control systems to ensure compliance with the commission cap and reporting obligations in accordance with applicable rules and regulations.

The Macau government is currently considering amending Macau Administrative Regulation no. 6/2002 and is expected to put forth such legislation for review and approval by the Macau Legislative Assembly on or before the second quarter of 2022. Such law is also expected to govern certain aspects of concessonaires' suitability review and qualifications and concessionaires' liability towards gaming promoters and related individuals and collaborators and management companies' qualification requirements.

Gaming Credit Regulations

Macau Law no. 5/2004 has legalized the extension of gaming credit to patrons or gaming promoters by concessionaires and subconcessionaires. Gaming promoters may also extend credit to patrons upon obtaining an authorization by a concessionaire or subconcessionaire to carry out such activity. Assigning or transferring one's authorization to extend gaming credit is not permitted. This statute sets forth filing obligations for those extending credit and the supervising role of the DICJ in this activity. Gaming debts contracted pursuant to this statute are a source of civil obligations and may be enforced in courts in Macau.

Access to Casinos and Gaming Areas Regulations

Under Law no. 10/2012, as amended pursuant to Law no. 17/2018, the minimum age required for entrance into casinos in Macau is 21 years of age. The director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos or gaming areas, after considering their special technical qualifications. In addition, off-duty gaming related employees of concessionaires and subconcessionaires and gaming promoters may not, starting from December 2019, access any casinos or gaming areas, except during the Chinese New Year festive season or under specific circumstances.

Smoking Regulations

Under the Smoking Prevention and Tobacco Control Law, as amended pursuant to Law no. 9/2017, from January 1, 2019, smoking on casino premises is only be permitted in authorized segregated smoking lounges with no gaming activities and such smoking lounges are required to meet certain standards determined by the Macau government.

Anti-Money Laundering and Terrorism Financing Regulations

In conjunction with current gaming laws and regulations, we are required to comply with the laws and regulations relating to anti-money laundering activities in Macau. Law no. 2/2006 (as amended pursuant to Law no. 3/2017), the Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 in effect from May 13, 2016 (as amended pursuant to DICJ Instruction no. 1/2019), govern compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at casinos in Macau. Under these laws and regulations, the Gaming Operator is required to:

- implement internal procedures and rules governing the prevention of anti-money laundering and terrorism financing crimes which are subject to prior approval from DICJ;
- identify and evaluate the money laundering and terrorism financing risk inherent to gaming activities;
- identify any customer who is in a stable business relationship with the Gaming Operator, who is a politically exposed person or any customer or transaction where there is a sign of money laundering or financing of terrorism or which involves significant sums of money in the context of the transaction, even if any sign of money laundering is absent;
- refuse to deal with any customers who fail to provide any information requested by the Gaming Operator;
- keep records on the identification of a customer for a period of five years;
- establish a regime for electronic transfers;
- keep individual records of all transactions related to gaming which involve credit securities;
- keep records of all electronic transactions for amounts equal to or exceeding MOP8,000 (US$996) in cases of occasional transactions and MOP120,000 (US$14,939) in cases of transactions that arose in the context of a continuous business relationship;
- notify the Macau Finance Information Bureau if there is any sign of money laundering or financing of terrorism;
- adopt a compliance function and appoint compliance officers; and
- cooperate with the Macau government by providing all required information and documentation requested in relation to anti-money laundering activities.

Under Article 2 of Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 (as amended pursuant to DICJ Instruction

no. 1/2019), the Gaming Operator is required to track and report transactions and granting of credit that are MOP500,000 (US$62,248) or above. Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, the Gaming Operator may continue to deal with those customers that were reported to the DICJ and, in case of suspicious transactions, to the Macau Finance Information Bureau.

The Gaming Operator employs internal controls and procedures designed to help ensure that gaming and other operations are conducted in a professional manner and in compliance with internal control requirements issued by the DICJ set forth in its instruction on anti-money laundering, the applicable laws and regulations in Macau, as well as the requirements set forth in the Subconcession Contract.

The Gaming Operator has developed a comprehensive anti-money laundering policy and related procedures covering its anti-money laundering responsibilities, which have been approved by the DICJ, and has training programs in place to ensure that all relevant employees understand such anti-money laundering policy and procedures. The Gaming Operator also uses an integrated IT system to track and automatically generate significant cash transaction reports and, as permitted by the DICJ and the Macau Finance Information Bureau, submit those reports electronically.

Responsible Gaming Regulations

On October 18, 2019, the DICJ issued Instruction no. 4/2019, which came into effect on December 27, 2019, setting out measures for the implementation of responsible gaming principles. Under this instruction, concessionaires and subconcessionaires are required to implement certain measures to promote responsible gambling, including: making information available on the risks of gambling, responsible gambling and odds, both inside and outside the casinos and gaming areas and through electronic means; creation of information and counseling kiosks and a hotline; adequate regulation of lighting inside casinos and gaming areas; self-exclusion and exclusion at third party request procedures, off-duty gaming related employees entry restriction procedures, physical entry requirements, preventive measures for restricted access by persons under 21 years of age; public exhibition of time; creation and training of teams and a coordinator responsible for promoting responsible gambling.

Control of Cross-border Transportation of Cash Regulations

On June 12, 2017, Law no. 6/2017, with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer, was enacted. Such law came into effect on November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount determined by the order of the Chief Executive of Macau at MOP120,000 (US$14,939) will be required to declare such amount to the customs authorities. The customs authorities may also request an individual exiting Macau to declare if such individual is carrying an amount in cash or negotiable instruments to the bearer equal to or higher to such amount. Individuals that fail to duly complete the required declaration may be subject to a fine (ranging from 1% to 5% of the amount that exceeds the amount determined by the order of the Chief Executive of Macau for declaration purposes, such fine being at least MOP1,000 (US$124) and not exceeding MOP500,000 (US$62,248). In the event the relevant customs authorities find that the cash or negotiable instrument to the bearer carried by an individual while entering or exiting Macau may be associated with or result from any criminal activity, such incident shall be notified to the relevant criminal authorities and the relevant amounts shall be seized pending investigation.

Prevention and Suppression of Corruption in External Trade Regulations

In addition to the general criminal laws regarding corrupt practices in the public and private sector that are in force in Macau, on January 1, 2015, Law no. 10/2014, criminalizing corruption acts in external trade and providing for a system for prevention and suppression of such criminal acts, came into effect in Macau. Melco Resorts' internal policies, which we follow, address this issue.

Asset Freezing Enforcement Regulations

On August 29, 2016, Law no. 6/2016, with respect to the framework for the enforcement of asset freezing orders, which comprised of United Nations Security Council sanctions resolutions for the fight against terrorism and proliferation of weapons of mass destruction, was enacted. Under this law, the Chief Executive of Macau is the competent authority to enforce freezing orders and the Asset Freeze Coordination Commission must assist the Chief Executive of Macau in all technical aspects of such enforcement. Among other entities, concessionaires and subconcessionaires are subject to certain obligations and duties regarding the freezing of assets ordered by the United Nations Security Council sanctions resolutions, including reporting and cooperation obligations.

Foreign Exchange Regulations

Concessionaires and subconcessionaires in Macau may be authorized to open foreign exchange counters at their casinos and gaming areas subject to compliance with the Foreign Exchange Agencies Constitution and Operation Law (Decree-Law no. 38/97/M), the Exchange Rate Regime (Decree-Law no. 39/97/M) and the specific requirements determined by the Monetary Authority of Macau. The transaction permitted to be performed in such counters is limited to buying and selling bank bills and coins in foreign currency, and to buying travelers checks.

Intellectual Property Rights Regulations

Our subsidiaries incorporated in Macau are subject to local intellectual property regulations. Intellectual property protection in Macau is supervised by the Intellectual Property Department of the Economic and Technological Development Bureau of the Macau government.

The applicable regime in Macau with regard to intellectual property rights is defined by two main laws. The Industrial Property Code (Decree-Law no. 97/99/M, as amended pursuant to Law no. 11/2001), covers: (i) inventions meeting the patentability requirements; (ii) semiconductor topography products; (iii) trademarks; (iv) designations of origin and geographical indications; and (v) awards. The Regime of Copyright and Related Rights (Decree-Law no. 43/99/M, as amended by Law no. 5/2012), protects intellectual works and creations in the literary, scientific and artistic fields, by copyright and related rights.

Personal Data Regulations

Processing of personal data by our subsidiaries in Macau is subject to compliance with the Personal Data Protection Act (Law no. 8/2005) and, in the case of the Gaming Operator, any instructions issued by DICJ from time to time. The Office for Personal Data Protection, or GPDP, is the regulatory authority in Macau specially in charge of supervising and enforcing the Personal Data Protection Act. Breaches are subject to civil liability, administrative and criminal sanctions.

The legal framework and the instructions issued by DICJ require that certain procedures must be adopted before collecting, processing and/or transferring personal data, including obtaining consent from the data subject and/or notifying or requesting authorization from the GPDP and/or DICJ, as applicable, prior to processing personal data.

Cybersecurity Regulations

Law no. 13/2019, the Cybersecurity Law came into effect on December 21, 2019 and is intended to protect networks, systems and data of public and private operators of critical infra-structures, among which operators of games of fortune and chance or other games in casinos are included.

The cybersecurity system is composed of a Cybersecurity Commission, a Cybersecurity Alert and Response Incident Centre, or CARIC, and cybersecurity supervisory entities.

Among other duties, private infra-structures operators are required to appoint a suitable and experienced person to be responsible for handling its cybersecurity and to be permanently reachable by the CARIC, create a cybersecurity department, implement adequate internal cybersecurity procedures, conduct evaluations of its networks' security and risks, submit annual reports to their supervisory entity and inform the CARIC and the respective supervisory entity of any cybersecurity incidents.

Additional regulations have been enacted to further determine and detail how the above-mentioned obligations are to be fulfilled.

Labor Quotas Regulations

All businesses in Macau must apply to the Labor Affairs Bureau for labor quotas to import non-resident unskilled workers from the PRC and other regions or countries. Non-resident skilled workers are also subject to the issuance of a work permit by the Macau government, which is given individually on a case-by-case basis. Businesses are free to employ Macau residents in any position, as by definition all Macau residents have the right to work in Macau. Melco Resorts has, through its subsidiaries, two main groups of labor quotas in Macau, one to import non-skilled workers from the PRC and the other to import non-skilled workers from all other countries. Concessionaires and subconcessionaires (the Gaming Operator included) are not currently allowed to hire non-Macau resident dealers and supervisors under the Macau government's policy.

Pursuant to Macau social security laws, Macau employers must register their employees under a mandatory social security fund and make social security contributions for each of its resident employees and pay a special duty for each of its non-resident employees on a quarterly basis. Employers must also buy insurance to cover employment accidents and occupational illnesses for all employees.

Minimum Salary Regulations

On April 27, 2020, Law no. 5/2020, with respect to minimum salary, was enacted. Such law came into effect on November 1, 2020. In accordance with such law, the monthly minimum salary in Macau is MOP6,656 (US$829) per month (excluding overtime, night and shift allowances and regular bonus related payments). The minimum salary requirement applies to all workers in Macau except domestic helpers and special needs workers.

Land Regulations

Land in Macau is legally divided into plots. In most cases, private interests in real property located in Macau are obtained through long-term leases from the Macau government.

We have entered into a land concession contract for the land on which Studio City is located. The contract has a term of 25 years and is renewable for further consecutive periods of ten years, and imposes, among other conditions, a development period, a land premium payment, a nominal annual government land use fee, which may be adjusted every five years, and a guarantee deposit upon acceptance of the land lease terms, which are subject to adjustments from time to time in line with the amounts paid as annual land use fees.

The land is initially granted on a provisional basis and registered as such with the Macau Real Property Registry and only upon completion of the development is the land concession converted into definitive status and so registered with the Macau Real Property Registry.

Restrictions on Distribution of Profits Regulations

All our subsidiaries incorporated in Macau are required to set aside a minimum of 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets

aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries.

FCPA

The FCPA prohibits us and our staff and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any foreign official. The Code includes specific FCPA-related provisions. See "— Our Internal Control Policies."

The Gaming Operator's Subconcession

The Concession Regime

The Macau government conducted an international tender process for gaming concessions in Macau in 2001, and granted three gaming concessions to SJM, Galaxy and Wynn Resorts Macau, respectively. Upon authorization by the Macau government, each of SJM, Galaxy and Wynn Resorts Macau subsequently entered into subconcession contracts with their respective subconcessionaires to operate casino games and other games of chance in Macau. No further granting of subconcessions is permitted unless specifically authorized by the Macau government.

Though there are no restrictions on the number of casinos or gaming areas that may be operated under each concession or subconcession, Macau government approval is required for the commencement of operations of any casino or gaming area.

The subconcessionaires that entered into subconcession contracts with SJM, Galaxy and Wynn Resorts Macau, are MGM Grand, Venetian Macau and the Gaming Operator, respectively. The Gaming Operator executed the Subconcession Contract with Wynn Resorts Macau on September 8, 2006. Wynn Resorts Macau will continue to develop and run hotel operations and casino projects independent of the Gaming Operator.

All concessionaires and subconcessionaires must pay a special gaming tax of 35% of gross gaming revenues, defined as all gaming revenues derived from casino or gaming areas, plus an annual gaming premium of:

- MOP30 million (equivalent to approximately US$3.7 million) per annum fixed premium;
- MOP300,000 (equivalent to approximately US$37,349) per annum per VIP gaming table;
- MOP150,000 (equivalent to approximately US$18,674) per annum per mass market gaming table; and
- MOP1,000 (equivalent to approximately US$124) per annum per electric or mechanical gaming.

The Macau government has publicly stated that the concessions and subconcessions contracts may be extended until December 31, 2022 to enable the conclusion of the proposed amendments to Macau's gaming law and the completion of the tender process for new concessions. In March 2022, the Gaming Operator filed an application with the Macau government for the extension of its Subconcession Contract until December 31, 2022 and, in connection with such application, will be required to pay an extension premium of up to MOP47 million (equivalent to approximately US$5.9 million) and provide a bank guarantee in favor of the Macau government for the payment of potential labor liabilities should the Gaming Operator not be granted a new concession (or have its subconcession further extended) after December 31, 2022. The extension of the Subconcession Contract is subject to the approval of the Macau government and execution of an addendum to the Subconcession Contract.

The Subconcession Contract

The Subconcession Contract provides for the terms and conditions of the subconcession granted to the Gaming Operator by Wynn Resorts Macau. The Gaming Operator does not have the right to further grant a subconcession or transfer the operation to third parties.

The provisions of the proposed law amending the gaming law do not affect the Subconcession Contract which continues to be governed by the current Macau Gaming law until the end of its term.

The Gaming Operator paid a consideration of US$900 million to Wynn Resorts Macau. On September 8, 2006, the Gaming Operator was granted the right to operate games of fortune and chance or other games in casinos in Macau until the expiration of the subconcession on June 26, 2022. No further payments need to be made to Wynn Resorts Macau during the subconcession period.

The Macau government has confirmed that the subconcession is independent of Wynn Resorts Macau's concession and that the Gaming Operator does not have any obligations to Wynn Resorts Macau pursuant to the Subconcession Contract. It is thus not affected by any modification, suspension, redemption, termination or rescission of Wynn Resorts Macau's concession. In addition, an early termination of Wynn Resorts Macau's concession before June 26, 2022, would not result in the termination of the subconcession. The subconcession was authorized and approved by the Macau government. Absent any change to the Gaming Operator's legal status, rights, duties and obligations towards the Macau government or any change in applicable law, the Gaming Operator will continue to be validly entitled to operate independently under and pursuant to the subconcession, notwithstanding the termination or rescission of Wynn Resorts Macau's concession, the insolvency of Wynn Resorts Macau and/or the replacement of Wynn Resorts Macau as concessionaire in the Subconcession Contract. The Macau government has a contractual obligation to the effect that, should Wynn Resorts Macau cease to hold the concession prior to June 26, 2022, the Macau government would replace Wynn Resorts Macau with another entity so as to ensure that the Gaming Operator may continue to operate games of chance and other games in casinos in Macau and the subconcession would at all times be under a concession. Both the Macau government and Wynn Resorts Macau have undertaken to cooperate with the Gaming Operator to ensure all the legal and contractual obligations are met.

Summary of the Key Terms of the Subconcession Contract

A summary of the key terms of the Subconcession Contract is as follows:

Development of Gaming Projects/Financial Obligations

The Subconcession Contract requires the Gaming Operator to make a minimum investment in Macau of MOP4.0 billion (US$498.0 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, the Gaming Operator obtained confirmation from the Macau government that as of the date of the confirmation, the Gaming Operator had invested over MOP4.0 billion (US$498.0 million) in these projects in Macau.

Payments

Subconcession premiums and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the Macau government. The method for computing these fees and taxes may be changed from time to time by the Macau government. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly or annually and are based upon either a percentage of the gross revenues or the number and type of gaming devices operated. In addition to special gaming taxes of 35% of gross gaming revenues, the Gaming Operator is also required to contribute to the Macau government an amount equivalent to 1.6% of the gross gaming revenues. Such contribution must be delivered to a public foundation

designated by the Macau government whose goal is to promote, develop or study culture, society, economy, education and science and engage in academic and charitable activities. Furthermore, the Gaming Operator is also obligated to contribute to Macau an amount equivalent to 2.4% of the gross gaming revenues for urban development, tourism promotion and the social security of Macau. The Gaming Operator is required to collect and pay, through withholding, statutory taxes on commissions or other remunerations paid to gaming promoters.

Termination Rights

The Macau government has the right, after notifying Wynn Resorts Macau, to unilaterally terminate the Gaming Operator's subconcession in the event of noncompliance by the Gaming Operator with its basic obligations under the subconcession and applicable Macau laws. Upon termination, all of the Gaming Operator's casino premises and gaming equipment, including the Studio City Casino, would revert to the Macau government automatically without compensation and the Gaming Operator would cease to generate any revenues from these operations. In many of these instances, the Subconcession Contract does not provide a specific cure period within which any such events may be cured and, instead, the Gaming Operator may be dependent on consultations and negotiations with the Macau government to enable it to remedy any such default. Neither the Gaming Operator nor Wynn Resorts Macau is granted explicit rights of veto, or of prior consultation. The Macau government may be able to unilaterally rescind the Subconcession Contract upon the following termination events:

- the operation of gaming without permission or operation of business which does not fall within the business scope of the subconcession;
- abandonment of approved business or suspension of operations of our gaming business in Macau without reasonable grounds for more than seven consecutive days or more than 14 non-consecutive days within one calendar year;
- transfer of all or part of the Gaming Operator's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval;
- failure to pay taxes, premiums, levies or other amounts payable to the Macau government;
- refusal or failure to resume operations following the temporary assumption of operations by the Macau government;
- repeated opposition to the supervision and inspection by the Macau government and failure to comply with decisions and recommendations of the Macau government, especially those of the DICJ;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;
- bankruptcy or insolvency of the Gaming Operator;
- fraudulent activity harming public interest;
- serious and repeated violation of the applicable rules for carrying out casino games of chance or games of other forms or damage to the fairness of casino games of chance or games of other forms;
- systematic non-compliance with the Macau Gaming Law's basic obligations;
- the grant to any other person of any managing power over the gaming business of the Gaming Operator or the grant of a subconcession or entering into any agreement to the same effect; or
- failure by a controlling shareholder in the Gaming Operator to dispose of its interest in the Gaming Operator, within ninety days from the date of the authorization given by the Macau government for such disposal, pursuant to written instructions received from the regulatory authority of a jurisdiction where the said shareholder is licensed to operate, which have had the effect that such controlling shareholder now wishes to dispose of the shares it owns in the Gaming Operator.

Ownership and Capitalization

Set out below are the key terms in relation to ownership and capitalization under the Subconcession Contract:

- any person who directly acquires voting rights in the Gaming Operator will be subject to authorization from the Macau government;
- the Gaming Operator will be required to take the necessary measures to ensure that any person who directly or indirectly acquires 5% or more of the shares in the Gaming Operator would be subject to authorization from the Macau government, except when such acquisition is wholly made through the shares of publicly-listed companies tradable at a stock exchange;
- any person who directly or indirectly acquires 5% or more of the shares in the Gaming Operator will be required to report the acquisition to the Macau government (except when such acquisition is wholly made through shares tradable on a stock exchange as a publicly-listed company);
- the Macau government's prior approval would be required for any recapitalization plan of the Gaming Operator; and
- the Chief Executive of Macau could require the increase of the Gaming Operator's share capital, if deemed necessary.

Others

In addition, the Subconcession Contract contains various general covenants and obligations and other provisions, including special duties of cooperation, special duties of information, and execution of our investment obligations.

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Macau — The Subconcession Contract expires in June 2022 and if the Gaming Operator is unable to secure an extension of the subconcession and thereafter a new concession, the Gaming Operator would be unable to operate Studio City Casino."

Services and Right to Use Arrangements Regulatory Requirements

The entry into the Services and Right to Use Arrangements by the Gaming Operator and our subsidiary, Studio City Entertainment, pursuant to which the Studio City Casino is operated, was approved by the Macau government in April 2007, and the supplement and amendments thereto were approved by the Macau government in May 2012. Set out below are the key terms of such approvals which remain in force:

- Studio City Entertainment shall cooperate with the Macau government, making available any documents, information or data requested directly by the Macau government or through the Gaming Operator for the purposes of monitoring its activity, analysis of its accounts and performance of external audits;
- Studio City Entertainment shall have an annual audit conducted by an external entity, independent and previously accepted by the DICJ, for certification of accounting documents and compliance with relevant legal provisions;
- Studio City Entertainment accepts to be subject to the legal and contractual supervision of the Macau government applicable to gaming concessionaires and subconcessionaires, to ensure its own suitability and financial capacity, the suitability of its direct or indirect shareholders holding 5% or more of its share capital (except with respect to those shareholders holding shares tradeable on a stock exchange), and of its directors and key employees of the Studio City Casino;
- the transfer of any rights under the Services and Right to Use Arrangements shall be subject to the prior authorization from the Macau government; and

- the Gaming Operator and Studio City Entertainment are jointly and severally responsible for compliance with applicable laws, regulations and instructions issued by the Macau government, including those regarding anti-money laundering, anti-financing of terrorist acts, anti-corruption, operation of slot machines and minimum internal control requirements.

In addition, as set out in the Macau government authorization letter for the listing of the Company dated March 5, 2018, the listing is subject to the following conditions:

- the Company continues to hold, directly or indirectly, 100% of the equity interest of its subsidiary, Studio City Entertainment;
- Melco Resorts continues to hold, directly or indirectly, at least 50.1% of the equity interest in us;
- Melco International continues to hold, directly or indirectly, the majority of the equity interest in Melco Resorts; and
- Mr. Lawrence Ho, directly or indirectly, continues to hold the majority of the equity interest in Melco International to control such entity.

Under such authorization, the Gaming Operator is required to annually provide the Macau government with evidence with respect to the compliance with the above conditions. In addition, under such authorization, we and the Gaming Operator are also required to comply with the conditions imposed by the Macau government in connection with its approval of our entry into the Services and Right to Use Arrangements.

The Macau government also has the right to revoke such listing authorization if it deems that the listing is contrary to the public interest or in case of any breach of the mentioned conditions. In case of revocation of the listing authorization by the Macau government, we may be required by the Macau government to delist the ADSs from the New York Stock Exchange. Failure to do so could result in the approval of the Services and Right to Use Arrangements being revoked, preventing us from receiving any amounts thereunder, or result in a closure order being issued with respect to the Studio City Casino or the suspension or termination of the Gaming Operator's subconcession, in which case we may be unable to offer any gaming facilities at Studio City.

In January 2022, the Macau government put forth to the Legislative Assembly in Macau the terms of the proposed law amending the gaming law. In accordance to the initially proposed law, after a transition period of three years, gaming activities must be operated by a concessionaire within premises owned by the gaming concessionaire or in premises leased or otherwise granted a right to use by the Macau government. It is not clear from the proposed law how this would affect the status of the Services and Rights to Use Arrangements after the 3-year transition period. It is possible that the Services and Rights to Use Arrangements may terminate or may be required to be amended or replaced to comply with the law amending the gaming law or other applicable regulations. If, as a result, the Services and Right to Use Arrangements terminates, Studio City Entertainment may not be able to enter into a new services agreement. It is also possible that any amended or replaced terms of the Services and Right to Use Arrangements required to comply with any amendments to the applicable law may not be comparable to the current terms. Even if the relevant provisions of the proposed law are not adopted in its current form or at all, upon the award of new concessions, the Macau government approval for the Services and Rights to Use Arrangements may be revoked and Studio City Entertainment may not be able to enter into an arrangement for the operation of Studio City Casino, or into an arrangement on the same or similar terms.

Taxation

We are domiciled in the Cayman Islands and our primary business operations are conducted through our subsidiaries. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Hong Kong

Our subsidiaries incorporated in Hong Kong and one of our subsidiaries incorporated in the BVI are subject to Hong Kong profits tax on their taxable income earned in or derived from Hong Kong at a uniform tax rate of 16.5%. Payments of dividends by our subsidiaries to us are not subject to withholding tax in Hong Kong.

Macau

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of up to 12% on profits earned in or derived from their activities conducted in Macau. The Gaming Operator applied for and was granted the benefit of a corporate tax holiday on Macau complementary tax (but not gaming tax) from 2017 through 2021 on profits generated from gaming operations. The Gaming Operator was further granted such benefit for the period from January 1, 2022 to June 26, 2022.

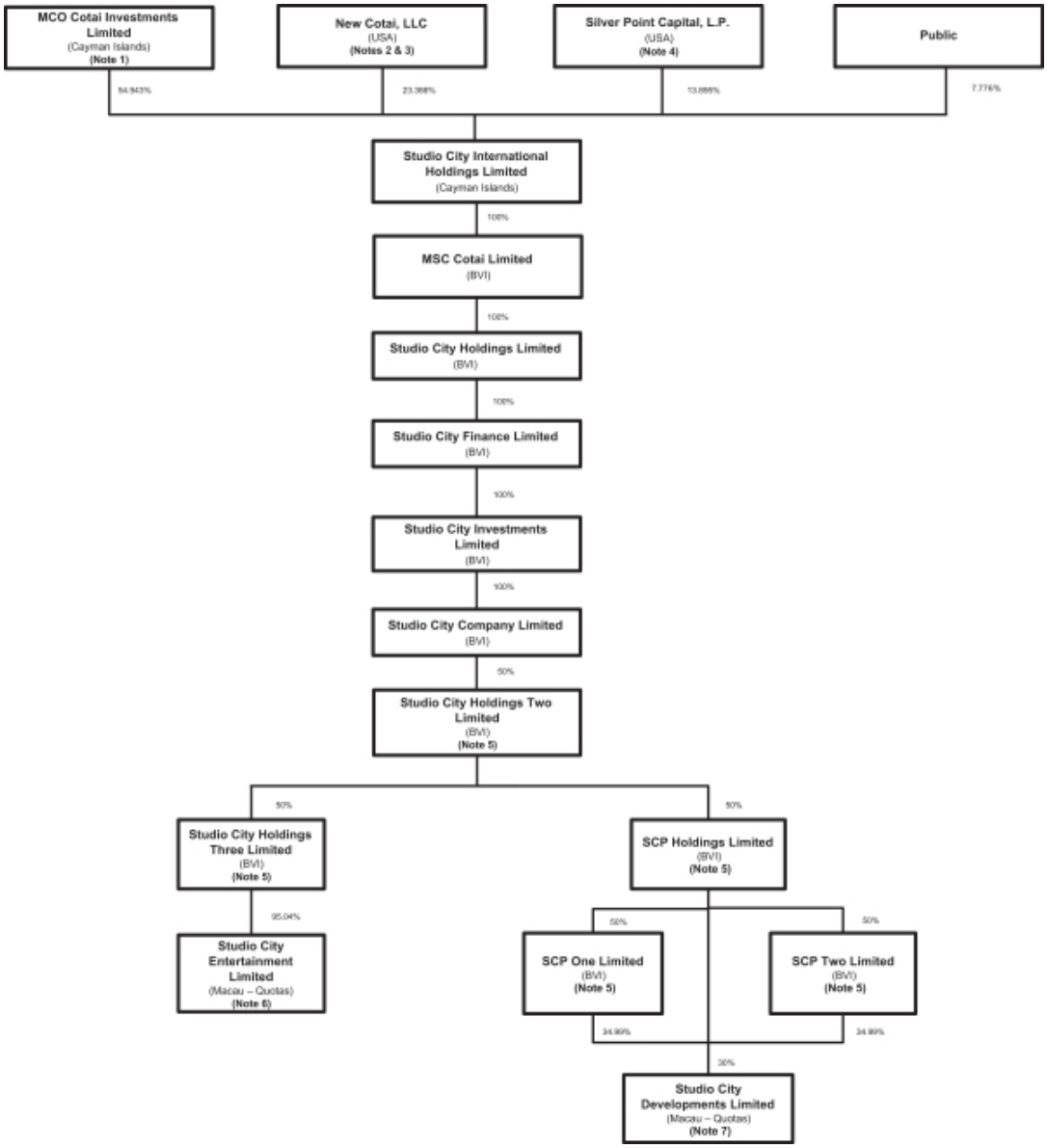
In January 2017, the Macau government granted an extension of the Macau complementary tax exemption for our subsidiary, Studio City Entertainment, until 2021, on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and has been subject to gaming tax. Studio City Entertainment has applied for an extension of the complementary tax exemption for January 1, 2022 to June 26, 2022 and such application is currently pending approval by the Macau government. Dividend distributions by Studio City Entertainment continue to be subject to Macau complementary tax. We remain subject to Macau complementary tax on our non-gaming profits.

In September 2017, the Macau government granted Studio City Hotels the declaration of touristic utility purpose pursuant to which Studio City Hotels is entitled to a property tax holiday for a period of twelve years on the immovable property to which the touristic utility was granted, owned or operated by Studio City Hotels. Under such tax holiday, Studio City Hotels is allowed to double the maximum rates applicable to depreciation and reintegration for the purposes of assessment of the Macau complementary tax. In August 2021, the hotel license of Studio City Hotel was transferred from Studio City Hotels to Studio City Developments, the owner of the Studio City property. We have applied for the declaration of touristic utility purpose pursuant to which Studio City Developments would be entitled to the property tax holiday and be allowed to double the maximum rates applicable to depreciation and reintegration for the purposes of assessment of the Macau complementary tax to be granted to Studio City Developments. Such application is currently pending and there is no assurance that the Macau government will extend such benefit to Studio City Developments.

C. ORGANIZATIONAL STRUCTURE

We are a Cayman Islands holding company for Studio City. Our operations are conducted by our subsidiaries. Investors may never directly hold equity interests in our operating subsidiaries.

The following diagram illustrates our organizational structure, including the place of formation, ownership interest and affiliation of our significant subsidiaries, as of March 25, 2022:



Notes:

1. Includes 747,288 Class A ordinary shares held by Melco International. See “Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders.”
2. Reflects 124,596,560 Class A ordinary shares of SCI represented by ADSs. Information regarding beneficial ownership is reported as of March 21, 2022.
3. New Cotai also has a Participation Interest in MSC Cotai which represents its economic right to receive an amount equal to approximately 9.4% of the dividends, distributions or other consideration paid to the Company by MSC Cotai, if any, from time to time. New Cotai may exchange all or a portion of its Participation Interest for Class A ordinary shares, subject to certain conditions. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions.” If New Cotai were to exercise its right to exchange all of the Participation Interest for Class A ordinary shares, New Cotai would receive 72,511,760 Class A ordinary shares and the corresponding number of Class B ordinary shares held by New Cotai would be surrendered and canceled.
4. Reflects 117,118,352 Class A ordinary shares of SCI represented by ADSs. Information regarding beneficial ownership is reported as of December 31, 2021 and is based on the information contained in the Schedule 13G/A filed by Silver Point Capital L.P. with the SEC on February 14, 2022 and after taking into account the 2022 Private Placements.
5. The remaining 50% of the equity interests of these companies are owned by Studio City Holdings Five Limited, a wholly-owned subsidiary of the Company. The 50% interest held by Studio City Holdings Five Limited in various Studio City companies incorporated in the British Virgin Islands is non-voting.
6. 3.96% and 1% of the equity interests are owned by Studio City Holdings Four Limited and Studio City Holdings Five Limited, respectively.
7. 0.02% of the equity interests are owned by Studio City Holdings Five Limited.

See “Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders” for more information regarding the beneficial ownership in our Company and “Exhibit 8.1 — Significant Subsidiaries of the Registrant.”

D. PROPERTY, PLANT AND EQUIPMENT

See “Item 4. Information on the Company — B. Business Overview” and “Item 5. Operating and Financial Review and Prospects — E. Critical Accounting Estimates — Property and Equipment and Other Long-lived Assets” for information regarding our material tangible property, plant and equipment.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto in this annual report on Form 20-F. Certain statements in this “Operating and Financial Review and Prospects” are forward-looking statements. See “Special Note Regarding Forward-Looking Statements” regarding these statements.

Overview

We are a holding company and, through our subsidiaries, operate the non-gaming businesses of Studio City. Studio City Casino is operated by the Gaming Operator, one of the subsidiaries of Melco Resorts and a

holder of a gaming subconcession. Our future operating results are subject to significant business, economic, regulatory and competitive uncertainties and risks, many of which are beyond our control. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business.” For detailed information regarding our operations and development projects, see “Item 4. Information on the Company — B. Business Overview.”

A. OPERATING RESULTS

Operations

Our principal operating activities are the provision of gaming related services and the hospitality business in Macau. The Company monitors the operations and evaluate earnings by reviewing the assets and operations of Studio City as one operating segment. Accordingly, we do not present separate segment information. As of December 31, 2021, 2020 and 2019, we operated in one geographical area, Macau, where we generated our revenue and where our long-lived assets were located.

Our operations remain impacted by travel restrictions and quarantine requirements. The appearance of COVID-19 cases in Macau in early August 2021 and late September 2021 led to city-wide mandatory testing, mandatory closure of most entertainment and leisure venues (casinos and gaming areas excluded), and strict travel restrictions and requirements being implemented to enter and exit Macau. Since October 19, 2021, authorities have eased pandemic prevention measures such that travelers no longer require 14-day quarantine on arrival in Zhuhai, and the validity of nucleic acid tests to enter Zhuhai was extended from 24 hours to 7 days. The validity of nucleic acid tests to enter Macau and quarantine requirements upon entry to Macau vary from time to time and is currently set at 24 hours for entry from Zhuhai. Health-related precautionary measures remain in place and non-Macau resident individuals who are not residents of Taiwan, Hong Kong, or the PRC continue to be unable to enter Macau, except if they have been in Hong Kong or mainland PRC in the preceding 21 days and are eligible for an exemption application.

Uncertainty around COVID-19 outbreaks continue into 2022. Key factors impacting 2022 performance and the pace of recovery from COVID-19-related disruptions continue to depend on future events, including the duration of travel and visa restrictions, quarantine requirements, the pace of vaccination progress, development of new medicines for COVID-19 as well as customer sentiment and consumer behavior related to discretionary spending and travel, all of which remain highly uncertain. We are currently unable to reasonably estimate the financial impact to our future results of operations, cash flows and financial condition.

The disruptions to our business caused by the COVID-19 outbreak have had an adverse effect on our operations and as such disruptions are ongoing, such adverse effects will likely continue. We expect that gross gaming revenues in Macau will continue to be negatively impacted by the COVID-19 outbreak. We have taken various mitigating measures to manage through the COVID-19 outbreak challenges, such as implementing a cost reduction program to minimize cash outflow of non-essential items and rationalizing our capital expenditure program with deferrals and reductions which benefits our balance sheet. In addition, operating hours at our retail dining and entertainment facilities are continuously being adjusted in line with customer visitation and, from time to time, we have closed certain facilities due to low visitation. The timing and manner in which all these areas will return to full operation are currently unknown. Furthermore, health-related precautionary measures remain in place at our property, which could continue to impact visitation and customer spending.

Given the uncertainty around the extent and duration of the COVID-19 outbreak and around the imposition or relaxation of protective measures, we cannot reasonably estimate the impact to our future results of operations, cash flows and financial condition. Moreover, even if the COVID-19 outbreak subsides, there is no guarantee that travel and consumer sentiment will rebound quickly or at all. See “Item 3. Key Information. — D. Risk Factors — Risks Relating to Our Business — The COVID-19 outbreak has had, and will likely to continue to have, an adverse effect on our operations, which has negatively affected and may continue to materially impact our business, prospects, financial condition and results of operations.”

Summary of Financial Results

For the year ended December 31, 2021, our total operating revenues were US$106.9 million, an increase of 117.2% from US$49.2 million of total operating revenues for the year ended December 31, 2020. Net loss attributable to Studio City International Holdings Limited for the year ended December 31, 2021 was US$252.6 million, as compared to a net loss attributable to Studio City International Holdings Limited of US$321.6 million for the year ended December 31, 2020. The change was mainly attributable to higher revenues from the provision of gaming related services and non-gaming revenues as a result of a year-over-year increase in inbound tourism in 2021.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of US$)		
Total operating revenues	$ 106,868	$ 49,208	$ 626,733
Total operating costs and expenses	(298,441)	(329,136)	(448,737)
Operating (loss) income	(191,573)	(279,928)	177,996
Net (loss) income attributable to Studio City International Holdings Limited	$(252,555)	$(321,626)	$ 33,564

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate the operations of Studio City Casino, including table games and gaming machines:

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

In the rolling chip market segment, customers purchase identifiable chips known as non-negotiable chips, or rolling chips, from the casino cage, and there is no deposit into a gaming table's drop box for rolling chips purchased from the cage. Rolling chip volume and mass market table games drop are not equivalent.

Rolling chip volume is a measure of amounts wagered and lost. Mass market table games drop measures buy in. Rolling chip volume is generally substantially higher than mass market table games drop. As these volumes are the denominator used in calculating win rate or hold percentage, with the same use of gaming win as the numerator, the win rate is generally lower in the rolling chip market segment than the hold percentage in the mass market table games segment.

Studio City Casino's expected rolling chip win rate is 2.85% to 3.15%.

We use the following KPIs to evaluate our hotel operations:

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

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

Tables games and gaming machines that were not in operation due to government mandated closures or social distancing measures in relation to the COVID-19 outbreak have been excluded. Room statistics also excluded rooms that were temporarily closed or provided to staff members due to the COVID-19 outbreak.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenues

Our total operating revenues were US$106.9 million in 2021, an increase of US$57.7 million, or 117.2%, from US$49.2 million of total operating revenues in 2020. The increase in total operating revenues was primarily attributable to the higher revenues from the provision of gaming related services and non-gaming revenues as a result of a year-over-year increase in inbound tourism in 2021.

- *Provision of gaming related services.* Revenues from the provision of gaming related services are derived from the provision of facilities for the operations of Studio City Casino by the Gaming Operator and services related thereto pursuant to the Services and Right to Use Arrangements. Revenues from the provision of gaming related services were negative US$1.5 million in 2021, compared with revenues from provision of gaming related services of negative US$42.7 million in 2020. The change was primarily attributable to improved performance in the gaming operations at Studio City Casino as a result of a year-over-year increase in inbound tourism in 2021.

  Studio City Casino generated gross gaming revenues of US$380.8 million and US$264.4 million in 2021 and 2020, respectively, before the deduction by the Gaming Operator of gaming taxes and the costs incurred in connection with its on-going operation of Studio City Casino pursuant to the Services and Right to Use Arrangements.

  Mass market table games revenue increased to US$313.6 million in 2021 from US$193.8 million in 2020, attributable to an increase in both mass market table games drop and mass market table games hold percentage. Mass market table games drop increased to US$1.13 billion in 2021 from US$0.73 billion in 2020. Mass market table games hold percentage also increased to 27.7% in 2021 from 26.6% in 2020.

Gaming machine revenue increased to US$30.4 million in 2021 from US$20.2 million in 2020. This increase is attributable to an increase of gaming machine handle to US$1.11 billion in 2021 from US$0.74 billion in 2020, partially offset by a decrease in gaming machine win rate to 2.7% in 2021 from 2.8% in 2020. Average net win per gaming machine per day was US$129 and US$98 in 2021 and 2020, respectively.

VIP rolling chip revenue decreased to US$36.8 million in 2021 from US$50.4 million in 2020, attributable to a decrease in both VIP rolling chip volume and VIP rolling chip win rate. Studio City's VIP rolling chip volume decreased to US$1.84 billion in 2021 from US$2.21 billion in 2020. VIP rolling chip win rate decreased to 2.00% in 2021 from 2.28% in 2020.

In 2021 and 2020, total gaming taxes and costs incurred in connection with the on-going operation of Studio City Casino deducted from gross gaming revenues were US$382.3 million and US$307.1 million, respectively, which included (i) gaming taxes imposed on the gross gaming revenue of US$148.5 million and US$103.1 million, respectively; (ii) the complimentary services provided by us to Studio City Casino's gaming patrons of US$44.1 million and US$27.1 million, respectively; (iii) shared administrative services and shuttle bus transportation services provided by us to Studio City Casino of US$20.9 million and US$22.5 million, respectively and (iv) remaining costs of US$168.8 million and US$154.4 million, respectively, primarily representing gaming-related staff costs and other gaming-related costs, including costs related to table games operations at Studio City Casino.

Revenues from the provision of gaming related services were negative US$1.5 million and negative US$42.7 million in 2021 and 2020, respectively. Revenues from the provision of gaming related services are net of gaming taxes and the costs incurred in connection with the on-going operation of Studio City Casino deducted by the Gaming Operator pursuant to the Services and Right to Use Arrangements.

- *Rooms.* We generate room revenues from Studio City hotel consisting of Celebrity Tower and all-suite Star Tower. Our room revenues increased by US$16.8 million, or 76.2%, to US$38.7 million in 2021 from US$22.0 million in 2020. The increase was primarily attributable to an increased occupancy rate as a result of a year-over-year increase in inbound tourism in 2021. Studio City's average daily rate, occupancy rate and REVPAR were US$123, 51% and US$62, respectively, in 2021, as compared to US$128, 28% and US$36, respectively, in 2020.
- *Food and beverage, entertainment, mall and retail and other.* Our revenues generated from food and beverage, entertainment, mall and retail and other increased by US$0.9 million, or 2.1%, to US$44.7 million in 2021 from US$43.7 million in 2020, primarily attributable to an increase in business activities as a result of a year-over-year increase in inbound tourism in 2021.
- *Services fee.* Our services fee revenues, which primarily consist of certain shared administrative services and shuttle bus transportation services to Studio City Casino, decreased by US$1.2 million, or 4.8%, to US$24.9 million in 2021 from US$26.2 million in 2020.

Operating Costs and Expenses

Our total operating costs and expenses decreased by US$30.7 million, or 9.3%, to US$298.4 million in 2021 from US$329.1 million in 2020.

- *Provision of gaming related services.* Provision of gaming related services expenses, which mainly represent (1) services fees for shared corporate services provided by the Master Service Providers pursuant to the Management and Shared Services Arrangements and (2) management payroll expenses, are relatively fixed in nature and amounted to US$28.1 million and US$27.0 million in 2021 and 2020, respectively.

- *Rooms.* Room expenses, which represent the costs of operating the hotel facilities and respective payroll expenses, increased by US$0.9 million, or 8.4%, to US$12.2 million in 2021 from US$11.2 million in 2020, which was in-line with the increase in revenues, partially offset by lower operating costs, as a result of our cost containment efforts.
- *Food and beverage, entertainment, mall and retail and other.* Expenses related to food and beverage, entertainment, mall and retail and other, which primarily represent the costs of operating the respective non-gaming services at Studio City and respective payroll expenses, decreased by US$0.6 million, or 1.7% to US$36.0 million in 2021 and US$36.6 million in 2020.
- *General and administrative.* General and administrative expenses were US$87.6 million and US$89.0 million in 2021 and 2020, respectively. Such expenses primarily consist of payroll expenses, utilities, marketing and advertising costs, repairs and maintenance, legal and professional fees, and fees paid to the Master Service Providers for shared corporate services provided to non-gaming departments. Expenses relating to services fee revenues are also included in the general and administrative expenses.
- *Pre-opening costs.* Pre-opening costs were US$1.0 million in 2021 as compared to US$0.2 million in 2020. Such costs primarily represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations. The higher pre-opening costs in 2021 were mainly related to the marketing of the Water Park, which officially opened in May 2021.
- *Amortization of land use right.* Amortization expenses for the land use right continued to be recognized on a straight-line basis at an annual rate of US$3.3 million in both 2021 and 2020.
- Depreciation and amortization. Depreciation and amortization expenses decreased by US$32.7 million, or 20.8%, to US$124.3 million in 2021 from US$157.0 million in 2020, primarily due to the decrease in depreciation for furniture, fittings and equipment, as well as amortization of leasehold improvement.
- *Property charges and other.* Property charges and other expenses of US$6.0 million in 2021 were primarily attributable to termination costs as a result of departmental restructuring and impairment of assets as a result of the remodeling of a non-gaming attraction. Property charges and other expenses of US$4.8 million in 2020 were primarily attributable to impairment of assets as a result of the remodeling of a non-gaming attraction.

Operating Loss

As a result of the foregoing, we had an operating loss of US$191.6 million in 2021, compared to an operating loss of US$279.9 million in 2020.

Non-operating Expenses, Net

Net non-operating expenses consisted of interest income, interest expenses, net of amounts capitalized, other financing costs, net foreign exchange gains (losses), loss on extinguishment of debt and other non-operating expenses, net. We incurred total net non-operating expenses of US$110.9 million in 2021, compared to US$126.2 million in 2020.

- *Interest expenses, net of amounts capitalized.* Interest expenses were US$91.0 million (net of amounts capitalized of US$23.7 million) in 2021, compared to US$104.8 million (net of amounts capitalized of US$10.9 million) in 2020. The decrease was primarily attributable to higher amounts capitalized for the remaining project for Studio City in 2021.
- *Other financing costs.* Other financing costs, which were associated with the 2021/2028 Studio City Senior Secured Credit Facility, were US$0.4 million in both 2021 and 2020.
- *Loss on extinguishment of debt.* Loss on extinguishment of debt was US$28.8 million in 2021 and was associated with the early redemption of the 2024 Notes, which were refinanced by the issuance of the

First 2029 Notes. Loss on extinguishment of debt was US$18.7 million in 2020 and was associated with the early redemption of all outstanding 2021 Studio City Company Notes, which was refinanced by the issuance of the 2025 Notes and 2028 Notes.

Loss before Income Tax

As a result of the foregoing, we had a loss before income tax of US$302.5 million in 2021, compared to a loss before income tax of US$406.1 million in 2020.

Income Tax Credit

Income tax credits were US$0.5 million and US$1.0 million in 2021 and 2020, respectively, and were primarily attributable to deferred income tax credits. The effective tax rates in 2021 and 2020 were both 0.2%. Our effective tax rates in 2021 and 2020 differed from the statutory Macau complementary tax rate of 12%, where the Company's majority operations are located, primarily due to the effect of expenses for which no income tax benefit is receivable, the effect of expired tax losses and the effect of changes in valuation allowances for the relevant years together with the effect of different tax rates of subsidiaries operating in other jurisdictions and the effect of tax losses that cannot be carried forward for the years ended December 31, 2021 and 2020. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carry-forwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net Loss Attributable to Participation Interest

Our net loss attributable to participation interest was US$49.4 million in 2021, compared to a net loss attributable to participation interest of US$83.5 million in 2020.

Net Loss Attributable to Studio City International Holdings Limited

As a result of the foregoing, we had a net loss attributable to Studio City International Holdings Limited of US$252.6 million in 2021, compared to a net loss attributable to Studio City International Holdings Limited of US$321.6 million in 2020.

For a discussion of our results of operations for the year ended December 31, 2020 compared with the year ended December 31, 2019, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results — Year Ended December 31, 2020 Compared to Year Ended December 31, 2019" of our annual report on Form 20-F for the fiscal year ended December 31, 2020, filed with the SEC on March 31, 2021.

Adjusted EBITDA

Our net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, share-based compensation, property charges and other, other non-operating income and expenses, or Adjusted EBITDA, was negative US$56.5 million, negative US$113.8 million and US$361.0 million for the years ended December 31, 2021, 2020 and 2019, respectively.

We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results. This non-GAAP financial measure eliminates the impact of items that we do not consider indicative of the performance of our business. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. It should not be considered in isolation or construed as an alternative to net income/

loss, cash flow or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. This non-GAAP financial measure, which may differ from similarly titled measures used by other companies should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

The use of Adjusted EBITDA has material limitations as an analytical tool, as Adjusted EBITDA does not include all items that impact our net income/loss. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable GAAP financial measure.

Reconciliation of Net (Loss) Income Attributable to Studio City International Holdings Limited to Adjusted EBITDA

	Year Ended December 31,		
	2021	2020 (2)	2019 (3)
	(in thousands of US$)		
Net (loss) income attributable to Studio City International Holdings Limited	$(252,555)	$(321,626)	$ 33,564
Net (loss) income attributable to participation interest	(49,447)	(83,466)	10,065
Net (loss) income	(302,002)	(405,092)	43,629
Income tax (credit) expense	(457)	(1,011)	402
Interest and other non-operating expenses, net	110,886	126,175	133,965
Property charges and other	6,031	4,798	8,521
Share-based compensation	438	791	—
Depreciation and amortization	127,634	160,334	171,943
Pre-opening costs	984	201	2,567
Adjusted EBITDA	$ (56,486)	$(113,804)	$361,027
Adjusted EBITDA margin (1)	(52.9)%	(231.3)%	57.6%

(1) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total operating revenues.

(2) We adopted Accounting Standards Codification 326, *Financial Instruments - Credit Losses* (*Topic 326*) (“ASU 2016-13”) on January 1, 2020 under the modified retrospective method. There was no material impact on our results of operations and Adjusted EBITDA in 2020 as a result of the adoption of ASU 2016-13.

(3) We adopted Accounting Standards Codification 842, *Leases (Topic 842)* (“New Leases Standard”) on January 1, 2019 under the modified retrospective method. There was no material impact on our results of operations and Adjusted EBITDA in 2019 as a result of the adoption of the New Leases Standard.

The negative Adjusted EBITDA for Studio City in 2021 and 2020 referred to in Melco Resorts’ 2021 annual report on Form 20-F were US$36.0 million and US$34.8 million less, respectively, than the negative Adjusted EBITDA of Studio City contained in this report. The Adjusted EBITDA for Studio City in 2019 referred to in Melco Resorts’ 2021 annual report on Form 20-F was US$54.1 million more than the Adjusted EBITDA of Studio City contained in this report. The Adjusted EBITDA of Studio City contained in this report includes certain intercompany charges that are not included in the Adjusted EBITDA for Studio City contained in such Melco Resorts’ annual report. Such intercompany charges include, among other items, fees and shared service charges billed between the Company and its subsidiaries and certain subsidiaries of Melco Resorts. Additionally, Adjusted EBITDA of Studio City included in such Melco Resorts’ annual report does not reflect certain intercompany costs related to the table games operations at Studio City Casino.

B. LIQUIDITY AND CAPITAL RESOURCES

We have relied on, and intend to continue to rely on, our cash generated from our operations and our debt and equity financings to meet our financing or refinancing needs.

As of December 31, 2021, we recorded US$499.3 million in cash and cash equivalents. Further, the HK$233.0 million (equivalent to approximately US$29.9 million) revolving credit facility under the 2028 Studio City Senior Secured Credit Facility is available for future drawdown as of December 31, 2021, subject to certain conditions precedent.

As of December 31, 2021, restricted cash of US$0.1 million primarily represented the cash collateral in relation to the 2028 Studio City Senior Secured Credit Facility.

We have been able to meet our working capital needs, and we believe that our current available cash and cash equivalents, bank deposits, funds available for drawdown under the 2028 Studio City Senior Secured Credit Facility and any additional equity or debt financings will be adequate to satisfy our current and anticipated operating, debt and capital commitments, including our development project plans, as described in "— Other Financing and Liquidity Matters" below. For any additional financing requirements, we cannot provide assurance that future borrowings will be available. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — We may not be able to obtain adequate financing on satisfactory terms for our existing business and/or remaining project, or at all" for more information.

We have significant indebtedness and will continue to evaluate our capital structure and opportunities to enhance it in the normal course of our activities. We may from time to time seek to retire or purchase our outstanding debt through cash purchases, in open market purchases, privately-negotiated transactions or otherwise. Such purchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Cash Flows

The following table sets forth a summary of our cash flows for the years presented.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of US$)		
Net cash (used in) provided by operating activities	$(136,841)	$(167,425)	$ 228,504
Net cash used in investing activities	(407,235)	(209,789)	(90,922)
Net cash provided by (used in) financing activities	471,508	623,811	(189,976)
Effect of exchange rate on cash, cash equivalents and restricted cash	(3,372)	1,530	2,061
(Decrease) increase in cash, cash equivalents and restricted cash	(75,940)	248,127	(50,333)
Cash, cash equivalents and restricted cash at beginning of year	575,359	327,232	377,565
Cash, cash equivalents and restricted cash at end of year	$ 499,419	$ 575,359	$ 327,232

Operating Activities

Operating cash flows are generally affected by changes in operating income and certain operating assets and liabilities, including the receivables related to the provision of gaming related services and hotel

operations, as well as the non-gaming business, including food and beverage, entertainment, mall, retail and other, which are conducted primarily on a cash basis.

We recorded net cash used in operating activities of US$136.8 million in 2021, as compared to net cash used in operating activities of US$167.4 million in 2020. The change was primarily attributable to the improved performance of Studio City's operations as described in the foregoing sections, partially offset by the increased working capital needed for operations.

We recorded net cash used in operating activities of US$167.4 million in 2020, as compared to net cash provided by operating activities of US$228.5 million in 2019, primarily due to the softer performance of Studio City's operations.

Investing Activities

Net cash used in investing activities was US$407.2 million in 2021, as compared to net cash used in investing activities of US$209.8 million in 2020. Net cash used in investing activities was US$90.9 million in 2019.

Net cash used in investing activities of US$407.2 million in 2021 was primarily attributable to payments for acquisition of property and equipment of US$400.4 million, funds to an affiliated company of US$4.4 million and payments for acquisition of intangible assets of US$4.1 million, partially offset by proceeds from sale of property and equipment and other long-term assets of US$1.7 million.

Net cash used in investing activities of US$209.8 million in 2020 was primarily attributable to payments for acquisition of property and equipment of US$202.7 million and funds to an affiliated company of US$9.6 million.

Net cash used in investing activities of US$90.9 million in 2019 was primarily attributable to payments for acquisition of property and equipment of US$78.6 million and funds to an affiliated company of US$13.7 million.

Our capital expenditures on an accrual basis amounted to US$503.7 million, US$214.0 million and US$74.1 million for the years ended December 31, 2021, 2020 and 2019, respectively, primarily for the construction, development and enhancement of Studio City. We will continue to make capital expenditures to meet the expected growth of our business and expect that cash generated from our operating and financing activities will meet our capital expenditure needs in the foreseeable future. We expect to incur significant capital expenditures for the development of the remaining land of Studio City. See "— Other Financing and Liquidity Matters" below for more information.

Financing Activities

Net cash provided by financing activities was US$471.5 million in 2021, as compared to net cash provided by financing activities of US$623.8 million in 2020. Net cash used in financing activities was US$190.0 million in 2019.

Net cash provided by financing activities of US$471.5 million in 2021 was primarily attributable to the proceeds from the issuance of the First 2029 Notes in aggregate principal amount of US$750.0 million and the issuance of the Additional 2029 Notes of US$355.3 million, partially offset by the payment of the 2024 Notes Tender Offer of US$347.1 million in aggregate principal amount and the redemption of the remaining 2024 Notes of US$252.9 million in aggregate principal amount outstanding, as well as payments of deferred financing costs of US$33.3 million.

Net cash provided by financing activities of US$623.8 million in 2020 was attributable to net proceeds from issuance of shares of US$499.2 million, proceeds from the issuance of the 2025 Notes in aggregate principal amount of US$500.0 million and the 2028 Notes in aggregate principal amount of US$500.0 million, partially offset by the full redemption of the 2021 Studio City Company Notes in aggregate principal amount of US$850.0 million and the payment of deferred financing costs from the refinancing of the 2021 Studio City Company Notes with the 2025 Notes and 2028 Notes.

Net cash used in financing activities of US$190.0 million in 2019 was primarily attributable to the full repayment of 2019 Studio City Company Notes of US$350.0 million upon maturity, the payment of the 2020 Notes Tender Offer of US$216.5 million in aggregate principal amount and the redemption of the remaining 2020 Notes of US$208.5 million in aggregate principal amount outstanding, partially offset by the proceeds from the issuance of the 2024 Notes of US$600.0 million.

Indebtedness

We enter into loan facilities and issue notes through our subsidiaries. The following table sets forth our gross indebtedness as of December 31, 2021:

	Issuer	As of December 31, 2021
		(in thousands of US$)
2028 Studio City Senior Secured Credit Facility	Studio City Company	$ 128
2025 Notes	Studio City Finance	500,000
2028 Notes	Studio City Finance	500,000
2029 Notes	Studio City Finance	1,100,000
Total		**$ 2,100,128**

Major changes in our indebtedness during the year ended and subsequent to December 31, 2021 are summarized below.

On January 4, 2021, Studio City Finance commenced the 2024 Notes Tender Offer. The 2024 Notes Tender Offer expired on January 11, 2021. The aggregate principal amount of valid tenders received and not validly withdrawn under the 2024 Notes Tender Offer amounted to US$347.1 million. On January 14, 2021, Studio City Finance issued US$750.0 million in aggregate principal amount of the First 2029 Notes, the net proceeds of which were used to pay the tendering noteholders from the 2024 Notes Tender Offer and, on February 17, 2021, to redeem, together with accrued interest, all remaining outstanding amounts of the 2024 Notes, which amounted to US$252.9 million in aggregate principal amount.

On March 15, 2021, Studio City Company amended the terms of the 2021 Studio City Senior Secured Credit Facility, including the extension of maturity date for each of the HK$233.0 million (approximately US$29.9 million) revolving credit facility and the HK$1.0 million (approximately US$128,000) term loan facility from November 30, 2021 to January 15, 2028. The revolving credit facility is available up to the date that is one month prior to the new extended maturity date. The amendments also included certain covenants in order to align them with certain financings by Studio City Finance.

On May 20, 2021, Studio City Finance issued US$350.0 million in aggregate principal amount of the Additional 2029 Notes.

On July 26, 2021, the 2029 Notes were listed on the Chongwa (Macao) Financial Asset Exchange Co., Limited.

On February 16, 2022, Studio City Company issued US$350.0 million in aggregate principal amount of the 2027 Notes.

For further details of the above indebtedness, see note 10 to the consolidated financial statements included elsewhere in this annual report, which includes information regarding the type of debt facilities used, the maturity profile of debt, the currency and interest rate structure, the charge on our assets and the nature and extent of any restrictions on our ability, and the ability of our subsidiaries, to transfer funds as cash dividends, loans or advances. See also "— Other Financing and Liquidity Matters" below for details of the maturity profile of debt and "Item 11. Quantitative and Qualitative Disclosures about Market Risk" for further understanding of our hedging of foreign exchange risk exposure.

Other Financing and Liquidity Matters

We may obtain financing in the form of, among other things, equity or debt, including additional bank loans or high yield, mezzanine or other debt, or rely on our operating cash flow to fund the development of our projects. We are a growing company with significant financial needs. We expect to have significant capital expenditures in the future as we continue to develop the remaining land of Studio City.

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

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

In October 2018, we completed our initial public offering of 28,750,000 ADSs (equivalent to 115,000,000 Class A ordinary shares). In November 2018, the underwriters exercised their over-allotment option in full to purchase an additional 4,312,500 ADSs from us. After giving effect to the exercise of the over-allotment option, the total number of ADSs sold in our initial public offering was 33,062,500 ADSs and we received net proceeds of approximately US$406.7 million from the ADSs sold in our initial public offering and aggregate gross proceeds of approximately US$2.5 million from the concurrent private placement to Melco International in connection with Melco International's "assured entitlement" distribution to its shareholders, after deducting underwriting discounts and commissions and a structuring fee, but before deducting offering expenses payable by us.

In August 2020, Studio City International Holdings Limited completed a US$500 million private placement of shares, or the 2020 Private Placements. The net proceeds from this private placement was approximately US$499.2 million.

In March 2022, Studio City International Holdings Limited completed a US$300 million private placement of shares, or the 2022 Private Placements. The net proceeds from this private placement was approximately US$299.2 million.

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

Our material cash requirements arise from the development of the remaining land at Studio City and the payment of interest expenses and repayment of principal relating to our indebtedness.

Cash from financings and operations is primarily retained by our operating subsidiaries for the purpose of funding our operating activities and capital expenditures. Cash within our group is primarily transferred between our subsidiaries through intercompany loan arrangements. Financing raised by Studio City International Holdings Limited has been transferred to our financing and operating subsidiaries through the use of equity capital contributions or intercompany loan arrangements. In 2021, excluding cash transferred for the purpose of the settlement of intragroup charges, no cash has been transferred to our holding company, Studio City

International Holdings Limited, from its subsidiaries. See also "Item 4. Information on the Company — B. Business Overview — Taxation" and "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy." There are no regulatory or foreign exchange restrictions or limitations on our ability to transfer cash within our corporate group or to declare dividends to holders of our ADSs, except that our subsidiaries incorporated in Macau are required to set aside a specified amount of the entity's profit after tax as legal reserve which is not distributable to the shareholders of such subsidiaries. See "Item 4. Information on the Company — B. Business Overview — Regulations — Restrictions on Distribution of Profits Regulations" and "Item 10. Additional Information — D. Exchange Controls."

As of December 31, 2021, we had capital commitments contracted for but not incurred for the construction and acquisition of property and equipment mainly for the development of remaining land at Studio City totaling US$298.9 million. In addition, we have contingent liabilities arising in the ordinary course of business.

Our total long-term indebtedness and other contractual obligations as of December 31, 2021 are summarized below.

	Payments Due by Period				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	(in millions of US$)				
Long-term debt obligations[1]***:***					
2028 Studio City Senior Secured Credit Facility	$ —	$ —	$ —	$ 0.1	$ 0.1
2025 Notes	—	—	500.0	—	500.0
2028 Notes	—	—	—	500.0	500.0
2029 Notes	—	—	—	1,100.0	1,100.0
Fixed interest payments	117.5	235.0	191.1	145.8	689.4
Operating leases[2]	0.9	2.3	2.3	32.4	37.9
Construction costs and property and equipment retention payables	18.3	16.4	—	—	34.7
Other contractual commitments:					
Construction costs and property and equipment acquisition commitments	298.5	0.4	—	—	298.9
Total contractual obligations	$ 435.2	$ 254.1	$ 693.4	$ 1,778.3	$3,161.0

(1) See note 10 to the consolidated financial statements included elsewhere in this annual report for further details on these debt facilities.

(2) See note 11 to the consolidated financial statements included elsewhere in this annual report for further details on these lease liabilities.

For further details for our commitments and contingencies, see note 18 to the consolidated financial statements included elsewhere in this annual report.

We have not entered into any material financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our ordinary shares and classified as shareholder's equity, or that are not reflected in our consolidated financial statements.

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

Studio City Company has a corporate rating of "B+" by Standard & Poor's and Studio City Finance has a corporate rating of "B1" by Moody's Investors Service, respectively. For future borrowings, any decrease in our corporate rating could result in an increase in borrowing costs.

Restrictions on Distributions

The Company is a holding company with no operations of its own. We conduct our operations through our subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. Our subsidiaries have incurred debt on their own behalf and any of our newly formed subsidiaries may incur debt on their own behalf in the future and the instruments governing their debt have and may restrict their ability to pay dividends to us. For discussion on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and the impact such restrictions have on our ability to meet our cash obligations, see "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business — Certain covenants under our agreements governing our existing indebtedness restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions" and "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy" and note 17 to the consolidated financial statements included elsewhere in this annual report.

In addition, our subsidiaries incorporated in Macau are required to set aside a minimum of 25% of the entity's profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

We have entered into licensing agreements for the use of certain trade names. For other intellectual property that we owned, see "Item 4. Information on the Company — B. Business Overview — Intellectual Property."

D. TREND INFORMATION

The following trends and uncertainties may affect our operations and financial conditions:

- The impact of the COVID-19 outbreak, including its severity, magnitude and duration, and any recovery from such disruptions, which will depend on future events, including the duration of travel and visa restrictions, quarantine requirements, the pace of vaccination progress, development of new medicine for COVID-19, the impact of potentially higher unemployment rates, declines in income levels, and loss of personal wealth resulting from the COVID-19 outbreak affecting discretionary spending and travel, all of which remain highly uncertain. The disruptions to our business caused by the COVID-19 outbreak have had an adverse effect on our operations and as such disruptions are ongoing, such adverse effects are likely to continue;
- The impact of policies and legislation implemented by the Macau government and interpretations thereof, including the proposed law amending the gaming law, such as those relating to gaming activities being operated within premises owned by a gaming concessionaire, the granting of new gaming concessions, gaming operator liability, travel and visa policies as well as policies relating to gaming table allocations and gaming machine requirements;
- Policies and campaigns implemented by the PRC government, including restrictions on travel, anti-corruption campaigns, heightened monitoring of cross-border currency movement and adoption of new

measures to eliminate perceived channels of illicit cross-border currency movements, restrictions on currency withdrawal, increased scrutiny of marketing activities in the PRC or new measures taken by the PRC government, including criminalizing certain conduct, to deter marketing of gaming activities to mainland Chinese residents by foreign casinos, as well as any slowdown of economic growth in the PRC, may lead to a decline and limit the recovery and growth in the number of patrons visiting our property and the spending amount of such patrons;

- The gaming and leisure market in Macau is developing and the competitive landscape is expected to evolve as more gaming and non-gaming facilities are developed in Macau. More supply of integrated resorts in the Cotai region of Macau will intensify the competition in the businesses that we and the Gaming Operator operate;
- Greater regulatory scrutiny, including increased audits and inspections, in relation to movement of capital and anti-money laundering and other financial crime. Anti-money laundering, anti-bribery and corruption and sanctions and counter-terrorism financing laws and regulations have become increasingly complex and subject to greater regulatory scrutiny and supervision by regulators globally and may increase our compliance costs and any potential non-compliances of such laws and regulations could have an adverse effect on our reputation, financial condition, results of operations or cash flows;
- Enactment of new laws, or amendments to existing laws with more stringent requirements, in relation to personal data, including, among others, collection, use and/or transmission of personal data, and as to which there may be limited precedence on their interpretation and application, may increase operating costs and/or adversely impact our ability to market to our customers and guests. In addition, any non-compliance with such laws may result in damage or reputation and/or subject us to lawsuits, fines and other penalties as well as restrictions on our use or transfer of data;
- Increases in cybersecurity and ransomware attacks around the world and the need to continually evaluate, enhance and improve our internal process, systems and technology infrastructure to comply with the increasing cybersecurity, data privacy and data protection laws, regulations and requirements; and
- Gaming promoters in Macau have experienced significantly increased regulatory scrutiny that has resulted in the cessation of business of many gaming promoters.

See also “Item 3. Key Information — D. Risk Factors,” “Item 4. Information on the Company — B. Business Overview — Market and Competition,” and other information elsewhere in this annual report for recent trends affecting our revenues and costs since the previous financial year and a discussion of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause the reported financial information not necessarily to be indicative of future operating results or financial condition.

E. CRITICAL ACCOUNTING ESTIMATES

Management’s discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements. We prepare our consolidated financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, contingent assets and liabilities and revenues and expenses. Certain of our accounting policies require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, we regularly evaluate these estimates and assumptions based on the most recently available information, our own historical experiences, terms of existing contracts, industry trends and other factors that we believe to be relevant, reasonable and appropriate under the circumstances. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from what we expect. This is especially true with some accounting policies that

require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements because they involve the greatest reliance on our management's judgment.

Allocations and Costs Recognized with the Services and Right to Use Arrangements and the Management and Shared Services Arrangements

Under the Services and Right to Use Arrangements, the Gaming Operator pays gaming taxes and the costs of operation of Studio City Casino. We receive the residual gross gaming revenues and recognize these amounts as our revenues from provision of gaming related services.

Under the Management and Shared Services Arrangements, certain of our corporate and administrative functions as well as operational activities are administered by staff employed by certain subsidiaries of Melco Resorts, including senior management services, centralized corporate functions and operational and venue support services. Payment arrangements for the services are provided for in the individual work agreements and may vary depending on the services provided. Corporate services are charged at pre-negotiated rates, subject to a base fee and cap. Senior management service fees and staff costs on operational services are allocated to us based on percentages of efforts on the services provided to us. Other costs in relation to shared office equipment are allocated based on a percentage of usage.

We believe the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the consolidated financial statements reflect our cost of doing business. However, such allocations may not be indicative of the actual expenses we would have incurred had we operated as an independent company for the periods presented. See a detailed discussion of services and related charges in Note 19 to the consolidated financial statements included elsewhere in this annual report.

Property and Equipment and Other Long-lived Assets

During the construction and development stage of Studio City, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activity is substantially suspended. Pre-opening costs, consisting of marketing and other expenses related to our new or start-up operations are expensed as incurred.

We recognize depreciation and amortization expense related to capitalized construction costs and other property and equipment from the time each asset is placed in service. This may occur at different stages as Studio City's facilities are completed and opened.

Property and equipment are depreciated and amortized on a straight-line basis over the asset's estimated useful life. The estimated useful lives are based on factors including the nature of the assets, its relationship to other assets, our operating plans and anticipated use and other economic and legal factors that impose limits. We review periodically the remaining estimated useful lives of the property and equipment. Refer to note 2(h) to the consolidated financial statements included elsewhere in this annual report for further details of estimated useful lives of the property and equipment.

Our land use right in Macau under the land concession contract for Studio City is being amortized over the estimated term of the land use right on a straight-line basis. The estimated term of the land use right under the land concession contract is based on factors including the business and operating environment of the gaming industry in Macau, laws and regulations in Macau, and our development plans. The estimated term of the land use right is periodically reviewed. Refer to note 2(n) to the consolidated financial statements included elsewhere in this annual report for further details of estimated term of the land use right.

We charge costs of repairs and maintenance to expense when incurred. The cost and accumulated depreciation of property and equipment retired or otherwise disposed of are eliminated from the respective accounts and any resulting gain or loss is included in operating income or loss.

We also review our long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. If an indicator of impairment exists, we then compare the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates and gross margin. The undiscounted cash flows of such assets are measured by first grouping our long-lived assets into asset groups and, secondly, estimating the undiscounted future cash flows that are directly associated with and expected to arise from the use of and eventual disposition of such asset group. We define an asset group as the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and estimate the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, we then record an impairment charge based on the fair value of the asset group, typically measured using a discounted cash flow model with assumptions that market participants would use in their estimates of fair value, including the estimated future cash flows and discount rate. If an asset is still under development, future cash flows include remaining construction costs. We record all recognized impairment losses, whether for assets to be disposed of or assets to be held and used as operating expenses.

During the year ended December 31, 2021 and 2020, impairment losses of US$1.5 million and US$3.8 million were recognized, respectively, mainly due to reconfigurations and renovations at Studio City.

The disruptions to our business caused by the COVID-19 outbreak have had adverse effects on our financial condition and operations for the year ended December 31, 2021. As a result, we concluded that a triggering event occurred and we evaluated our long-lived assets for recoverability at interim and as of December 31, 2021 and concluded no impairment existed at that date. As discussed above, estimating future cash flows of the assets involves significant assumptions. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management’s intentions may result in future changes to the future cash flows of our long-lived assets.

Revenue Recognition

Our revenues from contracts with customers consist of provision of gaming related services, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Revenues from provision of gaming related services represent revenues arising from the provision of facilities for the operations of Studio City Casino and services related thereto pursuant to the Services and Right to Use Arrangements, under which the Gaming Operator operates the Studio City Casino. The Gaming Operator deducts gaming taxes and the costs incurred in connection with the operations of Studio City Casino pursuant to the Services and Right to Use Arrangements, including the standalone selling prices of complimentary services within Studio City provided to the Studio City gaming patrons, from the Studio City Casino gross gaming revenues. We recognize the residual amount as revenues from provision of gaming related services. We have concluded that we are not the controlling entity to the arrangements and recognize the revenues from provision of gaming related services on a net basis.

Non-gaming revenues include services provided for cash consideration and services provided on a complimentary basis to the gaming patrons at Studio City. The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by us are excluded from revenues. We record advance deposits on rooms and advance ticket sales as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by us are allocated to each good or service based on its relative standalone selling price.

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

Income Tax

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. As of December 31, 2021 and 2020, we recorded valuation allowances of US$74.4 million and US$75.9 million, respectively, as management believes that it is more likely than not that these deferred tax assets will not be realized. Our assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, and the duration of statutory carry-forward periods. To the extent that the financial results of our operations improve and it becomes more likely than not that the deferred tax assets are realizable, the valuation allowances will be reduced.

Other Estimates

In addition to the critical accounting estimates described above, there are other accounting estimates within the consolidated financial statements. Management believes the current assumptions and other considerations used to estimate amounts reflected in the consolidated financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in the consolidated financial statements, the resulting changes could have a material adverse effect on the consolidated financial statements. See Note 2 to the consolidated financial statements for further information on significant accounting policies.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this annual report on Form 20-F.

Directors and Executive Officers	Age	Position/Title
Lawrence Yau Lung Ho	45	Director
Evan Andrew Winkler	47	Director
Clarence Yuk Man Chung	59	Director
Geoffrey Stuart Davis	53	Director and Chief Financial Officer
Stephanie Cheung	59	Director
Akiko Takahashi	68	Director
David Anthony Reganato	42	Director
Dale Robert Black	58	Director
Dominique Mielle	53	Independent Director
Kevin F. Sullivan	69	Independent Director
Nigel Alan Dean	68	Independent Director
Kevin Richard Benning	39	Property General Manager

Directors

Mr. Lawrence Yau Lung Ho has been a member of our board of directors since July 2011. Mr. Ho was also appointed as the executive director of Melco Resorts on December 20, 2004, and served as its co-chairman and chief executive officer between December 2004 and April 2016 before he was re-designated as chairman and chief executive officer in May 2016. Since November 2001, Mr. Ho has served as the managing director of Melco International and its chairman and chief executive officer since March 2006. Mr. Ho has also been appointed as the chairman and director of Maple Peak Investment Inc., a company listed on the TSX Venture Exchange in Canada, since July 2016, and also serves on numerous boards and committees of privately-held companies in Hong Kong, Macau and mainland China.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho serves on the board or participates as a committee member in various organizations in Hong Kong, Macau and mainland China. He is a vice chairman of the All-China Federation of Industry and Commerce; a member of the All China Youth Federation; a member of the Macau Basic Law Promotion Association; chairman of the Macau International Volunteers Association; a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong; a member of Asia International Leadership Council; honorary lifetime director of The Chinese General Chamber of Commerce of Hong Kong; honorary patron of The Canadian Chamber of Commerce in Macao; honorary president of the Association of Property Agents and Real Estate Developers of Macau and director executive of the Macao Chamber of Commerce.

In recognition of Mr. Ho's excellent directorship and entrepreneurial spirit, Institutional Investor honored him as the "Best CEO" in 2005. He was also granted the "5th China Enterprise Award for Creative Businessmen" by the China Marketing Association and China Enterprise News, "Leader of Tomorrow" by Hong Kong Tatler and the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2005. In 2017, Mr. Ho was awarded the Medal of Merit—Tourism by the Macau SAR government for his significant contributions to tourism in the territory.

As a socially responsible young entrepreneur in Hong Kong, Mr. Ho was selected as one of the "Ten Outstanding Young Persons Selection 2006," organized by Junior Chamber International Hong Kong. In 2007,

he was elected as a finalist in the "Best Chairman" category in the "Stevie International Business Awards" and one of the "100 Most Influential People across Asia Pacific" by Asiamoney magazine. In 2008, he was granted the "China Charity Award" by the Ministry of Civil Affairs of the People's Republic of China. In 2009, Mr. Ho was selected as one of the "China Top Ten Financial and Intelligent Persons" judged by a panel led by the Beijing Cultural Development Study Institute and Fortune Times and was named "Young Entrepreneur of the Year" at Hong Kong's first Asia Pacific Entrepreneurship Awards.

Mr. Ho was selected by FinanceAsia magazine as one of the "Best CEOs in Hong Kong" for the fifth time in 2014. He was granted the "Leadership Gold Award" in the Business Awards of Macau in 2015 and was awarded the "Outstanding Individual Award" at the Industry Community Award in 2020. Mr. Ho has been honored as one of the recipients of the "Asian Corporate Director Recognition Awards" by Corporate Governance Asia magazine nine consecutive times since 2012 and was awarded "Asia's Best CEO" at the Asian Excellence Awards for the tenth time in 2021.

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

Mr. Evan Andrew Winkler has been a member of our board of directors since August 2016. Mr. Winkler was also appointed as a director of Melco Resorts on August 3, 2016 and the president of Melco Resorts on September 4, 2019. Mr. Winkler has served as the managing director and the president of Melco International since August 2016 and May 2018, respectively, and a director of various subsidiaries of Melco International. Before joining Melco International, Mr. Winkler served as a managing director at Moelis & Company, a global investment bank. Prior to that, he was a managing director and co-head of technology, media and telecommunications M&A at UBS Investment Bank. Mr. Winkler has extensive experience in providing senior level advisory services on mergers and acquisitions and other corporate finance initiatives, having spent nearly two decades working on Wall Street. He holds a bachelor's degree in Economics from the University of Chicago.

Mr. Clarence Yuk Man Chung has been a member of our board of directors since October 2018. Mr. Chung was appointed as a non-executive director of Melco Resorts on November 21, 2006. Mr. Chung has also been an executive director of Melco International since May 2006, which he joined in December 2003. In addition, Mr. Chung has been the chairman and president of Melco Resorts and Entertainment (Philippines) Corporation, or MRP, since December 2012 and has also been appointed as a director of certain subsidiaries of Melco International and Melco Resorts incorporated in various jurisdictions. Before joining Melco International, Mr. Chung had been in the financial industry in various capacities as a chief financial officer, an investment banker and a merger and acquisition specialist. He was named one of the "Asian Gaming 50" for multiple years by Inside Asian Gaming magazine. Mr. Chung is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales and obtained a master's degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology.

Mr. Geoffrey Stuart Davis has been a member of our board of directors since October 2018 and has also been our chief financial officer since June 2019. Mr. Davis is the executive vice president and chief financial officer of Melco Resorts and he was appointed to this role in April 2011. Prior to that, he served as the deputy chief financial officer of Melco Resorts from August 2010 to March 2011 and senior vice president, corporate finance of Melco Resorts since 2007, when he joined Melco Resorts. In addition, Mr. Davis has been the chief financial officer of Melco International since December 2017. Prior to joining Melco Resorts, Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he held a number of positions at Hilton Hotels Corporation and Park Place Entertainment. Mr. Davis has been a CFA charter holder since 2000 and obtained a bachelor of arts degree from Brown University.

Ms. Stephanie Cheung has been a member of our board of directors since October 2018. Ms. Cheung is the executive vice president and chief legal officer of Melco Resorts and she was appointed to this role in December 2008. Prior to that, she held the title of general counsel of Melco Resorts from November 2006, when she joined Melco Resorts. She has acted as the secretary to the board of Melco Resorts since she joined Melco Resorts. Prior to joining Melco Resorts, Ms. Cheung practiced law with various international law firms in Hong Kong, Singapore and Toronto. Ms. Cheung graduated with a bachelor of laws degree from Osgoode Hall Law School and a master's degree in business administration from York University. Ms. Cheung is admitted as a solicitor in Ontario, Canada, England and Wales and Hong Kong and is a member of the Hong Kong Institute of Directors and a fellow of Salzburg Global.

Ms. Akiko Takahashi has been a member of our board of directors since October 2018. Ms. Takahashi is executive vice president and chief of staff to Chairman and CEO of Melco Resorts, and was appointed to this role in June 2019. Prior to her present roles, she was the executive vice president and chief officer, human resources/corporate social responsibility from December 2008 and held the title of group human resources director of Melco Resorts from December 2006, when she joined Melco Resorts. Prior to joining Melco Resorts, Ms. Takahashi worked as a consultant in her own consultancy company from 2003 to 2006 where she conducted "C-level" executive searches for clients and assisted with brand/service culture alignment for a luxury hotel in New York City and where her last engagement prior to joining Melco Resorts was to lead the human resources integration for the largest international hospitality joint venture in Japan between InterContinental Hotels Group and ANA Hotels. She was the global group director of human resources for Shangri-la Hotels and Resorts, an international luxury hotel group headquartered in Hong Kong, from 1995 to 2003. Between 1993 and 1995, she was the senior vice president of human resources and service quality for Bank of America, Hawaii, FSB. She served as regional human resources manager for Sheraton Hotels Hawaii / Japan from 1985 to 1993. Ms. Takahashi started her hospitality career as a training manager for Halekulani Hotel. She began her career in the fashion luxury retail industry in merchandising, operations, training and human resources. Ms. Takahashi attended the University of Hawaii.

Mr. David Anthony Reganato has been a member of our board of directors since March 2014. Mr. Reganato also serves on the boards of Granite Broadcasting LLC, Rotech Healthcare, Inc., Gulfport Energy Corporation, New Cotai, LLC and Trident Topco LLC. Mr. Reganato is a Partner with Silver Point Capital, L.P., an investment advisor, which he joined in November 2002. Prior to Silver Point Capital, L.P., Mr. Reganato worked in the investment banking division of Morgan Stanley. Mr. Reganato earned his B.S. in Finance and Accounting from the Stern School of Business at New York University.

Mr. Dale Robert Black has been a member of our board of directors since September 2021. From 2015 to 2018, Mr. Black served as executive vice president, chief financial officer of CEC Entertainment, Inc., which owns and operates family dining and entertainment venues, including the Chuck E. Cheese and Peter Piper Pizza venues. Prior to CEC Entertainment, Inc., Mr. Black served as executive vice president and chief financial officer of Great Wolf Resorts, Inc. from January 2015 to June 2015 and associate director with Protiviti, Inc., a global consulting firm, from September 2014 to December 2014. From November 2007 to July 2014, he served as chief financial officer at Isle of Capri Casinos, Inc. and from November 2005 to December 2007, he served as executive vice president — chief financial officer of Trump Entertainment Resorts, Inc. Prior to holding that position, Mr. Black was chief financial officer at Argosy Gaming Company. Mr. Black is a certified public accountant and began his career with Arthur Andersen LLP. Mr. Black earned his B.S. in Accounting from Southern Illinois University.

Ms. Dominique Mielle has been a member of our board of directors since October 2018. Ms. Mielle was a partner at Canyon Capital Advisors, LLC, or Canyon, from August 1998 to December 2017 where she primarily focused on the transportation, technology, retail and consumer products sectors, specialized in corporate and municipal bond securitizations and was responsible for all aspects of Canyon's collateralized loan obligations business. Ms. Mielle has over 25 years of experience on Wall Street, investing in fixed income and leading capital structure optimizations and restructurings. She was named one of the "Top 50 Women in Hedge

Funds" by Ernst & Young in 2017. Prior to joining Canyon in 1998, Ms. Mielle worked at Libra Investments, Inc. as an associate in the corporate finance department covering middle market companies. Prior to that, she worked at Lehman Brothers as an analyst in the Financial Institutions group, focusing on mergers and acquisitions. Ms. Mielle also serves on the board of directors of Ready Capital Corporation, Tiptree Inc. and Digicel Group. Ms. Mielle graduated with an M.B.A. (Finance) from Stanford University and a Master in Management degree from Ecole des Hautes Etudes Commerciales in France (HEC Paris).

Mr. Kevin F. Sullivan has been a member of our board of directors since October 2018. From 2013 to 2021, Mr. Sullivan was a Managing Director at MidOcean Credit Partners, a private investment firm that specializes in U.S. hedge fund investments. Prior to joining MidOcean Credit Partners, Mr. Sullivan was a Managing Director at Deutsche Bank, and a predecessor bank, Bankers Trust, from 1980 until November 2012. Mr. Sullivan held positions of increasing responsibility over his 32 years at Deutsche Bank and Bankers Trust, including Group Head of the loan sales, trading and capital markets division, Asia Head of the leveraged finance division, Group Head of the Asset Based Lending division, Member of the Capital Commitments Committee and Member of the Equity Investment Committee. Prior to that, he worked at Price Waterhouse & Co. as part of its New York senior audit staff from 1975 to 1979. Mr. Sullivan has also been the lead independent director of Griffon Corporation and has served on its board, audit and head of finance committees since January 2013. Mr. Sullivan graduated with an M.B.A. in Finance from St. John's University and a B.S. degree in Accounting from Fordham University.

Mr. Nigel Alan Dean has been a member of our board of directors since October 2018. Mr. Dean was Melco's Executive Vice President and Chief Internal Auditor from December 2008 until September 2012 and held the title of Director, Internal Audit from December 2006, when he joined Melco. Prior to joining Melco, Mr. Dean was the General Manager — Compliance (Finance and Administration) at Coles Myer Limited (now known as Wesfarmers Limited) from 2003 until 2006, where he was responsible for the implementation of the Sarbanes-Oxley Act of 2002 compliance processes and other corporate governance compliance programs. Other positions Mr. Dean held at Coles Myer Limited included Chief Internal Auditor from 1995 to 2002 and General Manager — Internal Audit Supermarkets Division from 1991 to 1995. Mr. Dean's previous experience in internal and external audit included positions with Elders IXL Group from 1986 to 1990, CRA Limited (now known as Rio Tinto Limited) from 1982 to 1986, Ford Asia-Pacific from 1976 to 1982, the Australian Federal Government Auditor-Generals Office from 1975 to 1976 and Peat Marwick Mitchell & Co. (now known as KPMG) from 1973 to 1975. Mr. Dean has been a Fellow CPA of the Australian Society of Certified Practising Accountants since 1984 and was a Certified Internal Auditor, as designated by the Institute of Internal Auditors in the United States, from 2005 until 2012. Mr. Dean obtained a Bachelor of Laws degree from Deakin University in 2005, a Masters of Business Administration degree from Monash University in 1993 and a Diploma of Business Studies (Accounting) from Swinburne University of Technology (formerly Swinburne College of Technology) in 1973.

Executive Officer

Mr. Kevin Richard Benning has served as our property general manager since December 2020. Prior to Mr. Benning's current position, Mr. Benning served as property president / chief operating officer of MRP from January 2018 to December 2020 as well as vice president of casino operations of MRP from March 2016 to January 2018. Prior to joining MRP, Mr. Benning was the vice president of casino marketing for Resorts World Sentosa from April 2015 to March 2016. From January 2013 to April 2015, Mr. Benning was executive director of marketing operations for Sands China Limited as well as director of marketing from June 2012 to January 2013 and director of slot operations from April 2011 to June 2012. Mr. Benning started his career with Harrah's Ak-Chin Resort in Arizona holding a variety of operational roles from July 2004 to April 2011. Mr. Benning graduated from Arizona State University with a Bachelor of Arts degree in business administration.

B. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

In 2021, we paid an aggregate of US$0.9 million in cash and benefits to our directors and executive officers. We have not set aside or accrued any material amount to provide pension, retirement or other similar benefits to our directors and executive officers. None of the service agreements between us and our directors provide benefits upon termination of services.

Share Incentive Plan

We currently do not have a share incentive plan. However, our directors, employees and consultants are eligible to participate in the share incentive plan of Melco Resorts, which is open to directors, employees and consultants of Melco Resorts and any parent or subsidiary of Melco Resorts.

The types of awards that may be granted under the share incentive plan of Melco Resorts include options, incentive share options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units. The compensation committee of Melco Resorts may, from time to time, select from among all eligible individuals, those to whom awards will be granted and determine the nature and amount of each award. The maximum aggregate number of shares which may be issued pursuant to the current share incentive plan of Melco Resorts is 145,654,794, which is subject to adjustment pursuant to the terms and conditions contained therein.

C. BOARD PRACTICES

Composition of Board of Directors

Our board of directors consists of eleven directors, including three independent directors. Under the Shareholders' Agreement, subject to maintaining ownership of a certain percentage of the number of shares held immediately prior to our initial public offering, MCO Cotai is entitled to appoint up to three directors and New Cotai is entitled to appoint up to two directors. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Shareholders' Agreement." Notwithstanding such provisions contained in the Shareholders' Agreement, the additional members on our board of directors that commenced service on our board of directors immediately following the completion of our initial public offering were appointed by the board of directors, which, immediately prior to the completion of our initial public offering, consisted of Mr. Lawrence Ho, Mr. Evan Winkler and Mr. David Reganato. Mr. Lawrence Ho was appointed as a director by our board of directors in connection with MCO Cotai's acquisition of a 60% interest in us. Mr. Evan Winkler was appointed by MCO Cotai under its right to appoint up to three directors under the Shareholders' Agreement and Mr. David Reganato was appointed by New Cotai under its right to appoint up to two directors under the Shareholders' Agreement. Our articles of association do not require directors to stand for re-election at staggered intervals.

NYSE Rule 303A.01 generally requires that a majority of an issuer's board of directors must consist of independent directors. However, NYSE Rule 303A.00 permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our board. A director is not required to hold any shares in our company to qualify to serve as a director. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his/her interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he/she is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he/she has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may vote in respect of any contract or proposed contract or arrangement

notwithstanding that he/she may be interested therein and if he/she does so his/her vote shall be counted and he/she may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered. Our board of directors may exercise all of the powers of our company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third-party. None of our directors have a service contract with us that provides for benefits upon termination of employment.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board. Our directors are not subject to a term of office and hold office until such time as they are removed from office by special resolution or the unanimous written resolution of all shareholders. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors or (ii) dies or is found by our company to be or becomes of unsound mind. In addition, the service agreements between us and our directors do not provide benefits upon termination of their services. See also "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Shareholders' Agreement."

Committees of the Board of Directors

Our board established an audit and risk committee, a compensation committee and a nominating and corporate governance committee in October 2018. Each committee has its defined scope of duties and terms of reference within its own charter, which empowers committee members to make decisions on certain matters and which are located on our website. Our audit and risk committee consists entirely of directors whom our board has determined to be independent under the "independence" requirements of the New York Stock Exchange Listed Company Manual. The current membership of these three committees and summary of its respective charter are provided below.

Audit and Risk Committee

Our audit and risk committee consists of Dominique Mielle, Kevin F. Sullivan and Nigel Alan Dean, and is chaired by Mr. Sullivan. All of our audit and risk committee members satisfy the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual and meet the independence standards under Rule 10A-3 under the Exchange Act. The audit and risk committee is responsible for assisting our board in overseeing and monitoring:

- the audits of the financial statements of our company;
- the qualifications and independence of our independent auditors;
- the performance of our independent auditors;
- the accounting and financial reporting processes of our company and the integrity of our systems of internal accounting and financial controls;
- legal and regulatory issues relating to the financial statements of our company, including the oversight of the independent auditors, the review of the financial statements and related material, the internal audit process and the procedure for receiving complaints regarding accounting, internal accounting controls, auditing or other related matters;
- the disclosure, in accordance with our relevant policies, of any material information regarding the quality or integrity of our financial statements;
- the integrity and effectiveness of our internal audit function; and
- the risk management policies, procedures and practices.

The other duties of the audit and risk committee include:

- reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor;
- approving the remuneration and terms of engagement of the independent auditor and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- at least annually, obtaining a written report from our independent auditor describing matters relating to its independence and quality control procedures;
- discussing with our independent auditor and our management, among other things, the audits of the financial statements, including whether any material information brought to their attention should be disclosed, issues regarding accounting and auditing principles and practices and the management's internal control report;
- reviewing and recommending the financial statements for inclusion within our quarterly earnings releases and to our board for inclusion in our annual reports;
- approving all material related party transactions brought to its attention, without further approval of our board;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- approving the internal audit charter and annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- assessing senior management's policies and procedures to identify, accept, mitigate, allocate or otherwise manage various types of risks presented by management, and making recommendations with respect to our risk management process for the board's approval;

- reviewing our financial controls, internal control and risk management systems, and discussing with our management the system of internal control and ensuring that our management has discharged its duty to have an effective internal control system including the adequacy of resources, the qualifications and experience of our accounting and financial staff, and their training programs and budget;
- together with our board, evaluating the performance of the audit and risk committee on an annual basis;
- assessing the adequacy of the charter of the audit and risk committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Compensation Committee

Our compensation committee consists of Dominique Mielle, Kevin F. Sullivan, David Anthony Reganato and Nigel Alan Dean, and is chaired by Mr. Dean. Each of Dominique Mielle, Kevin F. Sullivan and Nigel Alan Dean satisfies the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual. Our compensation committee assists the board in discharging the responsibilities of the board relating to compensation of our directors and property general manager, including, among others, to design (in consultation with management), evaluate and approve the compensation for the property general manager and evaluate and recommend to our board for approval proposals related to directors' compensation. Members of this committee are not prohibited from direct involvement in determining their own compensation.

Our property general manager may not be present at any compensation committee meeting during which his compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- overseeing the development and implementation of executive compensation programs in consultation with our management;
- at least annually, making recommendations to our board with respect to the compensation arrangements for our independent directors, and approving compensation arrangements for our property general manager;
- as applicable, reviewing and approving our incentive-compensation plans (if any) and equity grant (if any) under its share incentive plans (if any) and overseeing the administration of these plans and discharging any responsibilities imposed on the compensation committee by any of these plans;
- reviewing and approving the compensation payable to our directors and property general manager in connection with any loss or termination of their office or appointment;
- reviewing and approving any benefits in kind received by any director or property general manager where such benefits are not provided for under the relevant employment terms;
- reviewing executive officer and director indemnification and insurance matters;
- overseeing our regulatory compliance with respect to compensation matters, including our policies and restrictions on compensation plans and loans to officers and directors;
- together with the board, evaluating the performance of the compensation committee on an annual basis;
- assessing the adequacy of the charter of the compensation committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Dominique Mielle, Kevin F. Sullivan, Dale Robert Black and Nigel Alan Dean, and is chaired by Ms. Mielle. Each of Dominique Mielle, Kevin F. Sullivan and Nigel Alan Dean satisfies the "independence" requirements of Section 303A of the New York Stock Exchange

Listed Company Manual. The nominating and corporate governance committee will be responsible for, among other things, assisting our board in discharging its responsibilities regarding:

- the identification of qualified candidates to become members and chairs of the board committees and to fill any such vacancies, and reviewing the appropriateness of the continued service of directors;
- ensuring that our board meets the criteria for independence under the New York Stock Exchange corporate governance rules and nominating directors who meet such independence criteria;
- oversight of our compliance with legal and regulatory requirements, in particular the legal and regulatory requirements of Macau, the Cayman Islands, the SEC and the New York Stock Exchange;
- the development and recommendation to our board of a set of corporate governance principles applicable to our company; and
- the disclosure, in accordance with our relevant policies, of any material information (other than that regarding the quality or integrity of our financial statements).

The other duties of the nominating and corporate governance committee include:

- making recommendations to our board for its approval, the appointment or re-appointment of any members of our board and the chairs and members of its committees, including evaluating any succession planning;
- reviewing on an annual basis the appropriate skills, knowledge and characteristics required of board members and of the committees of our board and making any recommendations to improve the performance of our board and its committees;
- developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or New York Stock Exchange rules, or otherwise considered desirable and appropriate;
- developing a set of corporate governance principles and reviewing such principles at least annually;
- deciding whether any material information which is brought to its attention (other than that regarding the quality or integrity of our financial statements) should be disclosed;
- reviewing and monitoring the training and continuous professional development of our directors and senior management;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to staff and directors;
- together with the board, evaluating the performance of the committee on an annual basis;
- assessing the adequacy of the charter of the nominating and corporate governance committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Employment Agreements

We have, through our subsidiary, entered into an employment agreement with our property general manager. Subject to all relevant permits being in place, our property general manager is employed for a continuous term, unless either party gives prior notice to terminate such employment. We may terminate the employment for cause at any time by immediate notice and without remuneration for certain acts, including but not limited to the commitment of any serious breach, continued failure to perform duties and responsibilities, any serious criminal offense or habitual neglect of duties. Our property general manager may terminate his employment at any time with a six-month prior written notice.

Our property general manager has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in confidence and not to use or disclose to any person, firm or corporation, any confidential information. Our property general manager has also agreed to disclose to us all intellectual property rights created,

generated, made, conceived, authored, developed or acquired during employment with us and to waive all moral rights and rights of a similar nature in which copyright may subsist, created by him during the period of employment with us. In addition, our property general manager has agreed not to, for a certain period following termination of his employment: (i) be engaged, concerned or interested in any capacity (other than as a passive investor of not more than 5% of the issued ordinary shares of any company listed on a recognized investment exchange) with any business carried on within, among others, Hong Kong, Macau and the Philippines similar to or in competition with any restricted business, (ii) solicit or seek or endeavor to entice away any business orders of customers or (iii) induce, solicit or entice or endeavor to induce, solicit or entice away, or offer employment or engagement to, certain employees.

Our chief financial officer provides services to us pursuant to the Management and Shared Services Arrangements.

D. EMPLOYEES

Staff

There were 3,794, 3,924 and 4,485 dedicated staff members as of December 31, 2021, 2020 and 2019, respectively, performing services solely at Studio City. The Gaming Operator is responsible for the hiring, managing and training of the gaming staff and deducts such costs relating to such gaming staff from Studio City Casino's gross gaming revenue in accordance with the Services and Right to Use Arrangements. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Services and Right to Use Arrangements." Under the Management and Shared Services Arrangements, the Master Service Providers, recruit, place, allocate, train, manage and supervise the staff who are solely dedicated to our property to perform corporate and administrative functions and carry out other non-gaming activities, and the relevant personnel costs are charged back to us. In addition, we receive certain centralized corporate and management services from the senior management and other shared service staff of the Master Service Providers who devote a portion of their time under the arrangements. See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Management and Shared Services Arrangements." The property general manager is employed by us. Our property general manager has oversight over all non-gaming staff members solely dedicated to Studio City and exercises input over their performance, which enables us to effectively evaluate their performance and manage talent. Our chief financial officer has oversight over our expenses (including shared service related items), receipts and disbursements, record-keeping and financial reporting to management and facilitates in the financial budgeting process. The following table indicates the distribution of these staff by function pursuant to the Management and Shared Services Arrangements as of December 31, 2021:

Function	Number of Staff
Management, Administrative and Finance	15
Gaming	1,841
Hotel	555
Food and Beverage	617
Property Operations	201
Entertainment	75
Marketing	175
Others	315
Total	**3,794**

Through the Management and Shared Services Arrangements, we are able to leverage the resources and platform of the Master Service Providers to have qualified staff dedicated to working on our property. Our success depends on the ability of the Master Service Providers and us to attract, retain, motivate, and inspire qualified personnel. We believe that we maintain a good working relationship with the staff working at Studio City. We have not experienced any significant labor disputes. None of the dedicated staff members performing services solely at Studio City are members of any labor union and neither we nor any of the Master Service Providers are a party to any collective bargaining or similar agreement with such staff.

E. SHARE OWNERSHIP

Share Ownership of Directors and Members of Senior Management

The following table sets forth the beneficial interest of each director and executive officer in our ordinary shares as of March 25, 2022.

	Number of Class A ordinary shares	Number of Class B ordinary shares	Approximate percentage of voting power (1)
Directors and Executive Officers:			
Lawrence Yau Lung Ho (2)	463,095,592	—	54.9%
Evan Andrew Winkler	—	—	—
Clarence Yuk Man Chung	*	—	*
Geoffrey Stuart Davis	—	—	—
Stephanie Cheung	—	—	—
Akiko Takahashi	—	—	—
David Anthony Reganato	—	—	—
Dale Robert Black	—	—	—
Dominique Mielle	—	—	—
Kevin F. Sullivan	*	—	*
Nigel Alan Dean	—	—	—
Kevin Richard Benning	—	—	—
Directors and executive officers as a group	463,150,896	—	54.9%

* Represents less than 1% of our total outstanding shares.

(1) Percentage of voting power represents percentage of voting interest of our Class A ordinary shares and Class B ordinary shares voting together as a single class. Class B ordinary share have no economic rights. Percentage of voting power of each director and executive officer is calculated by dividing the number of Class A ordinary shares and Class B ordinary shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days after March 25, 2022, by the sum of (i) 842,864,460 which is the total number of Class A ordinary shares and Class B ordinary shares outstanding as of March 25, 2022, and (ii) the number of Class A ordinary shares and Class B ordinary shares that such person or group has the right to acquire beneficial ownership within 60 days of March 25, 2022.

(2) Represents 401,028,304 Class A ordinary shares and 15,330,000 ADSs (representing 61,320,000 Class A ordinary shares) held by MCO Cotai and 747,288 Class A ordinary shares held by Melco International, among which include 118 ADSs (representing 472 Class A ordinary shares) held by an agent on its behalf. Mr. Lawrence Ho holds approximately 58.48% of the total issued shares of Melco International, including beneficial interest, interest of his controlled corporations, interest of his spouse and interest of a trust in which he is one of the beneficiaries and taken to have interest by virtue of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). See “Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders.”

None of our directors or executive officers who are shareholders have different voting rights from other shareholders of our Company.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table sets forth the beneficial ownership of our ordinary shares as of March 25, 2022 by all persons who are known to us to be the beneficial owners of 5% or more of our share capital.

Name	Number of Class A ordinary shares beneficially owned	Number of Class B ordinary shares beneficially owned	Percentage Voting Power (1)
Melco International (2)	463,095,592	—	54.94%
New Cotai, LLC(3)	124,596,560	72,511,760	23.38%
The Silver Point Funds(4)	117,118,352	—	13.90%

(1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, and includes voting or investment power with respect to the securities. Percentage voting power represents percentage of voting interest of our Class A ordinary shares and Class B ordinary shares voting together as a single class. Class B ordinary share have no economic rights.

(2) Represents 401,028,304 Class A ordinary shares and 15,330,000 ADSs (representing 61,320,000 Class A ordinary shares), constituting 60.02% of the outstanding Class A ordinary shares, held by MCO Cotai and 747,288 Class A ordinary shares, constituting 0.1% of the outstanding Class A ordinary shares, held by Melco International, among which include 118 ADSs (representing 472 Class A ordinary shares) held by an agent on its behalf. Mr. Ho is the majority shareholder of Melco International, which is the sole shareholder of Melco Leisure and Entertainment Group Limited, or Melco Leisure, which is the majority shareholder of Melco Resorts, a publicly-traded company whose American depositary shares are listed on the Nasdaq Global Select Market. Melco Resorts is the sole shareholder of MCO Holdings Limited, or MCO Holdings, which is the sole shareholder of MCO Cotai. The registered address for each of MCO Cotai and MCO Holdings is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. The principal business address for Melco Resorts is 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. The principal business address for Melco Leisure is c/o 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. The principal business address for Mr. Lawrence Ho and Melco International is 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

(3) Represents 72,511,760 Class B ordinary shares, constituting 100.0% of the outstanding Class B ordinary shares and, as of March 21, 2022, 31,149,140 ADS (representing 124,596,560 Class A ordinary shares), constituting 16.2% of the outstanding Class A ordinary shares, directly held by New Cotai, LLC. Subject to the terms of the exchange arrangements described in “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions,” New Cotai, subject to certain conditions, may exchange its Participation Interest for Class A ordinary shares. In connection with such exchange, the corresponding number of Class B ordinary shares will be canceled for no consideration. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions — Participation Agreement.” The number of Class A ordinary shares do not reflect the 72,511,760 of Class A ordinary shares issuable upon exchange by New Cotai of its Participation Interest. The business address of New Cotai is 2700 Patriot Boulevard, Suite 250, Glenview, Illinois 60026.

(4) Represents 29,279,588 ADSs (representing 117,118,352 Class A ordinary shares), constituting 15.20% of the outstanding Class A ordinary shares, held by Silver Point Capital Fund, L.P., Silver Point Capital Offshore Master Fund, L.P., Silver Point Distressed Opportunities Fund, L.P., Silver Point Distressed Opportunities Offshore Master Fund, L.P., Silver Point Distressed Opportunity Institutional Partners Master Fund (Offshore), L.P. and Silver Point Distressed Opportunity Institutional Partners, L.P., or the Silver Point Funds, as of December 31, 2021 and after taking into account the 2022 Private Placements. Silver Point

Capital, L.P. or its wholly owned subsidiaries are the investment manager of the Silver Point Funds and Silver Point Capital Management, LLC is the general partner of Silver Point Capital Fund, L.P. The address of the principal business office of Silver Point Capital, L.P. is Two Greenwich Plaza, Greenwich, Connecticut 06830.

As of December 31, 2021, a total of 442,864,460 Class A ordinary shares and Class B ordinary shares were outstanding, of which 188,652,756 Class A ordinary shares were registered in the name of a nominee of Deutsche Bank Trust Company Americas, the depositary under the deposit agreement. Other than as described in this annual report, we have no further information as to shares held, or beneficially owned, by U.S. persons. Since the completion of our initial public offering in October 2018, all ordinary shares underlying the ADSs have been held in Hong Kong by the custodian, Deutsche Bank AG, Hong Kong Branch, on behalf of the depositary.

None of our shareholders have different voting rights from other shareholders. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our Company.

Immediately prior to the Organizational Transactions, 60% of the equity interest in us was directly held by MCO Cotai and 40% of the equity interest in us was directly held by New Cotai.

See “Item 4. Information on the Company — C. Organizational Structure” for our current corporate structure.

B. RELATED PARTY TRANSACTIONS

For a discussion of significant related party transactions we entered into during the years ended December 31, 2021, 2020 and 2019, see note 19 to the consolidated financial statements included elsewhere in this annual report.

Pre-IPO Organizational Transactions

Immediately prior to the Organizational Transactions, 60% of the equity interest in us was directly held by MCO Cotai and 40% of the equity interest in us was directly held by New Cotai. Prior to the completion of our initial public offering, we entered into an implementation agreement, or the Implementation Agreement, with MCO Cotai, Melco Resorts, New Cotai and MSC Cotai to effect and implement the Organizational Transaction, which included the following:

- We amended and restated our memorandum of association and articles of association to, among other things, authorize two classes of ordinary shares.
- MCO Cotai’s 60% equity interest in our company was reclassified into Class A ordinary shares.
- New Cotai’s 40% equity interest in our company was exchanged for Class B ordinary shares.
- In addition, New Cotai was granted a Participation Interest in MSC Cotai, the terms of which are set forth in the Participation Agreement that was entered into by MSC Cotai, New Cotai and us. See “— Participation Agreement.”
- The Participation Agreement provides that New Cotai is entitled to exchange all or a portion of its Participation Interest for a number of Class A ordinary shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement. See “— Participation Agreement.” When New Cotai exchanges all or a portion of the Participation Interest for Class A ordinary shares pursuant to the terms of exchange set forth in the Participation Agreement and described herein, a proportionate number of Class B ordinary shares will be deemed surrendered and automatically canceled for no consideration as set out in the Participation Agreement.

Participation Agreement

As part of the Organizational Transactions, we, MSC Cotai and New Cotai entered into the participation agreement, or the Participation Agreement, pursuant to which MSC Cotai granted a participation interest, or the Participation Interest, to New Cotai (as the sole initial holder of the Participation Interest). Pursuant to the terms of the Participation Agreement, New Cotai or any permitted transferees to whom all or part of the Participation Interest may be transferred (collectively referred to as the Participants) are entitled to receive from MSC Cotai a ratable proportionate amount of the distributions and dividends paid by MSC Cotai to the Company. The Participation Agreement also provides that the Participants are entitled to exchange all or a portion of its Participation Interest, along with the deemed surrender and automatic cancelation of a corresponding number of Class B ordinary shares, for the ratable number of Class A ordinary shares.

Payments on the Participation Interest. Generally, Participants are entitled to receive a ratable proportionate amount of the distributions and dividends paid by MSC Cotai to the Company. Such ratable proportionate amount due to each Participant is generally determined by multiplying the amount of the relevant distribution or dividend paid by MSC Cotai to the Company by the number of percentage points represented by such Participant's Participation Interest, subject to adjustment from time to time as set forth in the Participation Agreement (the "Participation Percentage").

Adjustments to Participation Interest and the Number of Class B Ordinary Shares Held. Generally, the Participation Interest is subject to adjustments in the case of (i) the new issuances of shares of MSC Cotai to the Company in exchange for capital contributions by the Company to MSC Cotai (including as a result of our initial public offering), (ii) repurchases and redemptions by MSC Cotai of shares of MSC Cotai, and (iii) any exchanges of the Participation Interest, as follows. In addition, the number of Class B ordinary shares held by each Participant will be adjusted by the Company from time to time so that the voting interest represented by such Class B ordinary shares is equal to the economic right represented by the Class A ordinary shares that such Participant would receive if such Participant would exchange its entire Participation Interest for Class A ordinary shares at such time.

Capital Contributions. Upon any Class A ordinary share issuance by the Company, the Company will contribute all proceeds to MSC Cotai and MSC Cotai will issue the same number of new shares of MSC Cotai to the Company and the Participation Interest will be adjusted to reflect the dilution that would have occurred if the Participants had been holding a corresponding number of Class A ordinary shares instead of the Participation Interest. This back-to-back arrangement for share issuances by the Company and MSC Cotai will apply to share issuances (i) to non-affiliates, (ii) to affiliates that are approved by the Company directors that are disinterested in the transaction, (iii) for assured entitlement arrangements, and (iv) pursuant to public offerings. Issuances to affiliates, unless they are made through public offerings, will generally be subject to pre-emption as further described below.

Share Repurchases and Redemptions. In the event that MSC Cotai carries out a share redemption or repurchase of shares of MSC Cotai (the proceeds of which must be used by the Company to redeem Class A ordinary shares in a back-to-back arrangement), the Participation Interest will be adjusted to reflect the effect of such share redemption or repurchase if the Participants had been holding a corresponding number of Class A ordinary shares instead of the Participation Interest.

Exchanges of Participation Interest. A Participant may elect, from time to time, to exchange its Participation Interest, in whole or in part, for Class A ordinary shares. When electing to exchange, a Participant must deliver an exchange notice to MSC Cotai, which notice must be delivered at least five business days prior to the proposed exchange date; provided, that settlement may not occur later than 90 days from the notice date. The exchanging Participant may withdraw its exchange notice at any time prior to the exchange date. Each party will bear its own expenses in connection with an election to exchange. If an election to exchange request is withdrawn, the Participant will reimburse MSC Cotai for all out-of-pocket expenses incurred by MSC Cotai and

the Company in connection with such withdrawn exchange. Following any exchange of all or a portion of the Participation Interest for Class A ordinary shares, the Participation Interest will be reduced to reflect the decrease in number of Class A ordinary shares that such Participant would be entitled to receive post-exchange if all of the remaining Participation Interest were to be exchanged.

Mandatory Exchanges. In case of certain change of control events relating to the Company, distributions to be made upon MSC Cotai's liquidation, dissolution or unwinding or when the holders of the Participation Interest hold less than the specified minimum threshold set out in the Participation Agreement in the Company resulting in a termination of the Participation Agreement, and in certain other cases, any outstanding Participation Interest must be surrendered to MSC Cotai (along with the corresponding number of Class B ordinary shares) by the holders for Class A ordinary shares, or, at MSC Cotai's option, for cash in certain cases.

Preemptive Rights. If the Company (1) proposes to offer equity securities solely or primarily to Melco Resorts or one of its affiliates (except in connection with a public offering, equity incentive plan or assured entitlement arrangements) or (2) grants any right, option or warrant (other than in connection with any equity plan) at a price per share less than the current price of average Class A ordinary shares, or that does not expire by the 30th day after such grant, each Participant will have the pro rata right to purchase an increase in its Participation Interest or to receive similar rights, options or warrants, as case may be so as to maintain its then-existing number of percentage points represented by its Participation Interest, subject to certain conditions.

Other Provisions

Capital Contributions. The Company is required to contribute to MSC Cotai all net proceeds received by it from sales of equity securities and sales of assets.

Debt Arrangements. If the Company enters into any debt financing or other borrowing arrangement, the Company will be required to loan the entire proceeds from such financing or borrowing arrangement to MSC Cotai on the same terms and conditions that the Company borrowed such proceeds.

HoldCo Relationship. The Company covenants that it will always own all of the issued and outstanding shares of MSC Cotai, and that it will not own equity interests in any other entity.

Permitted Transferees. Holders of the Participation Interests are able to transfer all or part of their Participation Interest and any rights in respect thereof to certain permitted transferees, as provided in the Participation Agreement, subject to certain conditions. The total Participation Interest percentage will not be changed as a result of such transfers. At any given time, the number of participants may not exceed the prescribed number set out in the Participation Agreement and any transfer in violation of such limit or other applicable provisions of the Participation Agreement will be null and void.

Termination, Governing Law and Arbitration. The Participation Agreement will terminate when the holders of the Participation Interest hold less than the specified minimum threshold set out in the participation agreement in the Company. The Participation Agreement is governed by New York law, and any disputes, other than certain disputed calculations under the Participation Agreement and any claims seeking injunctive relief, which can be sought in courts in Hong Kong, are intended to be resolved by arbitration sitting in Hong Kong including any disputes under the U.S. federal securities laws and claims not in connection with our initial public offering. We believe arbitration provisions in commercial agreements are generally respected by federal courts and state courts of New York.

Shareholders' Agreement

In connection with our initial public offering and the Organizational Transactions, we entered into an amended shareholders agreement with Melco Resorts, MCO Cotai and New Cotai which took effect immediately

after the completion of our initial public offering (as amended, the "Shareholders' Agreement"). The Shareholders' Agreement contains a variety of provisions governing the relationship between MCO Cotai and New Cotai, as our shareholders, including but not limited to the composition of the board of directors, related party transactions, corporate governance, the development and operation of Studio City, restrictions on transfer of certain of our shares and other related matters.

Registration Rights Agreement

In connection with our initial public offering and the Organizational Transactions, we entered into an amended Registration Rights Agreement with New Cotai which took effect on October 16, 2018 (as amended and restated, the "Registration Rights Agreement"). Under the Registration Rights Agreement, New Cotai, holder of our registrable securities, has certain registration rights with respect to: (i) any Class A ordinary shares, (ii) any other stock or securities that the holder of Class A ordinary shares may be entitled to receive, or have received, (iii) any securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (i) or (ii) by way of conversion, substitution or exchange thereof or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization subject to the terms and conditions set forth in the Registration Rights Agreement.

Employment Agreements

See "Item 6. Directors, Senior Management and Employees — C. Board Practices — Employment Agreements."

Transaction with the Gaming Operator under Services and Right to Use Arrangements

Under the Services and Right to Use Arrangements, the Gaming Operator is responsible for the operation of Studio City Casino and deducts gaming taxes and the costs incurred in connection with its on-going operation of Studio City Casino from the gross gaming revenues. We receive the residual gross gaming revenues and recognize these amounts as revenues from provision of gaming related services. See "— Services and Right to Use Arrangements" for details of the terms of the Services and Right to Use Arrangements.

In 2021, 2020 and 2019, total gaming taxes and costs incurred in connection with the on-going operation of Studio City Casino deducted from gross gaming revenues were US$382.3 million, US$307.1 million and US$1,038.5 million, respectively. Revenues from the provision of gaming related services were negative US$1.5 million, negative US$42.7 million and US$393.5 million in 2021, 2020 and 2019, respectively. Revenues from the provision of gaming related services are net of gaming taxes and the costs incurred in connection with the on-going operation of Studio City Casino deducted by the Gaming Operator pursuant to the Services and Right to Use Arrangements.

Services and Right to Use Arrangements

On May 11, 2007, our subsidiary, Studio City Entertainment, and the Gaming Operator entered into the Services and Right to Use Agreement (as amended on June 15, 2012, together with the reimbursement agreement of the same date and other agreements or arrangements entered into from time to time regarding the operation of Studio City Casino, the "Services and Right to Use Arrangements") pursuant to which the Gaming Operator operates Studio City Casino. These arrangements remain effective until June 26, 2022, and will be extended if the Gaming Operator obtains a gaming concession, subconcession or other right to legally operate gaming in Macau beyond June 26, 2022 and if the Macau government permits such extension.

The Services and Right to Use Arrangements set forth the terms and conditions for the operation of Studio City Casino by the Gaming Operator and the obligations of Studio City Entertainment in respect thereof.

Under the Services and Right to Use Arrangements, Studio City Entertainment allows the Gaming Operator to use and occupy Studio City Casino for purposes of managing all day-to-day operations, and the Gaming Operator provides the necessary security and develops and implements all systems and controls necessary for Studio City Casino. The Gaming Operator also recruits all casino staff, including dealers, cashiers, security and surveillance personnel and managers. The Gaming Operator will deduct gaming taxes and costs incurred in connection with its on-going operation of Studio City Casino. Studio City Entertainment receives the residual gross gaming revenues and recognizes these amounts as our revenues from provision of gaming related services.

Studio City Entertainment has sole responsibility with respect to the design, construction and any refurbishments of Studio City Casino and shall be responsible for all costs. The Gaming Operator shall procure all necessary permits, authorizations and licenses necessary to operate Studio City Casino in accordance with Macau law.

The Services and Right to Use Agreement is subject to customary events of default, including failure of Studio City Entertainment to make any payment required by the agreement or any action by Studio City Entertainment which causes or is likely to cause the Gaming Operator to be in breach of its subconcession. The parties may terminate the Services and Right to Use Agreement in the event of a default under the Services and Right to Use Agreement or, among others, as a result of regulatory review, except that as long as Studio City Entertainment is directly or indirectly under the control of Melco Resorts, the Gaming Operator may not terminate the Services and Right to Use Agreement.

In November 2016, pursuant to a request we made under the Services and Right to Use Agreement, the Gaming Operator commenced the operation of VIP tables at Studio City Casino. The Gaming Operator will continue VIP rolling chip operations at the Studio City Casino until December 31, 2022, subject to early termination with 30 days' prior notice by either Studio City Entertainment or the Gaming Operator.

Management and Shared Services Arrangements

Master Services Agreement

On December 21, 2015, Studio City Entertainment, Studio City Hotels, Studio City Retail Services Limited, Studio City Developments, Studio City Ventures Limited, Studio City Services Limited and the Company (the "Studio City Entities," each a "Studio City Entity") and the Master Service Providers entered into a Master Services Agreement (the "Master Services Agreement"), which sets out the terms and conditions that apply to certain services to be provided under the individual work agreements (the "Work Agreements," each a "Work Agreement" and together with the Master Services Agreement and other arrangements for non-gaming services at the properties in Macau, the "Management and Shared Services Arrangements") by the Master Service Providers to the Studio City Entities and vice versa.

Under the Management and Shared Services Arrangements, the Master Service Providers recruit, allocate, train, manage and supervise a majority of the staff who are all solely dedicated to our property to perform our corporate and administrative functions and carry out other non-gaming activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities. In addition, leveraging the resources and platform of Melco Resorts, we receive services from the Master Service Providers, including operational management services and general corporate services, such as payroll, human resources, information technology, marketing, accounting and legal services.

Each type of service to be provided is to be set out in a separate Work Agreement between the relevant Studio City Entities and the Master Service Providers. As required by the parties, additional Work Agreements (conforming to the pre-agreed format) may be entered into. New Master Service Providers or Studio City Entities may also accede to existing Work Agreements as agreed between the parties. The parties to a Work Agreement may also agree to modify or add to the services covered by that Work Agreement.

The Master Services Agreement is effective from December 21, 2015 until June 26, 2022 unless terminated, extended or renewed by mutual agreement of the parties in writing. The Master Services Agreement may be terminated (a) by mutual agreement in writing, (b) automatically if the Services and Right to Use Agreement is terminated, (c) by any party upon a 30-day prior written notice if all Work Agreements have been terminated and are no longer in effect, (d) by the Master Service Providers (i) when there is a material breach by a Studio City Entity which remains uncured after 30 days of written notice provided by the Master Service Providers of such breach, or (ii) upon a specified change of control event whereby Melco Resorts does not directly or indirectly control the Company or any other entity that controls Studio City and the gaming areas in particular, or where relevant actions taken by any lenders lead to the foregoing results, and (e) by the Studio City Entities upon any material breach by a Master Service Provider which remains uncured after 30 days of written notice of such breach. If the Master Services Agreement is terminated, all Work Agreements shall automatically terminate.

Specifically, in case of any breach by either party under the "provision of services" and "standard of care; quality" clauses under the Master Services Agreement, the exclusive remedy of the non-breaching party, subject to indemnification for third-party claims and certain limitations on liabilities regarding consequential and other damages as well as caps on a party's liability equal to the fees paid or charged under the relevant Work Agreement, is for the breaching party to (a) perform or re-perform the relevant services if reasonably determined by the non-breaching party that the performance of the relevant services is commercially practicable and/or (b) refund any fees paid if reasonably determined by the non-breaching parties that performance or re-performance is not commercially practicable or would not be sufficient compensation for the breach. Otherwise, parties of the Master Services Agreement may seek through arbitration or in a court of competent jurisdiction for specific performance, temporary, preliminary or permanent injunction relief and other interim measure to prevent breaches or threatened breaches.

In the event the Management and Shared Services Arrangements are terminated, all accrued unpaid fees for relevant services will be due and payable immediately. Between the notice of termination or six months prior to the expiration and the termination or expiration date, the parties to such agreements enter a period of transition. During the transition period, at the request of a service recipient, a service provider will cause its third-party vendors to assist and cooperate and work together with the service recipient to assist in the transition of the performance of such terminated services, including by (a) making available necessary information and materials as requested by the service recipient (excluding intellectual property), (b) complying with the termination or transition provisions of the applicable Work Agreement, (c) making available to the service recipient any personnel to answer questions that the service recipient may have regarding the terminated services or management and operation in relation thereto, and (d) assisting in development and installation of hardware and software systems as necessary to continue to manage and operate its business and properties relating to the terminated services. The transition period can be extended by up to 180 days, but cannot be extended beyond June 26, 2022.

The Master Services Agreement provides for a regular review process to ensure the quality of the services provided and for payments and charges made in accordance with the Work Agreements. Significant contested items and other disputes may, if unable to be resolved amicably, ultimately be referred to arbitral proceedings.

Work Agreements

We entered into eight Work Agreements on December 21, 2015, between certain of the Master Service Providers and the Studio City Entities. The Work Agreements cover: (1) services related to the sale and purchase of certain property, plant and equipment and inventory and supplies; (2) corporate services; (3) certain pay-as-used charges; (4) operational and property sharing services; (5) limousine transportation services provided by the Master Service Providers; (6) aviation services; (7) collection and payment services; and (8) limousine transportation services provided by the Studio City Entities. The terms of the Work Agreements run concurrently with the Master Services Agreement.

Certain of the Work Agreements state that only the Master Service Providers can provide certain services to the Studio City Entities, and not vice versa. This is because the Studio City Entities are not in a position to provide many of the services that they receive from the Master Service Providers, such as corporate, provision of personnel, construction, development and aviation services. For other types of services, either the Master Service Providers or the Studio City Entities may be service providers. These include intra-party sales of inventory and supplies, computer software and hardware services, limousine services and sales services in relation to attraction tickets.

Payment arrangements between the service provider and service recipient are provided for in the individual Work Agreement and may vary depending on the services provided. Corporate services are charged at pre-negotiated rates, subject to a base fee and cap. Senior management service fees and staff costs on operational services are allocated to us based on a percentage of efforts on the services provided to us. Other costs in relation to shared office equipment are allocated based on percentages of usage. Each of the Work Agreements also outlines the fees and reasonable documented out-of-pocket expenses that will be due from the service recipient to the service provider.

Services and Right to Use Direct Agreement

On November 26, 2013, Studio City Company, the Gaming Operator, Studio City Holdings Five Limited and the security agent under the 2018 Project Facility, among others, entered into the Services and Right to Use Direct Agreement, which sets forth, among other things, certain restrictions on the rights of the Gaming Operator to (subject to the necessary regulatory approvals being obtained) suspend the continued operation of Studio City Casino and/or terminate the Services and Right to Use Arrangements.

2022 Private Placements

In relation to the 2022 Private Placements, the Company entered into subscription agreements with certain existing institutional shareholders and holders of its ADSs, including MCO Cotai, New Cotai and Silver Point Capital, L.P. at a price of US$0.75 per Class A ordinary share or US$3.00 per ADS.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

We have appended consolidated financial statements filed as part of this annual report.

Legal and Administrative Proceedings

From time to time, we may become subject to legal and administrative proceedings, investigations and claims incidental to, or arising out of, the ordinary course of our business, including but not limited to, the construction, renovation, licensing or operation of non-gaming premises which may, from time to time, involve closure or suspension of operations or construction works while administrative proceedings are pending. We are not currently a party to, nor are we aware of, any material legal or administrative proceeding, investigation or claim which, in the opinion of our management, individually or in the aggregate, is likely to have a material adverse effect on our business, financial condition or results of operations. We may also from time to time initiate legal proceedings to protect our rights and interests.

Dividend Policy

We have not previously declared or paid cash dividends and do not have any plan to declare or pay any dividends in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law and certain restrictions set forth in the instruments in relation to our outstanding borrowings. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends on our Class A ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying our ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders who will receive payment to the same extent as holders of our Class A ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our Class A ordinary shares, if any, will be paid in U.S. Dollars.

We are a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely on dividends distributed by our subsidiaries in Macau, Hong Kong and the British Virgin Islands to MSC Cotai and MSC Cotai to us. The Macau regulations may restrict the ability of our Macau subsidiaries to pay dividends to us. For example, our Macau subsidiaries are subject to a Macau complementary tax of up to 12% on taxable income, as defined in the relevant tax laws. However, we were granted a Macau complementary tax exemption through 2021 on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and has been subject to gaming tax. We remain subject to Macau complementary tax on our non-gaming profits. See “Item 4. Information on the Company — B. Business Overview — Taxation.” Furthermore, regulations in Macau currently require our subsidiaries incorporated in Macau to set aside a minimum of 25% of the relevant entity’s profit after taxation to their legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of its share capital and the legal reserve is not available for distribution to the shareholders of such subsidiaries. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Shares and ADSs — Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our ADSs for return on your investment.”

In addition, the respective indentures governing our existing notes including the agreement for the 2028 Studio City Senior Secured Credit Facility, the 2025 Notes, the 2028 Notes and the 2029 Notes contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by some of our subsidiaries. See “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Restrictions on Distributions.”

B. SIGNIFICANT CHANGES

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

Not applicable, except for Item 9.A.4 and Item 9.C.

Our ADSs, each representing four Class A ordinary shares, have been listed on the New York Stock Exchange under the symbol “MSC” from October 18, 2018.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our registered office is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. We are registered by way of continuation with the Cayman Islands Registrar of Companies and have been assigned company number 343696.

The following are summaries of material provisions of our memorandum and articles of association and the Companies Act below, insofar as they relate to the material terms of our ordinary shares.

General

All of our outstanding ordinary shares are fully paid and non-assessable. Some of the ordinary shares are issued in registered form only with no share certificates. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Under Article 4 of our memorandum of association, the objects for which we were established are unrestricted and we have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act.

Dividends

The holders of our Class A ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Act and our articles of association. Holders of the Class B ordinary shares do not have any right to receive dividends or distributions upon our liquidation or winding up.

Our articles of association require notice of any dividend that may have been declared to be given to each holder of our Class A ordinary shares or Class B ordinary shares and, pursuant to our articles of association, all dividends unclaimed for one year after having been declared may be forfeited by resolution of the directors for the benefit of the Company.

Voting Rights

Each of our Class A ordinary shares and Class B ordinary shares entitles its holder to one vote on all matters to be voted on by shareholders generally. Holders of our Class A and Class B ordinary shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by our chairman or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 20% of the paid up voting share capital of our company.

A quorum required for a meeting of shareholders consists of one or more shareholders who hold at least 50 percent of our ordinary shares at the meeting present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders' meetings are held at least annually and may be convened by our board on its own initiative or, failing a request by our board, upon a request to the directors by shareholders holding in aggregate at least 20 percent of our ordinary shares. Advance notice of at least seven clear days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution will be required for important matters such as changing our name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Subject to the restrictions in our memorandum and articles of association and the Participation Agreement, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required; or
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

Our board of directors is required to refuse to register any purported transfer of Class B ordinary shares made otherwise than in compliance with the Participation Agreement.

If our directors refuse to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

Exchange Right of New Cotai

Subject to certain conditions, New Cotai and its permitted transferees thereof may exchange their Participation Interest in MSC Cotai for a number of Class A ordinary shares. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions —Participation Agreement.” If New Cotai exchanges all or a portion of the Participation Interest for Class A ordinary shares, it will also be deemed to have surrendered an equal number of Class B ordinary shares, and any Class B ordinary shares so surrendered will be canceled for no consideration. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions — Participation Agreement.”

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of Class A ordinary shares will be distributed among the holders of the Class A ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. Holders of our Class B ordinary shares do not have any right to receive a distribution upon a liquidation or winding up of the Company.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time and place of payment. The ordinary shares that have been called upon and remain unpaid on the specified time are subject to forfeiture. Shareholders are not liable for any capital calls by the Company except to the extent there is an amount unpaid on their shares.

Redemption of Ordinary Shares

Subject to the provisions of the Companies Act, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as the directors may determine.

Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration

Our memorandum and articles of association prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to our shares;
- exercising voting or other rights conferred by our shares; and
- receiving any remuneration in any form from us or an affiliated company for services rendered or otherwise.

Such unsuitable person or its affiliate must sell all of the shares, or allow us to redeem or repurchase the shares on such terms and manner as the directors may determine and agree with the shareholders, within such period of time as specified by a gaming authority.

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or our board determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority or our board, as applicable, to own them. An “unsuitable person” is any person who is determined by a gaming authority to be unsuitable to own or control any of our shares or who causes us or any affiliated company to lose or to be threatened with the loss of any gaming license, or who, in the sole discretion of our board, is deemed likely to jeopardize our or any of our affiliates’ application for, receipt of approval for right to the use of, or entitlement to, any gaming license.

The terms “affiliated companies,” “gaming authority” and “person” have the meanings set forth in our articles of association.

Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate

Our memorandum and articles of association provide that shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by us, out of funds legally available for that redemption, by appropriate action of our board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by our board having regard to relevant gaming laws. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price and the right to receive any dividends declared prior to any receipt of any written notice from a gaming authority declaring the suitable person to be an unsuitable person but not yet paid. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or, if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by our board. The price

for the shares will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on an automated quotation system, or if the closing price is not then reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. Our right of redemption is not exclusive of any other rights that we may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect.

Our memorandum and articles of association require any unsuitable person and any affiliate of an unsuitable person to indemnify us and our affiliated companies for any and all losses, costs and expenses, including legal fees, incurred by us and our affiliates as a result of, or arising out of, the unsuitable person's or affiliate's continuing ownership or control of shares, the neglect, refusal or other failure to comply with the provisions of our memorandum and articles of association relating to unsuitable persons, or failure to promptly divest itself of any shares in us when required by the relevant gaming laws or our memorandum and articles of association.

Variations of Rights of Shares

All or any of the rights attached to any class of shares may, subject to the provisions of our memorandum and articles of association and the Companies Act, be varied or abrogated either with the written consent of the holders of at least a majority of the issued shares of that class or with the approval of the holders of at least a majority of the shares of that class present in person or by proxy at a separate general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution (but subject to other provisions of our memorandum and of articles of association):

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution may prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- sub-divide our existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

We may by special resolution (subject to our memorandum and articles) reduce our share capital and any capital redemption reserve in any manner authorized by law.

Accounts and Audit

No shareholder (other than a director) has any right to inspect any of our accounting record or book or document except as conferred by law or authorized by our board or our company by ordinary resolution of the shareholders.

Subject to compliance with all applicable laws, we may send to every person entitled to receive notices of our general meetings under the provisions of the articles of association a summary financial statement derived from our annual accounts and our board's report.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the articles of association. The remuneration of the auditors shall be fixed by our board.

Our financial statements shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the shareholders in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

Exempted Company

We are an exempted company incorporated with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except for the exemptions and privileges listed below:

- annual reporting requirements are minimal and consist mainly of a statement that the company has conducted its operations mainly outside of the Cayman Islands and has complied with the provisions of the Companies Act;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with or without par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Differences in Corporate Law

The Companies Act is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Act differs from laws applicable to Delaware corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes:

- a "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company; and

- a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

In order to effect a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by:

- a special resolution of the shareholders of each constituent company; and
- such other authorization, if any, as may be specified in such constituent company’s articles of association.

A merger between a parent company incorporated in the Cayman Islands and its subsidiary or subsidiaries incorporated in the Cayman Islands does not require authorization by a resolution of shareholders of the constituent companies provided a copy of the plan of merger is given to every shareholder of each subsidiary company to be merged unless that shareholder agrees otherwise. For this purpose, a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The plan of merger or consolidation must be filed with the Registrar of Companies in the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger and consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares if they follow the required procedures, subject to certain exceptions. The fair value of the shares will be determined by the Cayman Islands court if it cannot be agreed among the parties. Court approval is not required for a merger or consolidation effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands.

While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a take-over offer is made and accepted by holders of not less than 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

Derivative actions have been brought in the Cayman Islands courts. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) the company's officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components, the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director must act in a manner he or she reasonably believes to be in the best interests of the corporation. A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company, and therefore it is considered that he or she owes the following duties to the company: a duty to act bona fide in the best interests of the company, a duty not to make a profit out of his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, there are indications that the courts are moving towards an objective standard with regard to the required skill and care.

Under our memorandum and articles of association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest

at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his or her interest.

Shareholder Action by Written Resolution

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may eliminate the right of shareholders to act by written consent. Our memorandum and articles of association allow shareholders to act by written resolutions.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled for a single director, which increases the shareholder's voting interest with respect to electing such director.

As permitted under Cayman Islands law, our memorandum and articles of association do not provide for cumulative voting.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Under our memorandum and articles of association, subject to the Shareholders' Agreement, directors can be removed by special resolution of the shareholders.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions entered into must be bona fide in the best interests of the company, for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting interest of the

corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under our memorandum and articles of association, if our company is wound up, the liquidator of our company may distribute the assets with the sanction of an ordinary resolution of the shareholders and any other sanction required by law.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may (subject to qualifications in the memorandum and articles of association) vary the rights attached to any class with the consent in writing of the holders of a majority of the issued shares of the relevant class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of such class by a majority of the votes cast at such a meeting.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Our memorandum and articles of association may be amended by a special resolution of shareholders.

Waiver of Certain Corporate Opportunities

Under our memorandum and articles of association, the Company has renounced any interest or expectancy of the Company in, or in being offered an opportunity to participate in, certain opportunities where such opportunities come into the possession of one of our directors other than in his or her capacity as a director (as more particularly described in our memorandum and articles of association). This is subject to applicable law and may be waived by the relevant director.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Holders of our shares have no general right under Cayman Islands law to inspect or obtain copies of our register of members or our corporate records (other than the memorandum and articles of association). However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-takeover Provisions in our Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

Such shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue these preference shares, the price of our ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially adversely affected.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

C. MATERIAL CONTRACTS

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" and "Item 7. Major Shareholders and Related Party Transactions" or elsewhere in this annual report on Form 20-F.

D. EXCHANGE CONTROLS

With regard to our operations in Macau, no foreign exchange controls exist in Macau and Hong Kong and there is a free flow of capital into and out of Macau and Hong Kong. There are no restrictions on remittances of H.K. dollar or any other currency from Macau and Hong Kong to persons not resident in Macau and Hong Kong for the purpose of paying dividends or otherwise. No foreign exchange controls exist in the Cayman Islands.

E. TAXATION

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of our ordinary shares or on an instrument of transfer in respect of our ordinary shares.

United States Federal Income Taxation

The following discussion describes the material United States federal income tax consequences to a United States Holder (as defined below), under current law, of an investment in our ADSs. Such laws are subject to change, which change could apply retroactively and could significantly affect the tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This discussion applies only to a United States Holder (as defined below) that holds ADSs as capital assets for United States federal income tax purposes (generally, property held for investment). The discussion neither addresses the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations, such as:

- banks and certain other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- brokers or dealers in stocks and securities, or currencies;
- persons who use or are required to use a mark-to-market method of accounting;
- certain former citizens or residents of the United States subject to Section 877 of the Code;
- entities subject to the United States anti-inversion rules;
- tax-exempt organizations and entities;
- persons whose functional currency is other than the United States dollar;
- persons holding ADSs as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the total combined voting interest of all classes of our voting stock or 10% or more of the total value of shares of all classes of our stock;
- persons who acquired ADSs pursuant to the exercise of an employee stock option or otherwise as compensation;
- partnerships or other pass-through entities, or persons holding ADSs through such entities; or
- a person subject to special tax accounting rules as a result of any item of gross income with respect to ADSs being taken into account in an "applicable financial statement" (as defined in the Code).

Except as described below under "— Information with Respect to Foreign Financial Assets," this discussion does not address any reporting obligations that may be applicable to persons holding ADSs through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States.

If a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes) holds the ADSs, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership or partner in a partnership holding ADSs should consult its own tax advisors regarding the tax consequences of investing in and holding the ADSs.

THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. HOLDERS SHOULD CONSULT

THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX LAWS, THE ALTERNATIVE MINIMUM TAX, THE MEDICARE TAX ON NET INVESTMENT INCOME OR THE LAWS OF ANY STATE, LOCAL OR NON-UNITED STATES TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of the discussion below, a "United States Holder" is a beneficial owner of the ADSs that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable Treasury Regulations to treat such trust as a domestic trust.

The discussion below assumes that the representations contained in the deposit agreement and any related agreement are true and that the obligations in such agreements will be complied with in accordance with their terms.

ADSs

If you own our ADSs, then you should be treated as the owner of the underlying Class A ordinary shares represented by those ADSs for United States federal income tax purposes. Accordingly, deposits or withdrawals of Class A ordinary shares for ADSs should not be subject to United States federal income tax.

The United States Treasury Department and the IRS have expressed concerns that United States holders of American depositary shares may be claiming foreign tax credits in situations where an intermediary in the chain of ownership between the holder of an American depositary share and the issuer of the security underlying the American depositary share has taken actions that are inconsistent with the ownership of the underlying security by the person claiming the credit. Such actions (for example, a pre-release of an ADS by a depositary) also may be inconsistent with the claiming of the reduced rate of tax applicable to certain dividends received by non-corporate United States holders of ADSs, including individual United States holders. Accordingly, the availability of foreign tax credits or the reduced tax rate for dividends received by non-corporate United States Holders, each discussed below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our company.

Dividends and Other Distributions on the ADSs

Subject to the PFIC rules discussed below, the gross amount of any distribution that we make to you with respect to the ADSs will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income on the day actually or constructively received by the depositary if you own ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid generally will be reported as a "dividend" for

United States federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to qualifying corporations under the Code.

Dividends received by a non-corporate United States Holder may qualify for the lower rates of tax applicable to "qualified dividend income," if the dividends are paid by a "qualified foreign corporation" and other conditions discussed below are met. A non-United States corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares (or American depositary shares backed by such shares) that are readily tradable on an established securities market in the United States. However, a non-United States corporation will not be treated as a qualified foreign corporation if it is a PFIC in the taxable year in which the dividend is paid or the preceding taxable year.

Under a published IRS Notice, common or ordinary shares, or American depositary shares representing such shares, are considered to be readily tradable on an established securities market in the United States if they are listed on the New York Stock Exchange, as our ADSs are. Subject to the limitations described in the following paragraph, we believe that dividends we pay on our ADSs will be eligible for the reduced rates of taxation.

Even if dividends were treated as paid by a qualified foreign corporation, a non-corporate United States Holder would not be eligible for reduced rates of taxation if either (i) it does not hold our ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date or (ii) the United States Holder elects to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code. In addition, the rate reduction will not apply to dividends of a qualified foreign corporation if the non-corporate United States Holder receiving the dividend is obligated to make related payments with respect to positions in substantially similar or related property.

You should consult your own tax advisors regarding the availability of the lower tax rates applicable to qualified dividend income for any dividends that we pay with respect to the ADSs, as well as the effect of any change in applicable law after the date of this annual report on Form 20-F.

For purposes of calculating your foreign tax credit limitation, dividends paid to you with respect to the ADSs will be treated as income from sources outside the United States and generally will constitute passive category income. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

Disposition of the ADSs

You will recognize gain or loss on a sale or exchange of the ADSs in an amount equal to the difference between the amount realized on the sale or exchange and your tax basis in the ADSs. Subject to the discussion under "— Passive Foreign Investment Company" below, such gain or loss generally will be capital gain or loss. Capital gains of a non-corporate United States Holder, including an individual, that has held the ADS for more than one year currently are eligible for reduced tax rates. The deductibility of capital losses is subject to limitations.

Any gain or loss that you recognize on a disposition of the ADSs generally will be treated as United States-source income or loss for foreign tax credit limitation purposes.

Passive Foreign Investment Company

Based on the value of our assets and the composition of our income and assets, we do not believe we were a PFIC for our taxable year ended December 31, 2021. However, the determination of PFIC status involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income that we earn, and is subject to uncertainty in several respects.

Changes in the composition of our income or assets or the value of our assets may cause us to become a PFIC. The determination of the value of our assets may depend in part upon the value of our goodwill not reflected on our balance sheet (which may depend upon the market value of the ADSs and ordinary shares from time to time, which may be volatile). Accordingly, we cannot assure you that we will not be a PFIC for our current taxable year ending December 31, 2021, or for any future taxable year. Our United States tax counsel therefore expresses no opinion with respect to our PFIC status for any taxable year or our beliefs and expectations relating to such status set forth in this discussion.

A non-United States corporation such as ourselves will be treated as a PFIC for United States federal income tax purposes for any taxable year if, applying applicable look-through rules, either:

- at least 75% of its gross income for such year is passive income; or
- at least 50% of the value of its assets (determined based on a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than certain royalties and rents derived in the active conduct of a trade or business and not derived from a related person). We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% by value of the stock.

If we were a PFIC for any taxable year during which you hold ADSs, then, unless you make a “mark-to-market” election (as discussed below), you generally would be subject to special adverse tax rules with respect to any “excess distribution” that you receive from us and any gain that you recognize from a sale or other disposition, including, in certain circumstances, a pledge, of ADSs. For this purpose, distributions that you receive in a taxable year that are greater than 125% of the average annual distributions that you received during the shorter of the three preceding taxable years or your holding period for the ADSs will be treated as an excess distribution. Under these rules:

- the excess distribution or recognized gain would be allocated ratably over your holding period for the ADSs;
- the amount of the excess distribution or recognized gain allocated to the taxable year of distribution or gain, and to any taxable years in your holding period prior to the first taxable year in which we were treated as a PFIC, would be treated as ordinary income; and
- the amount of the excess distribution or recognized gain allocated to each other taxable year would be subject to the highest tax rate in effect for individuals or corporations, as applicable, for each such year and the resulting tax will be subject to the interest charge generally applicable to underpayments of tax.

If we were a PFIC for any taxable year during which you hold ADSs and any of our non-United States subsidiaries or other corporate entities in which we own equity interests is also a PFIC, you would be treated as owning a proportionate amount (by value) of the shares of each such non-United States entity classified as a PFIC (each such entity, a lower tier PFIC) for purposes of the application of these rules. You should consult your own tax advisor regarding the application of the PFIC rules to any of our lower tier PFICs.

If we were a PFIC for any taxable year during which you hold ADSs, then in lieu of being subject to the tax and interest-charge rules discussed above, you may make an election to include gain on our ADSs as ordinary income under a mark-to-market method, provided that our ADSs constitute “marketable stock.” Marketable stock is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury regulations. Our ADSs, but not our ordinary shares, are listed on the New York Stock Exchange, which is a qualified exchange or other market for these purposes.

Consequently, if the ADSs continue to be listed on the New York Stock Exchange and are regularly traded, and you are a holder of ADSs, we expect that the mark-to-market election would be available to you if we were to become a PFIC, but no assurances are given in this regard.

If you make an effective mark-to-market election, for each taxable year that we are a PFIC, you will include as ordinary income the excess of the fair market value of your ADSs at the end of the year over your adjusted basis in the ADSs. You will be entitled to deduct as an ordinary loss in each such year the excess of your adjusted basis in the ADSs over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

If you make an effective mark-to-market election, any gain you recognize upon the sale or other disposition of your ADSs in a year that we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, if we were a PFIC for any taxable year, a United States Holder that makes the mark-to-market election may continue to be subject to the tax and interest charges under the general PFIC rules with respect to such United States Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

In certain circumstances, a shareholder in a PFIC may avoid the adverse tax and interest-charge regime described above by making a "qualified electing fund" election to include in income its share of the corporation's income on a current basis. However, you may make a qualified electing fund election with respect to the ADSs only if we agree to furnish you annually with a PFIC annual information statement as specified in the applicable Treasury regulations. There is no assurance that we will provide such information that would enable you to make a qualified electing fund election.

A United States Holder that holds the ADSs in any year in which we were a PFIC would be required to file an annual report containing such information as the United States Treasury Department may require.

You should consult your own tax advisor regarding the application of the PFIC rules to your ownership and disposition of the ADSs and the availability, application and consequences of the elections discussed above.

Information Reporting and Backup Withholding

Information reporting to the IRS and backup withholding generally will apply to dividends in respect of our ADSs, and the proceeds from the sale or exchange of our ADSs, that are paid to you within the United States (and in certain cases, outside the United States), unless you furnish a correct taxpayer identification number and make any other required certification, generally on IRS Form W-9 or you otherwise establish an exemption from information reporting and backup withholding. Backup withholding is not an additional tax. Amounts withheld as backup withholding generally are allowed as a credit against your United States federal income tax liability, and you may be entitled to obtain a refund of any excess amounts withheld under the backup withholding rules if you file an appropriate claim for refund with the IRS and furnish any required information in a timely manner.

United States Holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

United States Holders who are individuals (and certain entities closely held by individuals) generally will be required to report our name, address and such information relating to an interest in the ADSs as is necessary to identify the class or issue of which the ADSs are a part. These requirements are subject to exceptions, including an exception for ADSs held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all "specified foreign financial assets" (as defined in the Code) does not exceed US$50,000.

United States Holders should consult their tax advisors regarding the application of these information reporting rules.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file an annual report on Form 20-F no later than four months after the close of each fiscal year, which is December 31. As permitted by the SEC, in Item 19 of this annual report, we incorporate by reference certain information we have filed with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this annual report.

Copies of reports and other information, when so filed, may be inspected without charge at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our financial statements have been prepared in accordance with U.S. GAAP. Our annual reports will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP.

In accordance with NYSE Rule 203.01, we will post this annual report on our website *www.studiocity-macau.com*. In addition, we will provide hardcopies of our annual report to shareholders, including ADS holders, free of charge upon request.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of losses arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We believe our and our subsidiaries' primary exposure to market risk will be foreign exchange risk associated with our operations.

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and the presentation of our consolidated financial statements in U.S. Dollars. The majority of our revenues are denominated in Hong Kong Dollars, since the Hong Kong Dollar is the predominant currency used in Macau and is often used interchangeably with Patacas, while our expenses are denominated predominantly in Patacas and Hong Kong Dollars. A significant portion of our indebtedness as a result of the 2025 Notes, 2027 Notes, 2028 Notes and 2029 Notes and the costs associated with servicing and repaying such debts are denominated in U.S. Dollars. In addition, the 2028 Studio City Senior Secured Credit Facility and the costs associated with servicing and repaying such debt are denominated in Hong Kong Dollars. The Hong Kong Dollar is pegged to the U.S. Dollar within a narrow range and the Pataca is in turn pegged to the Hong Kong Dollar, and the exchange rates between these currencies have remained relatively stable over the past several years. However, we cannot assure you that the current peg or linkages between the U.S. Dollar, Hong Kong Dollar and Pataca will not be de-pegged, de-linked or modified and subjected to fluctuation as such exchange rates may be affected by, among other things, changes in political and economic conditions.

Major currencies in which our cash and bank balances (including restricted cash) were held as of December 31, 2021 included U.S. Dollars, Hong Kong Dollars and Patacas. Based on the cash and bank balances as of December 31, 2021, an assumed 1% change in the exchange rates between currencies other than U.S. Dollars against the U.S. Dollar would cause a maximum foreign transaction gain or loss of approximately US$1.0 million for the year ended December 31, 2021.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk.

Inflation Risk

We generated all of our revenues from our operations in Macau in 2021, 2020 and 2019. Inflation did not have a material impact on our results of operations. According to the Statistics and Census Services of the Macau government, inflation as measured by the consumer price index in Macau was 0.03%, 0.81% and 2.75% in 2021, 2020 and 2019, respectively. Although we have not been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in Macau.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITARY SHARES

As an ADS holder, you will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs):

Service	Fees
• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US$0.05 per ADS issued
• Cancelation of ADSs, including the case of termination of the deposit agreement	Up to US$0.05 per ADS canceled
• Distribution of cash dividends	Up to US$0.05 per ADS held
• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights	Up to US$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US$0.05 per ADS held
• Depositary services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of Class A ordinary shares charged by the registrar and transfer agent for the Class A ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of Class A ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when Class A ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of Class A ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to Class A ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancelation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancelation.

The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via The Depository Trust Company, or DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Fees and Other Payments Made by the Depositary to Us

In 2021, we did not receive any fees or other payments from the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See "Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — Pre-IPO Organizational Transactions."

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, our management, with the participation of our property general manager and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, it should be noted that any controls and procedures, no matter how well designed and operated, can only provide reasonable, but not absolute, assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, our property general manager and chief financial officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective to provide reasonable assurance that information required

to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and accumulated and communicated to our management, including our property general manager and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act.

Our Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our Company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our Company's assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Company's management assessed the effectiveness of our Company's internal control over financial reporting as of December 31, 2021. In making this assessment, our Company's management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)*.

Based on this assessment, management concluded that, as of December 31, 2021, our Company's internal control over financial reporting is effective based on the framework set forth by Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)*.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of our Company's internal control over financial reporting as of December 31, 2021, has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Controls Over Financial Reporting

There were no changes in our Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board has determined that Mr. Kevin F. Sullivan qualifies as "audit committee financial expert" as defined in Item 16A of Form 20-F. Each of the members of our audit and risk committee satisfies the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual and Rule 10A-3 under the Exchange Act. See "Item 6. Directors, Senior Management and Employees."

ITEM 16B. CODE OF ETHICS

Our board has adopted a code of business conduct and ethics that applies to our directors, officers, employees and agents, including our property general manager, chief financial officer and any other persons who perform similar functions for us. The code of business conduct was last amended on December 7, 2021. We have posted our current code of business conduct and ethics on our website at *www.studiocity-macau.com*. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our principal external auditors, for the years indicated. We did not pay any other fees to our auditor during the years indicated below.

	Year Ended December 31,	
	2021	2020
	(In thousands of US$)	
Audit fees [(1)]	$ 511	$ 468
Audit-related fees [(2)]	216	417
Tax fees[(3)]	4	—
All other fees	—	—

(1) "Audit fees" means the aggregate fees in each of the fiscal years indicated for our calendar year audits.

(2) "Audit-related fees" primarily include the aggregate fees for professional services provided in connection with the issuances of senior notes by the Company and other assurance services.

(3) "Tax fees" include fees billed for tax consultations.

The policy of our audit and risk committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services, other than those for *de minimis* services which are approved by our audit and risk committee prior to the completion of the audit.

For the years ended December 31, 2021 and 2020, none of the total audit-related fees as described above were approved by our audit and risk committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

No purchase of equity security in the Company was made by or on behalf of the Company or any affiliated purchaser in the fiscal year ended December 31, 2021.

In connection with the 2022 Private Placements, MCO Cotai purchased 220,075,176 Class A shares and New Cotai purchased ADSs representing 93,822,444 Class A shares and funds managed by Silver Point, L.P. purchased ADSs representing 55,747,672 Class A shares, each at the purchase price of US$0.75 per Class A share or US$3.00 per ADS. See “Item 7. Major Shareholders and Related Party Transactions — B. Related Party Transactions — 2022 Private Placements.”

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

NYSE Rule 303A.00 permits foreign private issuers like us to follow “home country practice” in certain corporate governance matters. For example, NYSE Rule 303A.01 generally requires that a majority of an issuer’s board of directors must consist of independent directors. In addition, NYSE Rules 303A.04 and 303A.05, respectively, generally require that an issuer’s nominating and corporate governance committee and compensation committee must consist entirely of independent directors. We rely on this “home country practice” exception and do not have a majority of independent directors serving on our board and also do not have a nominating and corporate governance committee or compensation committee consisting entirely of independent directors. We also rely on this “home country practice” exception in relation to certain responsibilities of the compensation committee set forth in NYSE Rule 303A.05. The New York Stock Exchange rules also permit a foreign private issuer like us to follow the corporate governance practices of its home country with respect to shareholder approval requirements with respect to issuances of equity securities.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Studio City International Holdings Limited and its subsidiaries are included at the end of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 1.1 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-38699), filed with the SEC on March 29, 2019)
1.2	Memorandum and Articles of Association of MSC Cotai Limited (incorporated by reference to Exhibit 1.2 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-38699), filed with the SEC on March 29, 2019)
2.1	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated herein by reference to Exhibit 4.2 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
2.3†	Form of Deposit Agreement between the Registrant, the depositary and owners and holders of the ADSs
2.4	Amended and Restated Credit Agreement relating to HK$233 million revolving credit facility and HK$1 million term loan facility dated November 23, 2016, among Studio City Company Limited and certain of its subsidiaries and affiliates with Bank of China Limited, Macau Branch, among others (incorporated herein by reference to Exhibit 4.15 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
2.5	Amended and Restated Shareholders' Agreement, among MCO Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant (incorporated by reference to Exhibit 2.12 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-38699), filed with the SEC on March 29, 2019)
2.6	Amended and Restated Registration Rights Agreement, between New Cotai, LLC and the Registrant (form of which is incorporated herein by reference to Exhibit 10.5 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
2.7	Indenture relating to 6.000% senior notes due 2025 and dated July 15, 2020, among Studio City Finance Limited, as issuer, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 2.16 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No. 001-38699), filed with the SEC on March 31, 2021)
2.8	Indenture relating to 6.500% senior notes due 2028 and dated July 15, 2020, among Studio City Finance Limited, as issuer, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 2.17 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No. 001-38699), filed with the SEC on March 31, 2021)
2.9	Indenture relating to 5.000% senior notes due 2029 and dated January 14, 2021, among Studio City Finance Limited, as issuer, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 2.18 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No. 001-38699), filed with the SEC on March 31, 2021)

Exhibit Number	Description of Document
2.10	Amended and Restated Credit Agreement relating to HK$233 million revolving credit facility and HK$1 million term loan facility dated March 15, 2021, among Studio City Company Limited and certain of its subsidiaries and affiliates with Bank of China Limited, Macau Branch, among others (incorporated by reference to Exhibit 2.20 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No. 001-38699), filed with the SEC on March 31, 2021)
2.11*	Indenture relating to 7.000% senior notes due 2027 and dated February 16, 2022, among Studio City Company Limited, as issuer, the guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee
2.12*	Supplemental Indenture relating to 7.000% senior notes due 2027 and dated February 16, 2022, among Studio City Company Limited, Industrial and Commercial Bank of China (Macau) Limited, as the security agent, DB Trustees (Hong Kong) Limited, as the intercreditor agent, and Deutsche Bank Trust Company Americas, as the trustee
2.13*	Amendment and Restatement dated February 7, 2022 (in respect of the Intercreditor Agreement originally dated December 1, 2016) among Studio City Company Limited, the guarantors of the 7.000% senior secured notes due 2027, the lenders and agent for Studio City Company Limited's HK$233 million revolving credit facility and HK$1 million term loan facility, the security agent and intercreditor agent named therein, among others
2.14*	Description of Registrant's Securities
4.1	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers (incorporated herein by reference to Exhibit 10.1 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.2	Form of Employment Agreement with the Executive Officers of the Registrant (incorporated herein by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.3	English Translation of subconcession contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region dated September 8, 2006, between Wynn Resorts (Macau) S.A. and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited (incorporated herein by reference to Exhibit 10.3 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.4	Services and Right to Use Agreement dated May 11, 2007, as amended, between Studio City Entertainment Limited and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited (incorporated herein by reference to Exhibit 10.7 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.5	Reimbursement Agreement dated June 15, 2012, between Studio City Entertainment Limited and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited (incorporated herein by reference to Exhibit 10.8 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.6	Services and Right to Use Direct Agreement dated November 26, 2013, among Studio City Company Limited as borrower, Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited, Studio City Holdings Five Limited, Industrial and Commercial Bank of China (Macau) Limited as security agent and POA agent and Deutsche Bank AG, Hong Kong Branch as agent, among others (incorporated herein by reference to Exhibit 10.9 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)

Exhibit Number	Description of Document
4.7	Master Services Agreement dated December 21, 2015, among Studio City Entertainment Limited, Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited, and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.10 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.8	Work Agreement No. 1 dated December 21, 2015, related to sale and purchase of certain property, plant and equipment and inventory and supplies among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.11 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.9	Work Agreement No. 2 dated December 21, 2015, related to corporate services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.12 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.10	Work Agreement No. 3 dated December 21, 2015, related to certain pay-as-used charges among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.13 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.11	Work Agreement No. 4 dated December 21, 2015, related to operational and property sharing services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.14 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.12	Work Agreement No. 5 dated December 21, 2015, related to limousine transportation services among Studio City Hotels Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.15 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.13	Work Agreement No. 6 dated December 21, 2015, related to aviation services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.16 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.14	Work Agreement No. 7 dated December 21, 2015, related to collection and payment services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.17 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.15	Work Agreement No. 8 dated December 21, 2015, related to limousine transportation services among Studio City Hotels Limited and other subsidiaries and affiliates of the Registrant (incorporated herein by reference to Exhibit 10.18 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.16	English Translation of the Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 100/2001 dated October 9, 2001, in relation to the Studio City Land Concession (incorporated herein by reference to Exhibit 10.19 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)

Exhibit Number	Description of Document
4.17	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 31/2012 dated July 19, 2012, in relation to the Studio City Land Concession (incorporated herein by reference to Exhibit 10.20 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.18	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 92/2015 dated September 10, 2015, in relation to the Studio City Land Concession (incorporated herein by reference to Exhibit 10.21 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.19	Participation Agreement among MSC Cotai Limited, New Cotai, LLC and the Registrant (form of which is incorporated herein by reference to Exhibit 10.22 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
4.20	Implementation Agreement among MCO Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant (form of which is incorporated herein by reference to Exhibit 10.23 from our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018)
8.1*	Significant Subsidiaries of the Registrant
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document-this instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Furnished with this annual report on Form 20-F.

† Previously filed with the Registration Statement on Form F-6 (File No. 333-227759), dated October 9, 2018, and incorporated herein by reference.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

Date: March 31, 2022

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Property General Manager

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Studio City International Holdings Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Studio City International Holdings Limited (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule included in Schedule 1 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 31, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Impairment assessment of long-lived assets

Description of the Matter	At December 31, 2021, the Company's long-lived asset group to be held and used in the Company's business, comprising of property and equipment, intangible assets, other long-term assets, land use right and operating lease right-of-use assets, was US$2,705.0 million. As discussed in the Company's accounting policy in notes 1(b) and 2(l) of the consolidated financial statements, long-lived assets (asset groups) with finite lives to be held and used shall be evaluated for impairment whenever indicators of impairment exist. As the Company generated operating losses due to the severe decline in overall market conditions resulting from the continuing impact of coronavirus disease ("COVID-19") during 2021, the Company evaluated its long-lived assets for recoverability as of December 31, 2021 and concluded no impairment existed at that date as the estimated undiscounted future cash flows exceeded their carrying values. Auditing the Company's impairment assessment involved a high degree of subjectivity due to the significant estimations required to determine the projected future cash flows of the asset group. In particular, the estimate is sensitive to significant assumptions, including future revenue growth rates and gross margin which can be affected by expectations about future market and economic conditions, including the continuing impact of COVID-19.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment assessment process. For example, we tested the controls over management's identification of impairment indicators. We also tested controls over management's review of the significant assumptions described above used to develop the undiscounted cash flow projections. To test the Company's impairment assessment of the asset group, our audit procedures included, among others, evaluating the significant assumptions used to develop the projected future cash flows of the asset group and testing the completeness and accuracy of the underlying data used by the Company. We compared the significant assumptions, including future revenue growth rates and gross margin, to current industry and economic trends, including the impact of COVID-19, as well as to changes in the Company's strategic plans. We assessed the historical accuracy of the Company's cash flow projections by comparing them with actual operating results. Furthermore, we performed sensitivity analyses of the significant assumptions to evaluate the changes in the future cash flows that could result from changes in the assumptions.

/s/ Ernst & Young

We have served as the Company's auditor since 2017.

Hong Kong
March 31, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Studio City International Holdings Limited

Opinion on Internal Control Over Financial Reporting

We have audited Studio City International Holdings Limited's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Studio City International Holdings Limited (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive (loss) income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule included in Schedule 1 and our report dated March 31, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young
Hong Kong
March 31, 2022

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 499,289	$ 575,215
Restricted cash	—	13
Accounts receivable, net of allowances for credit losses of nil and $976	247	157
Amounts due from affiliated companies	15,697	10,672
Inventories	5,828	9,297
Prepaid expenses and other current assets	42,633	12,467
Total current assets	563,694	607,821
Property and equipment, net	2,556,040	2,180,897
Intangible assets, net	2,777	4,005
Long-term prepayments, deposits and other assets	69,624	117,555
Restricted cash	130	131
Operating lease right-of-use assets	14,588	17,379
Land use right, net	112,114	116,109
Total assets	$ 3,318,967	$ 3,043,897
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST		
Current liabilities:		
Accounts payable	$ 211	$ 206
Accrued expenses and other current liabilities	201,405	118,946
Income tax payable	21	33
Amounts due to affiliated companies	53,093	42,966
Total current liabilities	254,730	162,151
Long-term debt, net	2,087,486	1,584,660
Other long-term liabilities	17,771	11,778
Deferred tax liabilities, net	—	448
Operating lease liabilities, non-current	14,797	17,137
Total liabilities	$ 2,374,784	$ 1,776,174
Commitments and contingencies (Note 18)		

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS - continued
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2021	2020
Shareholders' equity and participation interest:		
Class A ordinary shares, par value $0.0001; 1,927,488,240 shares authorized; 370,352,700 shares issued and outstanding	$ 37	$ 37
Class B ordinary shares, par value $0.0001; 72,511,760 shares authorized; 72,511,760 shares issued and outstanding	7	7
Additional paid-in capital	2,134,227	2,134,227
Accumulated other comprehensive (loss) income	(6,136)	11,876
Accumulated losses	(1,338,715)	(1,086,160)
Total shareholders' equity	789,420	1,059,987
Participation interest	154,763	207,736
Total shareholders' equity and participation interest	944,183	1,267,723
Total liabilities, shareholders' equity and participation interest	$ 3,318,967	$ 3,043,897

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2021	2020	2019
Operating revenues:			
Provision of gaming related services from related parties	$ (1,455)	$ (42,682)	$ 393,512
Rooms (including revenues from related parties of $30,974, $15,981 and $53,865 for the years ended December 31, 2021, 2020 and 2019, respectively)	38,749	21,997	85,975
Food and beverage (including revenues from related parties of $18,004, $14,487 and $38,719 for the years ended December 31, 2021, 2020 and 2019, respectively)	26,734	22,653	68,706
Entertainment (including revenues from related parties of $361, $25 and $7,685 for the years ended December 31, 2021, 2020 and 2019, respectively)	2,649	1,389	21,815
Services fee from related parties	24,906	26,151	39,470
Mall	13,683	17,008	14,844
Retail and other	1,602	2,692	2,411
Total operating revenues	106,868	49,208	626,733
Operating costs and expenses:			
Provision of gaming related services (including costs to related parties of $27,223, $25,576 and $21,445 for the years ended December 31, 2021, 2020 and 2019, respectively)	(28,085)	(26,993)	(24,179)
Rooms (including costs to related parties of $7,948, $7,527 and $12,491 for the years ended December 31, 2021, 2020 and 2019, respectively)	(12,176)	(11,229)	(21,766)
Food and beverage (including costs to related parties of $17,146, $19,370 and $27,797 for the years ended December 31, 2021, 2020 and 2019, respectively)	(27,853)	(27,301)	(57,718)
Entertainment (including costs to related parties of $2,207, $2,273 and $4,521 for the years ended December 31, 2021, 2020 and 2019, respectively)	(2,842)	(3,409)	(22,719)
Mall (including costs to related parties of $1,711, $2,025 and $2,026 for the years ended December 31, 2021, 2020 and 2019, respectively)	(3,785)	(4,661)	(8,658)
Retail and other (including costs to related parties of $1,331, $1,220 and $1,739 for the years ended December 31, 2021, 2020 and 2019, respectively)	(1,474)	(1,204)	(1,735)
General and administrative (including expenses to related parties of $46,712, $52,213 and $72,847 for the years ended December 31, 2021, 2020 and 2019, respectively)	(87,577)	(89,006)	(128,931)
Pre-opening costs (including expenses to related parties of $351, $240 and $32 for the years ended December 31, 2021, 2020 and 2019, respectively)	(984)	(201)	(2,567)
Amortization of land use right	(3,325)	(3,333)	(3,300)
Depreciation and amortization	(124,309)	(157,001)	(168,643)
Property charges and other (including expenses to related parties of $4,246, $1,694 and $630 for the years ended December 31, 2021, 2020 and 2019, respectively)	(6,031)	(4,798)	(8,521)
Total operating costs and expenses	(298,441)	(329,136)	(448,737)
Operating (loss) income	$ (191,573)	$ (279,928)	$ 177,996

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS - continued
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2021	2020	2019
Non-operating income (expenses):			
Interest income	$ 3,060	$ 1,276	$ 5,861
Interest expenses, net of amounts capitalized	(90,967)	(104,799)	(132,291)
Other financing costs	(419)	(421)	(416)
Foreign exchange gains (losses), net	6,257	(3,434)	(3,975)
Other (expenses) income, net	—	(81)	430
Loss on extinguishment of debt	(28,817)	(18,716)	(2,995)
Costs associated with debt modification	—	—	(579)
Total non-operating expenses, net	(110,886)	(126,175)	(133,965)
(Loss) income before income tax	(302,459)	(406,103)	44,031
Income tax credit (expense)	457	1,011	(402)
Net (loss) income	(302,002)	(405,092)	43,629
Net loss (income) attributable to participation interest	49,447	83,466	(10,065)
Net (loss) income attributable to Studio City International Holdings Limited	$ (252,555)	$ (321,626)	$ 33,564
Net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share:			
Basic	$ (0.682)	$ (1.091)	$ 0.139
Diluted	$ (0.682)	$ (1.103)	$ 0.139
Weighted average Class A ordinary shares outstanding used in net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share calculation:			
Basic	370,352,700	294,837,092	241,818,016
Diluted	370,352,700	367,348,852	241,818,016

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	$ (302,002)	$ (405,092)	$ 43,629
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(21,538)	15,208	18,629
Other comprehensive (loss) income	(21,538)	15,208	18,629
Total comprehensive (loss) income	(323,540)	(389,884)	62,258
Comprehensive loss (income) attributable to participation interest	52,973	79,865	(14,362)
Comprehensive (loss) income attributable to Studio City International Holdings Limited	$ (270,567)	$ (310,019)	$ 47,896

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Studio City International Holdings Limited Shareholders' Equity								
	Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Losses	Participation Interest	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2019	241,818,016	$ 24	72,511,760	$ 7	$1,655,602	$ (14,063)	$ (798,098)	$ 252,929	$1,096,401
Net income	—	—	—	—	—	—	33,564	10,065	43,629
Foreign currency translation adjustments	—	—	—	—	—	14,332	—	4,297	18,629
Balance at December 31, 2019	241,818,016	24	72,511,760	7	1,655,602	269	(764,534)	267,291	1,158,659
Net loss	—	—	—	—	—	—	(321,626)	(83,466)	(405,092)
Foreign currency translation adjustments	—	—	—	—	—	11,607	—	3,601	15,208
Shares issued, net of offering expenses	128,534,684	13	—	—	498,935	—	—	—	498,948
Change in Participation Interest resulted from 2020 Private Placements (as described in Note 13)	—	—	—	—	(20,310)	—	—	20,310	—
Balance at December 31, 2020	370,352,700	37	72,511,760	7	2,134,227	11,876	(1,086,160)	207,736	1,267,723
Net loss	—	—	—	—	—	—	(252,555)	(49,447)	(302,002)
Foreign currency translation adjustments	—	—	—	—	—	(18,012)	—	(3,526)	(21,538)
Balance at December 31, 2021	370,352,700	$ 37	72,511,760	$ 7	$2,134,227	$ (6,136)	$(1,338,715)	$ 154,763	$ 944,183

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net (loss) income	$(302,002)	$ (405,092)	$ 43,629
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	127,634	160,334	171,943
Amortization of deferred financing costs and original issue premiums	1,466	4,507	7,554
Loss (gain) on disposal of property and equipment and other long-term assets	171	(272)	545
Impairment loss recognized on property and equipment	1,500	3,769	—
Write-off of other assets	—	—	7,556
(Reversal) provision for credit losses	(65)	1,277	19
Loss on extinguishment of debt	28,817	18,716	2,995
Costs associated with debt modification	—	—	579
Changes in operating assets and liabilities:			
Accounts receivable	(91)	1,241	324
Amounts due from affiliated companies	(5,750)	54,405	(23,426)
Inventories, prepaid expenses and other	(1,789)	1,931	3,621
Long-term prepayments, deposits and other	6,939	(54,748)	6,267
Accounts payable, accrued expenses and other	(6,024)	22,134	9,521
Amounts due to affiliated companies	14,207	24,512	(3,525)
Other long-term liabilities	(1,854)	(139)	902
Net cash (used in) provided by operating activities	(136,841)	(167,425)	228,504
Cash flows from investing activities:			
Acquisition of property and equipment	(400,367)	(202,712)	(78,588)
Placement of bank deposits with original maturities over three months	(278,700)	—	(60,152)
Funds to an affiliated company	(4,449)	(9,616)	(13,711)
Acquisition of intangible assets	(4,113)	(101)	—
Proceeds from sale of property and equipment and other long-term assets	1,694	2,640	1,377
Withdrawals of bank deposits with original maturities over three months	278,700	—	60,152
Net cash used in investing activities	(407,235)	(209,789)	(90,922)
Cash flows from financing activities:			
Principal payments on long-term debt	(252,944)	(850,000)	(558,466)
Payments of deferred financing costs	(33,297)	(25,411)	(9,913)
Net (payments for) proceeds from issuance of shares	(445)	499,222	(5,063)
Proceeds from long-term debt	758,194	1,000,000	383,466
Net cash provided by (used in) financing activities	471,508	623,811	(189,976)
Effect of exchange rate on cash, cash equivalents and restricted cash	(3,372)	1,530	2,061
(Decrease) increase in cash, cash equivalents and restricted cash	(75,940)	248,127	(50,333)
Cash, cash equivalents and restricted cash at beginning of year	575,359	327,232	377,565
Cash, cash equivalents and restricted cash at end of year	$ 499,419	$ 575,359	$ 327,232

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Supplemental cash flow disclosures:			
Cash paid for interest, net of amounts capitalized	$ (84,141)	$ (81,488)	$ (112,544)
Cash paid for amounts included in the measurement of lease liabilities - operating cash flows from operating leases	$ (734)	$ (735)	$ (1,032)
Change in operating lease right-of-use assets and lease liabilities arising from lease modification	$ (2,575)	$ 3,213	$ (187)
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment	$ 142,682	$ 61,024	$ 20,728
Change in amounts due from/to affiliated companies related to acquisition of property and equipment and other long-term assets	$ 7,477	$ 9,464	$ 18,521
Change in amounts due to affiliated companies related to acquisition of intangible assets	$ —	$ 3,938	$ —
Offering expenses capitalized for the issuance of shares included in accrued expenses and other current liabilities	$ —	$ 445	$ —

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS

(a) Company Information

Studio City International Holdings Limited ("Studio City International") is an exempted company with limited liability registered by way of continuation in the Cayman Islands, with its American depositary shares ("ADSs") listed on the New York Stock Exchange under the symbol "MSC" in the United States of America.

Studio City International together with its subsidiaries (collectively referred to as the "Company") currently operates the non-gaming operations of Studio City, a cinematically-themed integrated resort in Cotai, Macau Special Administrative Region of the People's Republic of China ("Macau"), and provides gaming related services to Melco Resorts (Macau) Limited ("Melco Resorts Macau"), a subsidiary of Melco Resorts & Entertainment Limited ("Melco"), which holds the gaming subconcession in Macau, for the operations of the gaming area at Studio City ("Studio City Casino"). Melco's ADSs are listed on the Nasdaq Global Select Market in the United States of America.

Studio City International authorized two classes of ordinary shares, the Class A ordinary shares and the Class B ordinary shares, in each case with a par value of $0.0001 each. The Class A ordinary share and Class B ordinary share have the same rights, except that holders of the Class B ordinary shares do not have any right to receive dividends or distributions upon the liquidation or winding up of Studio City International or to otherwise share in profits and surplus assets. MCO Cotai Investments Limited ("MCO Cotai"), a subsidiary of Melco, through its ownership of the Class A ordinary shares, is the controlling shareholder of Studio City International. New Cotai, LLC ("New Cotai"), a private company organized in the United States of America, is the holder of all outstanding Class B ordinary shares which have only voting and no economic rights. New Cotai has a non-voting, non-shareholding economic participation interest ("Participation Interest") in MSC Cotai Limited ("MSC Cotai"), a subsidiary of Studio City International, which entitles New Cotai to receive from MSC Cotai an amount equal to a certain percentage of the amount of any distribution, dividend or other consideration paid by MSC Cotai to Studio City International, subject to adjustments, exceptions and conditions as set out in the participation agreement (the "Participation Agreement") entered into by MSC Cotai, New Cotai and Studio City International in 2018 (the "MSC Cotai's Distribution"). The Participation Agreement also provides that New Cotai is entitled to exchange all or a portion of its Participation Interest for a number of Class A ordinary shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement and a proportionate number of Class B ordinary shares will be deemed surrendered and automatically canceled for no consideration as set out in the Participation Agreement when New Cotai exchanges all or a portion of the Participation Interest for Class A ordinary shares. As of December 31, 2021 and 2020, the Participation Interest entitled New Cotai to receive from MSC Cotai an amount equal to approximately 19.6% of the MSC Cotai's Distribution.

As of December 31, 2021 and 2020, Melco International Development Limited ("Melco International"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

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

The disruptions to the Company's business caused by the coronavirus (COVID-19) outbreak continue to have a material effect on its financial condition and operations during 2021.

The Company's operations have been impacted by periodic travel restrictions and quarantine requirements being imposed by the governments of Macau, Hong Kong and the People's Republic of

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS - continued

(b) **Recent Developments Related to COVID-19 and Business Operation** - continued

China ("PRC") in response to various outbreaks and also due to the PRC's "dynamic zero" policy. The appearance of COVID-19 cases in Macau in early August 2021 and late September 2021 led to city-wide mandatory testing, mandatory closure of most entertainment and leisure venues (casinos and gaming areas excluded), and strict travel restrictions and requirements being implemented to enter and exit Macau. Since October 19, 2021, authorities have eased pandemic prevention measures such that travelers are no longer required to undergo a 14-day quarantine on arrival in Zhuhai, and the validity of nucleic acid tests to enter Zhuhai was extended from 24 hours to 7 days. The validity of nucleic acid tests to enter Macau and quarantine requirements upon entry to Macau vary from time to time and is currently set at 24 hours for entry from Zhuhai. Health-related precautionary measures remain in place and non-Macau resident individuals who are not residents of Taiwan, Hong Kong, or the PRC continue to be unable to enter Macau, except if they have been in Hong Kong or the PRC in the preceding 21 days and are eligible for an exemption application.

The COVID-19 outbreak has also impacted the construction schedules of the remaining development project at Studio City. As announced by Studio City International in May 2021, the Macau government granted an extension of the development period under the Studio City land concession to December 27, 2022.

The pace of recovery from COVID-19-related disruptions continues to depend on future events, including duration of travel and visa restrictions, the pace of vaccination progress, development of new medicines for COVID-19 as well as customer sentiment and consumer behavior related to discretionary spending and travel, all of which remain highly uncertain. The Company is currently unable to reasonably estimate the financial impact to its future results of operations, cash flows and financial condition from these disruptions.

As of December 31, 2021, the Company had cash and cash equivalents of $499,289 and available borrowing capacity under the 2016 SC Revolving Credit Facility (as defined in Note 10) of Hong Kong dollars ("HK$") 233,000,000 (equivalent to $29,878), subject to the satisfaction of certain conditions precedent. On February 16, 2022, Studio City Company Limited ("Studio City Company"), a subsidiary of Studio City International, issued $350,000 in aggregate principal amount of 2022 7.000% Studio City Secured Notes (as described in Note 21). In addition, during February and March 2022, Studio City International announced and completed the 2022 Private Placements (as described in Note 21) with gross proceeds amounting to $300,000.

The Company has taken various mitigating measures to manage through the current COVID-19 outbreak challenges, such as implementing cost reduction programs to minimize cash outflows for non-essential items, rationalizing the Company's capital expenditure programs with deferrals and reductions, refinancing existing borrowings and raising additional capital through debt and equity offerings.

The Company believes it will be able to support continuing operations and capital expenditures for at least twelve months after the date that these consolidated financial statements are issued.

Unrelated to the COVID-19 outbreak, in December 2021, Melco Resorts Macau ceased all gaming promoter arrangements at the Studio City Casino. This may impact the provision of gaming related services revenue of the Company going forward.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS - continued

(c) **Macau gaming subconcession contract**

On September 8, 2006, Melco Resorts Macau entered into a subconcession contract to operate its gaming business in Macau. Melco Resorts Macau's subconcession contract expires on June 26, 2022. Under current applicable Macau gaming law, a concession or subconcession may be extended or renewed by order of the Macau Chief Executive, one or more times, up to a maximum of five years.

Melco Resorts Macau and one of the Studio City International's subsidiaries entered into a services and right to use agreement on May 11, 2007, as amended on June 15, 2012, together with related agreements (the "Services and Right to Use Arrangements") under which Melco Resorts Macau agreed to operate the Studio City Casino since the Company does not hold a gaming license in Macau. These arrangements remain effective until June 26, 2022 and will be extended if Melco Resorts Macau obtains a gaming concession, subconcession or other right to legally operate gaming in Macau beyond June 26, 2022 and if the Macau government permits such extension.

The Services and Right to Use Arrangements were approved by the Macau government and are subject to the satisfaction of certain conditions imposed by the Macau government on Melco Resorts Macau and one of the Studio City International's subsidiaries in connection with granting its approval.

In January 2022, the Macau government put forth a proposed law amending the Macau gaming law which is under review and a revised proposed law amending the gaming law is expected to be put forth by the Macau government for final approval by the Macau Legislative Assembly in April 2022.

The Macau government has publicly stated that the concessions and subconcessions contracts may be extended until December 31, 2022 to enable the conclusion of the proposed amendments to Macau's gaming law and the completion of the tender process for new concessions. In March 2022, Melco Resorts Macau filed an application with the Macau government for the extension of its subconcession contract until December 31, 2022. The extension of the subconcession contract is subject to the approval of the Macau government and execution of an addendum to the subconcession contract.

Under the indentures of the senior notes issued by Studio City Finance Limited ("Studio City Finance"), a subsidiary of Studio City International, and the senior secured notes issued by Studio City Company, the respective holders of the senior notes can require the respective issuer to repurchase all or any part of the respective senior notes at par, plus any accrued and unpaid interest (the "Special Put Option") (i) upon the occurrence of any event after which Melco Resorts Macau's subconcession or other permits or authorizations as are necessary for the operation of the Studio City Casino in substantially the same manner and scope as operations were conducted at the issue date of the respective senior notes issued by Studio City Finance and Studio City Company cease to be in full force and effect, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties or results of operations of the respective issuer and its subsidiaries, taken as a whole; or (ii) if the termination, rescission, revocation or modification of Melco Resorts Macau's subconcession has had a material adverse effect on the financial condition, business, properties, or results of operations of the respective issuer and its subsidiaries.

In relation to the credit facilities of Studio City Company, any termination, revocation, rescission or modification of Melco Resorts Macau's subconcession which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company, taken as a whole, would constitute a mandatory prepayment event, which would result in (i) the cancellation of available commitments; and (ii) subject to each lender's election, such electing lender's share of all outstanding amounts under such facilities becoming immediately due and payable.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

1. ORGANIZATION AND BUSINESS - continued

(c) **Macau gaming subconcession contract** - continued

The Company believes Melco Resorts Macau is in a position to satisfy the requirements related to the extension of its subconcession and the award of a new concession as they may be established by the Macau government and, the Services and Right to Use Arrangements will be extended, at least for the transition period of three years. Accordingly, the accompanying consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Presentation and Principles of Consolidation**

Under the Services and Right to Use Arrangements, Melco Resorts Macau deducts gaming taxes and the costs incurred in connection with its operations from Studio City Casino's gross gaming revenues. The Company receives the residual gross gaming revenues and recognizes these amounts as revenues from provision of gaming related services.

In December 2015, certain of the Studio City International's subsidiaries entered into a master services agreement and related work agreements (collectively, the "Management and Shared Services Arrangements") with certain of Melco's subsidiaries with respect to services provided to and from Studio City.

Under the Management and Shared Services Arrangements, certain of the corporate and administrative functions as well as operational activities of the Company are administered by staff employed by certain Melco subsidiaries, including senior management services, centralized corporate functions and operational and venue support services. Payment arrangements for the services are provided for in the individual work agreements and may vary depending on the services provided. Corporate services are charged at pre-negotiated rates, subject to a base fee and cap. Senior management service fees and staff costs on operational services are allocated to the Company based on percentages of efforts on the services provided to the Company. Other costs in relation to shared office equipment are allocated based on a percentage of usage.

The Company believes the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the accompanying consolidated financial statements reflect the Company's cost of doing business. However, such allocations may not be indicative of the actual expenses the Company would have incurred had it operated as an independent company for the periods presented. Details of the services and related charges are disclosed in Note 19.

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

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

(b) **Use of Estimates**

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. These

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(b) **Use of Estimates** - continued

estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) **Fair Value of Financial Instruments**

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

(d) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

Cash equivalents are placed with financial institutions with high-credit ratings and quality.

(e) **Restricted Cash**

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

(f) **Accounts Receivable and Credit Risk**

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

Management believes that as of December 31, 2021 and 2020, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) **Inventories**

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

(h) **Property and Equipment**

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and impairment losses, if any. Gains or losses on dispositions of property and equipment are included in the

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(h) **Property and Equipment** - continued

accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

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

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

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

Buildings	4 to 40 years
Furniture, fixtures and equipment	2 to 15 years
Leasehold improvements	4 to 10 years or over the lease term, whichever is shorter
Motor vehicles	5 years

(i) **Other Long-term Assets**

Other long-term assets, represent the payments for the future economic benefits of certain plant and equipment for the operation of Studio City Casino, transferred from Melco Resorts Macau to the Company pursuant to the Services and Right to Use Arrangements (the "Studio City Gaming Assets"), are stated at cost, net of accumulated amortization, and impairment losses, if any. The legal ownerships of the Studio City Gaming Assets are retained by Melco Resorts Macau. An item of the Studio City Gaming Assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of an item of the Studio City Gaming Assets. Any gain or loss arising on the disposal or retirement of an item of the Studio City Gaming Assets is determined as the difference between the sale proceeds and the carrying amount of an item of the Studio City Gaming Assets and is recognized in the accompanying consolidated statements of operations.

Amortization is recognized so as to write off the cost of the Studio City Gaming Assets using straight-line method over the respective estimated useful lives of the Studio City Gaming Assets, ranging from 2 to 10 years.

(j) **Capitalized Interest**

Interest, including amortization of deferred financing costs, associated with major development and construction projects is capitalized and included in the cost of the projects. The capitalization of interest ceases when the project is substantially completed or the development activity is substantially suspended. The amount to be capitalized is determined by applying the weighted average interest rate of the Company's outstanding borrowings to the average amount of accumulated qualifying capital expenditures for assets under construction during the year. Total interest expenses incurred amounted

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(j) **Capitalized Interest** - continued

to $114,694, $115,697 and $132,291, of which $23,727, $10,898 and nil were capitalized during the years ended December 31, 2021, 2020 and 2019, respectively.

(k) **Intangible Assets**

Intangible assets are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are carried at cost, less accumulated amortization. The Company's intangible assets consist of internal-use software, finite-lived intangible assets. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives.

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

(l) **Impairment of Long-lived Assets**

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

During the years ended December 31, 2021 and 2020, impairment losses of $1,500 and $3,769 were recognized, respectively, mainly due to reconfigurations and renovations at Studio City, and included in property charges and other in the accompanying consolidated statements of operations. As a result of the COVID-19 outbreak as disclosed in Note 1(b), the Company evaluated its long-lived assets for recoverability as of December 31, 2021 and 2020 and concluded no other impairment charges to be recorded. No impairment loss was recognized during the year ended December 31, 2019.

(m) **Deferred Financing Costs**

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) **Land Use Right**

Land use right represents the upfront land premium paid for the use of land held under operating lease, which is recorded at cost less accumulated amortization. Amortization is provided over the estimated term of the land use right of 40 years on a straight-line basis.

(o) **Leases**

On January 1, 2019, the Company adopted the guidance on leases under the accounting standards update (as subsequently amended) issued in February 2016 by the Financial Accounting Standards Board ("FASB"), which amends various aspects of existing accounting guidance for leases, using the modified retrospective method without restating comparative information.

The Company elected the package of practical expedients, which allows the Company not to reassess (1) whether any expired or existing contracts as of the adoption date are or contain a lease, (2) lease classification for any expired or existing leases as of the adoption date; and (3) initial direct costs for any existing leases as of the adoption date. As a result of adoption, the Company recognized $14,745 of operating lease right-of-use assets and $14,745 of operating lease liabilities as of January 1, 2019. The adoption of this guidance did not have a material impact on net income or cash flows.

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

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

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

(p) **Revenue Recognition**

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

Revenues from provision of gaming related services represent revenues arising from the provision of facilities for the operations of Studio City Casino and services related thereto pursuant to the Services

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(p) **Revenue Recognition** - continued

and Right to Use Arrangements, under which Melco Resorts Macau operates the Studio City Casino. Melco Resorts Macau deducts gaming taxes and the costs incurred in connection with the operations of Studio City Casino pursuant to the Services and Right to Use Arrangements, including the standalone selling prices of complimentary services within Studio City provided to the Studio City gaming patrons, from the Studio City Casino gross gaming revenues. The Company recognizes the residual amount as revenues from provision of gaming related services. The Company has concluded that it is not the controlling entity to the arrangements and recognizes the revenues from provision of gaming related services on a net basis.

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

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

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability. The Company's primary types of liabilities related to contracts with customers are advance deposits on rooms and advance ticket sales which represent cash received in advance for goods or services yet to be provided. These amounts are included in accrued expenses and other current liabilities on the accompanying consolidated balance sheets and will be recognized as revenues when the goods or services are provided or the events are held. Decreases in this balance generally represent the recognition of revenues and increases in the balance represent additional deposits made by customers. The deposits are expected to primarily be recognized as revenues within one year. Advance customer deposits and ticket sales of $2,259 as of December 31, 2021 decreased by $144 from the balance of $2,403 as of December 31, 2020. Advance customer deposits and ticket sales of $2,403 as of December 31, 2020 decreased by $1,543 from the balance of $3,946 as of December 31, 2019.

(q) **Pre-opening Costs**

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the years ended December 31, 2021, 2020 and 2019, the Company incurred pre-opening costs in connection with the development and other one-off activities related to the marketing of new facilities and operations of Studio City.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(r) **Advertising and Promotional Costs**

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $4,977, $4,607 and $22,177 for the years ended December 31, 2021, 2020 and 2019, respectively.

(s) **Foreign Currency Transactions and Translations**

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

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

(t) **Comprehensive (Loss) Income and Accumulated Other Comprehensive (Loss) Income**

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

As of December 31, 2021 and 2020, the Company's accumulated other comprehensive (loss) income consisted solely of foreign currency translation adjustments, net of tax and participation interest.

(u) **Income Tax**

The Company is subject to income taxes in Macau and Hong Kong where it operates.

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

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(v) **Net (Loss) Income Attributable to Studio City International Holdings Limited Per Class A Ordinary Share**

Basic net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share is calculated by dividing the net (loss) income attributable to Studio City International Holdings Limited by the weighted average number of Class A ordinary shares outstanding during the year.

Diluted net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share is calculated by dividing the net (loss) income attributable to Studio City International Holdings Limited by the weighted average number of Class A ordinary shares outstanding during the year adjusted to include the number of additional Class A ordinary shares that would have been outstanding if potential dilutive securities had been issued and the if-converted method is applied for the potential dilutive effect of the exchange of Class B ordinary shares for the proportionate number of Class A ordinary shares. During the years ended December 31, 2021 and 2019, there were no potentially dilutive securities issued or outstanding.

Basic and diluted net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share does not include Class B ordinary shares as such shares do not participate in the (loss) income of Studio City International. As a result, Class B ordinary shares are not considered participating securities and are not included in the weighted average number of shares outstanding for purposes of computing net (loss) income attributable to Studio City International Holdings Limited per share.

The weighted average number of Class A ordinary shares used in the calculation of basic and diluted net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share consisted of the following:

	Year Ended December 31,		
	2021	2020	2019
Weighted average number of Class A ordinary shares outstanding used in the calculation of basic net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share	370,352,700	294,837,092	241,818,016
Incremental weighted average number of Class A ordinary shares from assumed exchange of Class B ordinary shares to Class A ordinary shares under the if-converted method	—	72,511,760	—
Weighted average number of Class A ordinary shares outstanding used in the calculation of diluted net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share	370,352,700	367,348,852	241,818,016
Anti-dilutive Class A ordinary shares under the if-converted method excluded from the calculation of diluted net (loss) income attributable to Studio City International Holdings Limited per Class A ordinary share	72,511,760	—	72,511,760

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(w) **Recent Changes in Accounting Standards**

Newly Adopted Accounting Pronouncement

In December 2019, the FASB issued an accounting standards update which simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in Accounting Standards Codification 740, *Income Taxes*, in order to reduce cost and complexity of its application. The Company adopted this new guidance on January 1, 2021 and this adoption did not have a material impact on its consolidated financial statements.

Recent Accounting Pronouncement Not Yet Adopted

The Company has evaluated the recently issued, but not yet effective, accounting pronouncements that have been issued or proposed by the FASB or other standards-setting bodies through the filing date of these financial statements, and anticipated the future adoption of these pronouncements will not have a material effect on the Company's financial position, results of operations and cash flows.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

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

	December 31,	
	2021	2020
Cash and cash equivalents	$499,289	$575,215
Current portion of restricted cash	—	13
Non-current portion of restricted cash	130	131
Total cash, cash equivalents and restricted cash	$499,419	$575,359

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2021	2020
Hotel	$204	$ 106
Other	43	1,027
Sub-total	247	1,133
Less: allowances for credit losses	—	(976)
	$247	$ 157

The Company's allowances for credit losses as of December 31, 2020 were primarily related to receivables for entertainment business.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

4. ACCOUNTS RECEIVABLE, NET - continued

Movement in the allowances for credit losses are as follows:

	Year Ended December 31,		
	2021	2020	2019
Balance at beginning of year	$ 976	$965	$960
Provision for credit losses	—	6	—
Write-offs	(970)	—	—
Effect of exchange rate	(6)	5	5
Balance at end of year	$ —	$976	$965

5. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2021	2020
Cost		
Buildings	$ 2,306,889	$ 2,328,832
Furniture, fixtures and equipment	224,826	196,428
Leasehold improvements	106,200	126,538
Motor vehicles	2,599	2,615
Construction in progress	721,471	256,225
Sub-total	3,361,985	2,910,638
Less: accumulated depreciation and amortization	(805,945)	(729,741)
Property and equipment, net	$ 2,556,040	$ 2,180,897

As of December 31, 2021 and 2020, construction in progress, in relation to Studio City, included interest capitalized in accordance with applicable accounting standards and other direct incidental costs capitalized which, in the aggregate, amounted to $67,974 and $32,497, respectively.

6. INTANGIBLE ASSETS, NET

	December 31,	
	2021	2020
Finite-lived intangible assets:		
Internal-use software	$ 4,207	$4,038
Less: accumulated amortization	(1,430)	(33)
	$ 2,777	$4,005

The amortization expenses of internal-use software recognized for the years ended December 31, 2021 and 2020 were $1,401 and $33, respectively.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

6. INTANGIBLE ASSETS, NET - continued

As of December 31, 2021, the estimated future amortization expenses of internal-use software are as follows:

Year ending December 31,	
2022	$1,402
2023	1,369
2024	6
	$2,777

7. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

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

	December 31,	
	2021	2020
Other long-term assets	$ 108,494	$ 106,268
Less: accumulated amortization	(89,017)	(80,170)
Other long-term assets, net	19,477	26,098
Long-term prepayments	23,644	48,469
Advance payments and deposits for acquisition of property and equipment	21,651	30,928
Other deposits and other	4,463	11,620
Deferred financing costs, net	389	440
Long-term prepayments, deposits and other assets	$ 69,624	$ 117,555

8. LAND USE RIGHT, NET

	December 31,	
	2021	2020
Cost	$ 178,041	$ 179,091
Less: accumulated amortization	(65,927)	(62,982)
Land use right, net	$ 112,114	$ 116,109

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2021	2020
Property and equipment payables	$ 131,071	$ 49,161
Interest expenses payable	54,182	45,737
Operating expense and other accruals and liabilities	12,994	20,650
Advance customer deposits and ticket sales	2,259	2,403
Operating lease liabilities	899	995
	$ 201,405	$ 118,946

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2021	December 31, 2020
Senior Notes		
2021 5.000% Studio City Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $4,798)	$ 1,095,202	$ —
2020 6.000% SC Notes, due 2025 (net of unamortized deferred financing costs of $3,658 and $4,566, respectively)	496,342	495,434
2020 6.500% SC Notes, due 2028 (net of unamortized deferred financing costs of $4,186 and $4,738, respectively)	495,814	495,262
2019 7.250% Studio City Notes, due 2024 (net of unamortized deferred financing costs of $6,165)	—	593,835
Credit Facilities		
2016 Studio City Credit Facilities[(1)]	128	129
	$ 2,087,486	$ 1,584,660

Note
(1) As of December 31, 2021 and 2020, the unamortized deferred financing costs related to the 2016 SC Revolving Credit Facility of the 2016 Studio City Credit Facilities of $389 and $440 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

(a) Senior Notes

2021 5.000% Studio City Notes

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

The net proceeds from the offering of the 2021 5.000% Studio City Notes were partially used to fund the Conditional Tender Offer and the Redemption of the 2019 7.250% Studio City Notes (as described below); and with the remaining balance to partially fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2021 5.000% Studio City Notes - continued

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

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

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

There are provisions under the indenture governing the 2021 5.000% Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who are not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2021, the net assets of Studio City Finance and its restricted subsidiaries of approximately $964,000 were restricted from being distributed under the terms of the 2021 5.000% Studio City Notes.

On July 26, 2021, the 2021 5.000% Studio City Notes which were originally listed on the Official List of the Singapore Exchange Securities Trading Limited, were also listed on the Chongwa (Macao) Financial Asset Exchange Co., Limited.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 Studio City Notes

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

The net proceeds from the offering of the 2020 Studio City Notes were partially used to redeem in full the previous senior secured notes of Studio City Company with accrued interest and redemption premium in August 2020 and with the remaining amount used for the capital expenditures of the remaining development project at Studio City.

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

At any time prior to July 15, 2022, Studio City Finance has the options i) to redeem all or a portion of the 2020 6.000% SC Notes at a "make-whole" redemption price; and ii) to redeem up to 35% of the 2020 6.000% SC Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the 2020 6.000% SC Notes at any time at fixed redemption prices that decline ratably over time. At any time prior to July 15, 2023, Studio City Finance has the options i) to redeem all or a portion of the 2020 6.500% SC Notes at a "make-whole" redemption price; and ii) to redeem up to 35% of the 2020 6.500% SC Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the 2020 6.500% SC Notes at any time at fixed redemption prices that decline ratably over time. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes, Studio City Finance also has the option to redeem in whole, but not in part the 2020 Studio City Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes,

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 Studio City Notes - continued

each holder of the 2020 Studio City Notes will have the right to require Studio City Finance to repurchase all or any part of such holder's 2020 Studio City Notes at a fixed redemption price.

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

There are provisions under the indenture governing the 2020 Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who are not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2021, the net assets of Studio City Finance and its restricted subsidiaries of approximately $964,000 were restricted from being distributed under the terms of the 2020 Studio City Notes.

2019 7.250% Studio City Notes

On February 11, 2019, Studio City Finance issued $600,000 in aggregate principal amount of 7.250% senior notes due February 11, 2024 at an issue price of 100% of the principal amount (the "2019 7.250% Studio City Notes"). The interest on the 2019 7.250% Studio City Notes was accrued at a rate of 7.250% per annum and was payable semi-annually in arrears. The net proceeds from the offering of the 2019 7.250% Studio City Notes were used to partially fund the conditional tender offer and the remaining outstanding balance with accrued interest of the previous senior notes of Studio City Finance in March 2019 and with the remaining amount used for general corporate purposes.

On January 4, 2021, Studio City Finance initiated a conditional tender offer (the "Conditional Tender Offer") to purchase for cash any and all of the outstanding 2019 7.250% Studio City Notes with accrued interest. The Conditional Tender Offer was conditional upon, among other things, Studio City Finance raising sufficient funding from the completion of one or more financing transactions, together with cash on hand, to fund the purchase of validly tendered notes. The Conditional Tender Offer expired on January 11, 2021 with $347,056 aggregate principal amount of the 2019 7.250% Studio City Notes tendered.

Studio City Finance used a portion of the net proceeds from the offering of the First 2021 5.000% Studio City Notes to fund the Conditional Tender Offer, and, on February 17, 2021, redeem the 2019 7.250% Studio City Notes in aggregate principal amount of $252,944 which remained outstanding following the completion of the Conditional Tender Offer, together with accrued interest (the "Redemption").

In connection with the full redemption of the 2019 7.250% Studio City Notes, the Company recorded a loss on extinguishment of debt of $28,817 during the year ended December 31, 2021.

10. LONG-TERM DEBT, NET - continued

(b) Credit Facilities

2016 Studio City Credit Facilities

On November 30, 2016, Studio City Company (the "Studio City Borrower") amended and restated the Studio City Borrower's prior senior secured credit facilities agreement from HK$10,855,880,000 (equivalent to $1,395,357) to a HK$234,000,000 (equivalent to $30,077) senior secured credit facilities agreement (the "2016 Studio City Credit Facilities"), comprising a HK$1,000,000 (equivalent to $129) term loan facility (the "2016 SC Term Loan Facility") and a HK$233,000,000 (equivalent to $29,948) revolving credit facility (the "2016 SC Revolving Credit Facility"). As of December 31, 2021, the outstanding principal amount of the 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility were HK$1,000,000 (equivalent to $128) and nil, respectively, and the available borrowing capacity under the 2016 SC Revolving Credit Facility was HK$233,000,000 (equivalent to $29,878).

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

The 2016 SC Term Loan Facility is collateralized by cash of HK$1,012,500 (equivalent to $130). The Studio City Borrower is subject to mandatory prepayment requirements in respect of various amounts of the 2016 SC Revolving Credit Facility as specified in the 2016 Studio City Credit Facilities; in the event of the disposal of all or substantially all of the business and assets of the Studio City borrowing group which includes the Studio City Borrower and certain of its subsidiaries as defined under the 2016 Studio City Credit Facilities (the "2016 Studio City Borrowing Group"), the 2016 Studio City Credit Facilities are required to be repaid in full. In the event of a change of control, the Studio City Borrower may be required, at the election of any lender under the 2016 Studio City Credit Facilities, to repay such lender in full (other than the principal amount of the 2016 SC Term Loan Facility).

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

The 2016 Studio City Credit Facilities contain certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Company, Studio City Investments and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens;

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2016 Studio City Credit Facilities - continued

(vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with shareholders or affiliates; and (xi) effect a consolidation or merger. The 2016 Studio City Credit Facilities also contain conditions and events of default customary for such financings.

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

There are provisions that limit certain payments of dividends and other distributions by the 2016 Studio City Borrowing Group to companies or persons who are not members of the 2016 Studio City Borrowing Group. As of December 31, 2021, the net assets of Studio City Investments and its restricted subsidiaries of approximately $900,000 were restricted from being distributed under the terms of the 2016 Studio City Credit Facilities.

Borrowings under the 2016 Studio City Credit Facilities bear interest at HIBOR plus a margin of 4% per annum. The Studio City Borrower may select an interest period for borrowings under the 2016 Studio City Credit Facilities ranging from one to six months or any other agreed period. The Studio City Borrower is obligated to pay a commitment fee on the undrawn amount of the 2016 SC Revolving Credit Facility and recognized loan commitment fees of $419, $421 and $416 during the years ended December 31, 2021, 2020 and 2019, respectively.

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

During the years ended December 31, 2021, 2020 and 2019, the Company's average borrowing rates were approximately 5.69%, 6.98% and 7.05% per annum, respectively.

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2021 are as follows:

Year ending December 31,	
2022	$ —
2023	—
2024	—
2025	500,000
2026	—
Over 2026	1,600,128
	$ 2,100,128

11. LEASES

Lessee Arrangements

The Company is the lessee under operating leases for equipment and real estate, including the land in Macau on which Studio City is located. Certain leases include options to extend the lease term and options to

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LEASES - continued

Lessee Arrangements - continued

terminate the lease term. The land concession contract of Studio City has a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contract of Studio City is 40 years.

The components of operating lease costs are as follows:

	Year Ended December 31,	
	2021	2020
Amortization of land use right	$ 3,325	$ 3,333
Operating lease costs	1,094	1,108
Short-term lease costs	—	405
Total operating lease costs	$ 4,419	$ 4,846

Other information related to lease term and discount rate of operating leases is as follows:

	December 31,	
	2021	2020
Weighted average remaining lease term	33.9 years	34.9 years
Weighted average discount rate	6.30%	5.25%

Maturities of operating lease liabilities as of December 31, 2021 are as follows:

Year ending December 31,	
2022	$ 923
2023	1,128
2024	1,128
2025	1,128
2026	1,128
Over 2026	32,494
Total future minimum lease payments	37,929
Less: amount representing interest	(22,233)
Present value of future minimum lease payments	15,696
Current portion	(899)
Non-current portion	$ 14,797

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in Studio City with various retailers that expire at various dates through August 2028. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the years ended December 31, 2021 and 2019, the Company earned minimum operating lease income of $7,125 and $150 and contingent operating lease income of $1,638 and $8,077, respectively. During the year ended December 31, 2020, the Company earned minimum operating lease income of

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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11. LEASES - continued

Lessor Arrangements - continued

$12,064 and contingent operating lease income of $(1,254). Total lease income for the year ended December 31, 2020 was reduced by $3,913 as a result of the rent concessions and uncollectible lease income related to the effects of the COVID-19 outbreak.

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2021 were as follows:

Year ending December 31,	
2022	$ 6,972
2023	2,293
2024	1,791
2025	979
2026	979
Over 2026	1,300
	$14,314

12. FAIR VALUE MEASUREMENTS

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

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

The carrying values of cash and cash equivalents and restricted cash approximated fair value and were classified as level 1 in the fair value hierarchy. The carrying values of long-term deposits and other long-term liabilities approximated fair value and were classified as level 2 in the fair value hierarchy.

The estimated fair value of long-term debt as of December 31, 2021 and 2020 were approximately $1,953,539 and $1,693,260, respectively, as compared to its carrying value, excluding unamortized deferred financing costs and original issue premiums, of $2,100,128 and $1,600,129, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2021 5.000% Studio City Notes , the 2020 Studio City Notes and the 2019 7.250% Studio City Notes. Fair value for the 2016 Studio City Credit Facilities approximated the carrying value as the instrument carried variable interest rates that approximated the market rates and was classified as level 2 in the fair value hierarchy.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. FAIR VALUE MEASUREMENTS - continued

As of December 31, 2021 and 2020, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

13. CAPITAL STRUCTURE

During July and August 2020, Studio City International respectively announced and completed a series of private offers (the "2020 Private Placements") of 72,185,488 Class A ordinary shares and 14,087,299 ADSs (representing 56,349,196 Class A ordinary shares) to certain existing shareholders and holders of its ADSs, including Melco, with gross proceeds amounting to $500,000 and offering expenses of $1,052. The 2020 Private Placements resulted in an adjustment to the carrying amount of the Participation Interest with a corresponding decrease in the Company's additional paid-in capital.

As of December 31, 2021 and 2020, Studio City International's authorized share capital was 1,927,488,240 Class A ordinary shares and 72,511,760 Class B ordinary shares of a par value of $0.0001 each; and 370,352,700 Class A ordinary shares and 72,511,760 Class B ordinary shares were issued and outstanding.

14. INCOME TAXES

(Loss) income before income tax consisted of:

	Year Ended December 31,		
	2021	2020	2019
Macau operations	$(191,655)	$(278,388)	$ 181,579
Hong Kong and other jurisdictions operations	(110,804)	(127,715)	(137,548)
(Loss) income before income tax	$(302,459)	$(406,103)	$ 44,031

The income tax (credit) expense consisted of:

	Year Ended December 31,		
	2021	2020	2019
Income tax expense - current:			
Hong Kong Profits Tax	$ 9	$ —	$ —
(Over) under provision of income taxes in prior years:			
Macau Complementary Tax	(29)	—	—
Hong Kong Profits Tax	8	—	—
Sub-total	(21)	—	—
Income tax (credit) expense - deferred:			
Macau Complementary Tax	(445)	(1,011)	402
Total income tax (credit) expense	$ (457)	$ (1,011)	$ 402

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

14. INCOME TAXES - continued

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

	Year Ended December 31,		
	2021	2020	2019
(Loss) income before income tax	$(302,459)	$(406,103)	$ 44,031
Macau Complementary Tax rate	12%	12%	12%
Income tax (credit) expense at Macau Complementary Tax rate	(36,295)	(48,732)	5,284
Effect of different tax rates of subsidiaries operating in other jurisdictions	(5,385)	(2,995)	—
Over provision in prior years	(21)	—	—
Effect of income for which no income tax expense is payable	(534)	(295)	—
Effect of expenses for which no income tax benefit is receivable	20,970	19,724	17,438
Effect of profits exempted from Macau Complementary Tax	—	—	(42,203)
Effect of tax losses that cannot be carried forward	5,532	10,768	—
Changes in valuation allowances	(925)	7,361	5,017
Expired tax losses	16,201	13,158	14,866
Income tax (credit) expense	$ (457)	$ (1,011)	$ 402

Studio City International and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands (“BVI”), where they are incorporated, while one of these subsidiaries incorporated in BVI is subject to Hong Kong Profits Tax on income derived from Hong Kong during the years ended December 31, 2021, 2020 and 2019. The remaining subsidiaries of Studio City International incorporated in Macau and Hong Kong are subject to Macau Complementary Tax and Hong Kong Profits Tax, respectively, during the years ended December 31, 2021, 2020 and 2019.

Macau Complementary Tax and Hong Kong Profits Tax have been provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the years ended December 31, 2021, 2020 and 2019, if applicable.

Pursuant to the approval notice issued by the Macau government in January 2017, one of the Studio City International’s subsidiaries in Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements for an additional five years from 2017 to 2021, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. Such subsidiary has applied for an extension of the Macau Complementary Tax exemption for the period from January 1, 2022 to June 26, 2022 and the application is currently pending approval by the Macau government. The non-gaming profits and dividend distributions of such subsidiary to its shareholders continue to be subject to Macau Complementary Tax.

During the years ended December 31, 2021 and 2020, the subsidiary of Studio City International did not have any profits generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements. During the year ended December 31, 2019, had the subsidiary of Studio City International not received the income tax exemption on profits generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements, the Company’s consolidated net income attributable to Studio City International Holdings Limited for the year ended December 31, 2019 would have been decreased by $32,467 and diluted net income attributable to Studio City International Holdings Limited per Class A ordinary share would have been decreased by $0.134 per share.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

14. INCOME TAXES - continued

The effective tax rates for the years ended December 31, 2021, 2020 and 2019 were 0.2%, 0.2% and 0.9%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the Company's majority operations are located, primarily due to the effect of expenses for which no income tax benefit is receivable, the effect of expired tax losses and the effect of changes in valuation allowances for the relevant years together with the effect of different tax rates of subsidiaries operating in other jurisdictions, the effect of tax losses that cannot be carried forward for the years ended December 31, 2021 and 2020, and the effect of profits exempted from Macau Complementary Tax for the year ended December 31, 2019.

The net deferred tax liabilities as of December 31, 2021 and 2020 consisted of the following:

	December 31,	
	2021	2020
Deferred tax assets		
Net operating losses carried forward	$ 45,009	$ 49,448
Depreciation and amortization	30,076	27,004
Lease liabilities	1,883	2,176
Others	58	207
Sub-total	77,026	78,835
Valuation allowances	(74,417)	(75,867)
Total deferred tax assets	2,609	2,968
Deferred tax liabilities		
Right-of-use assets	(1,750)	(2,086)
Unrealized capital allowances	(859)	(1,330)
Total deferred tax liabilities	(2,609)	(3,416)
Deferred tax liabilities, net	$ —	$ (448)

As of December 31, 2021 and 2020, valuation allowances of $74,417 and $75,867 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2021, adjusted operating tax losses carried forward, amounting to $130,596, $144,252 and $100,227 will expire in 2022, 2023 and 2024, respectively. Adjusted operating tax losses carried forward of $135,008 expired during the year ended December 31, 2021.

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

Undistributed earnings of a foreign subsidiary of Studio City International available for distribution to Studio City International of approximately $846,735 and $892,924 as at December 31, 2021 and 2020, respectively, are considered to be indefinitely reinvested. Accordingly, no provision has been made for the dividend withholding taxes that would be payable upon the distribution of those amounts to Studio City International. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, Studio City International would have to record a deferred income tax liability in respect of those

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

14. INCOME TAXES - continued

undistributed earnings of approximately $101,608 and $107,151 as at December 31, 2021 and 2020, respectively.

The Company concluded that there were no significant uncertain tax positions requiring recognition in the accompanying consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 and there are no material unrecognized tax benefits which would favorably affect the effective income tax rates in future periods. As of December 31, 2021 and 2020, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Income tax returns of Studio City International's subsidiaries remain open and subject to examination by the tax authorities of Macau and Hong Kong until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau and Hong Kong are five years and six years, respectively.

15. SHARE-BASED COMPENSATION

Certain restricted shares were approved by Melco be granted to the eligible management personnel of Melco in lieu of the bonus for their services performed during 2021 and 2020 under respective share incentive plans adopted by Melco in 2021 and 2011 (the "Bonus Restricted Shares"). The Bonus Restricted Shares for 2021 are expected to be granted in April 2022 and the Bonus Restricted Shares for 2020 were granted in March 2021. The Bonus Restricted Shares vest immediately on its grant dates and the grant date fair value was determined with reference to the closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant.

In accordance with the applicable accounting standards, the share-based compensation expenses related to the grant of Bonus Restricted Shares for 2021 and 2020 to the eligible management personnel of Melco, to the extent of services received by the Company, were recognized for the years ended December 31, 2021 and 2020, respectively, in the accompanying consolidated statements of operations with a corresponding increase in amounts due to affiliated companies as the amounts were charged to the Company by Melco and its subsidiaries under the Management and Shared Services Arrangements.

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

	Year Ended December 31,	
	2021	2020
Share-based compensation expenses	$ 438	$ 1,200
Less: share-based compensation expenses capitalized in construction in progress	—	(409)
Share-based compensation expenses recognized in General and administrative expenses	$ 438	$ 791

16. EMPLOYEE BENEFIT PLANS

The Company provides defined contribution plans for its employees in Macau. Certain executive officers of the Company are members of defined contribution plan in Hong Kong operated by Melco. During the years

16. EMPLOYEE BENEFIT PLANS - continued

ended December 31, 2021, 2020 and 2019, the Company's contributions into these plans were $8, $28 and $(20), respectively.

17. DISTRIBUTION OF PROFITS

All subsidiaries of Studio City International incorporated in Macau are required to set aside a minimum of 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the board of directors of the relevant subsidiaries. As of December 31, 2021 and 2020, the balance of the reserve amounted to $6 and $6, respectively.

The Company's borrowings, subject to certain exceptions and conditions, contain certain restrictions on paying dividends and other distributions, as defined in the respective indentures governing the relevant senior notes and the credit facility agreement, details of which are disclosed in Note 10 under each of the respective borrowings.

During the years ended December 31, 2021, 2020 and 2019, Studio City International did not declare or pay any cash dividends on the ordinary shares. No dividends have been proposed since the end of the reporting period.

18. COMMITMENTS AND CONTINGENCIES

(a) **Capital Commitments**

As of December 31, 2021, the Company had capital commitments contracted for but not incurred for the construction and acquisition of property and equipment for Studio City totaling $298,918.

(b) **Other Commitment**

Studio City Land Concession

In accordance with the Studio City land concession and the extension granted by the Macau government as announced by Studio City International in May 2021, the land on which Studio City is located must be fully developed by December 27, 2022.

(c) **Guarantee**

Except as disclosed in Note 10, the Company has made the following significant guarantee as of December 31, 2021:

Trade Credit Facility

In October 2013, one of the Studio City International's subsidiaries entered into a trade credit facility agreement for HK$200,000,000 (equivalent to $25,646) ("Trade Credit Facility") with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility which matured on August 31, 2021 was further extended to August 31, 2023, and is guaranteed by Studio City Company. As of December 31, 2021, approximately $641 of the Trade Credit Facility had been utilized.

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(In thousands of U.S. dollars, except share and per share data)

18. COMMITMENTS AND CONTINGENCIES - continued

(d) **Litigation**

As of December 31, 2021, the Company was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impacts on the Company's consolidated financial statements as a whole.

19. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021, 2020 and 2019, the Company entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2021	2020	2019
Transactions with affiliated companies				
Melco and its subsidiaries	**Revenues (services provided by the Company):**			
	Provision of gaming related services	$ (1,455)	$ (42,682)	$ 393,512
	Rooms and food and beverage[1]	48,978	30,468	92,584
	Services fee[2]	24,906	26,151	39,470
	Entertainment[1]	361	25	7,685
	Costs and expenses (services provided to the Company):			
	Staff costs recharges[3][4]	59,676	65,515	89,273
	Corporate services[5]	32,354	32,354	34,519
	Other services	16,696	14,118	16,117
	Staff costs for construction and renovation work capitalized[4]	11,362	10,949	7,864
	Purchases of goods and services	149	151	523
	Sale and purchase of assets:			
	Sale of property and equipment and other long-term assets	1,695	2,692	1,323
	Transfer-in of other long-term assets	5,167	7,206	17,516
	Purchases of intangible assets	192	3,938	—
A joint venture and a subsidiary of MECOM Power and Construction Limited ("MECOM")[6]				
	Costs and expenses (services provided to the Company):			
	Consultancy fee	—	—	3,096
	Purchase of assets:			
	Construction and renovation work performed and recognized as property and equipment	—	—	4,328

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

19. RELATED PARTY TRANSACTIONS - continued

Notes

(1) These revenues primarily represented the standalone selling prices of the complimentary services (including rooms, food and beverage and entertainment services) provided to Studio City Casino's gaming patrons and charged to Melco Resorts Macau. For the years ended December 31, 2021, 2020 and 2019, the related party rooms and food and beverage revenues and entertainment revenues aggregated to $49,339, $30,493 and $100,269, respectively, of which $44,117, $27,090 and $87,005 related to Studio City Casino's gaming patrons and $5,222, $3,403 and $13,264 related to non-Studio City Casino's gaming patrons, respectively.

(2) Services provided by the Company to Melco and its subsidiaries mainly include, but are not limited to, certain shared administrative services and shuttle bus transportation services provided to Studio City Casino.

(3) Staff costs are recharged by Melco and its subsidiaries for staff who are solely dedicated to Studio City to carry out activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities and staff costs for certain shared administrative services.

(4) These staff costs included share-based compensation expenses.

(5) Corporate services are provided to the Company by Melco and its subsidiaries. These services include, but are not limited to, general corporate services and senior executive management services for operational purposes.

(6) A company in which Mr. Lawrence Yau Lung Ho, Studio City International's director, had beneficial interest of approximately 20% until December 10, 2019, the date on which Mr. Lawrence Yau Lung Ho disposed his entire beneficial interest in MECOM. The amount in 2019 represents the transactions with a joint venture and a subsidiary of MECOM during the period from January 1, 2019 to December 10, 2019.

Other Related Party Transaction

As of December 31, 2021 and 2020, Mr. Lawrence Yau Lung Ho and his controlled entity held an aggregate principal amount of $60,000 and $60,000 of senior notes issued by Studio City Finance, respectively.

During the years ended December 31, 2021 and 2020, total interest expenses of $4,494 and $1,740 in relation to the senior notes issued by Studio City Finance, were paid or payable to Mr. Lawrence Yau Lung Ho and his controlled entity, respectively.

(a) **Amounts Due from Affiliated Companies**

The outstanding balances as of December 31, 2021 and 2020 are receivables from Melco's subsidiaries mainly arising from operating income or prepayment of operating expenses, and are unsecured, non-interest bearing and repayable on demand.

(b) **Amounts Due to Affiliated Companies**

The outstanding balances as of December 31, 2021 and 2020 are payables to Melco and its subsidiaries mainly arising from operating expenses, and are unsecured, non-interest bearing and repayable on demand.

20. SEGMENT INFORMATION

The Company's principal operating activities are engaged in the hospitality business and provision of gaming related services in Macau. The Company monitors its operations and evaluates its earnings by reviewing the assets and operations of Studio City as one operating segment. Accordingly, the Company does not present separate segment information. As of December 31, 2021 and 2020, the Company operated in one geographical area, Macau, where it derives its revenues and its long-lived assets are located.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

21. SUBSEQUENT EVENTS

(a) On February 16, 2022, Studio City Company issued $350,000 in aggregate principal amount of 7.000% senior secured notes due February 15, 2027 at an issue price of 100% of the principal amount (the "2022 7.000% Studio City Secured Notes"). The net proceeds from the offering of the 2022 7.000% Studio City Secured Notes will be used to fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes. All of the existing subsidiaries of Studio City Investments (other than Studio City Company) and any other future restricted subsidiaries as defined in the 2022 7.000% Studio City Secured Notes are guarantors to guarantee the indebtedness under the 2022 7.000% Studio City Secured Notes.

(b) During February and March 2022, Studio City International respectively announced and completed a series of private offers of its 400,000,000 Class A ordinary shares to certain existing shareholders and holders of its ADSs, including Melco, with gross proceeds amounting to $300,000 (the "2022 Private Placements").

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STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 38	$ 11
Total current assets	38	11
Investments in subsidiaries	790,471	1,061,037
Other long-term assets	452	—
Total assets	$ 790,961	$ 1,061,048
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	$ 1,186	$ 445
Amounts due to subsidiaries	355	616
Total current liabilities	1,541	1,061
Total liabilities	1,541	1,061
Shareholders' equity:		
Class A ordinary shares, par value $0.0001; 1,927,488,240 shares authorized; 370,352,700 shares issued and outstanding	37	37
Class B ordinary shares, par value $0.0001; 72,511,760 shares authorized; 72,511,760 shares issued and outstanding	7	7
Additional paid-in capital	2,134,227	2,134,227
Accumulated other comprehensive (loss) income	(6,136)	11,876
Accumulated losses	(1,338,715)	(1,086,160)
Total shareholders' equity	789,420	1,059,987
Total liabilities and shareholders' equity	$ 790,961	$ 1,061,048

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Operating revenues	$ —	$ —	$ —
Operating costs and expenses	—	—	—
Operating loss	—	—	—
Non-operating (expenses) income:			
Foreign exchange (losses) gains, net	(1)	1	1
Share of results of subsidiaries	(252,554)	(321,627)	33,563
Total non-operating (expenses) income, net	(252,555)	(321,626)	33,564
(Loss) income before income tax	(252,555)	(321,626)	33,564
Income tax expense	—	—	—
Net (loss) income	$ (252,555)	$ (321,626)	$ 33,564

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	$ (252,555)	$ (321,626)	$ 33,564
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(18,012)	11,607	14,332
Other comprehensive (loss) income	(18,012)	11,607	14,332
Total comprehensive (loss) income	$ (270,567)	$ (310,019)	$ 47,896

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	$ 472	$ (119)	$ 1
Cash flow from an investing activity:			
Advances to subsidiaries	—	(500,000)	—
Cash used in an investing activity	—	(500,000)	—
Cash flow from a financing activity:			
Net (payments for) proceeds from issuance of shares	(445)	499,222	(5,063)
Cash (used in) provided by a financing activity	(445)	499,222	(5,063)
Increase (decrease) in cash and cash equivalents	27	(897)	(5,062)
Cash and cash equivalents at beginning of year	11	908	5,970
Cash and cash equivalents at end of year	$ 38	$ 11	$ 908
Supplemental cash flow disclosure:			
Offering expenses capitalized for the issuance of shares included in accrued expenses and other current liabilities	$ —	$ 445	$ —

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO CONDENSED FINANCIAL STATEMENT SCHEDULE 1
(In thousands of U.S. dollars)

1. Schedule 1 has been provided pursuant to the requirements of Rule 12-04(a) and 4-08(e)(3) of Regulation S-X, which require condensed financial information as to financial position, cash flows and results and operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of the consolidated and unconsolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. As of December 31, 2021, approximately $964,000 of the restricted net assets were not available for distribution and, as such, the condensed financial information of Studio City International has been presented for the years ended December 31, 2021, 2020 and 2019. Studio City International did not receive any cash dividend from its subsidiary during the years ended December 31, 2021, 2020 and 2019.

2. Basis of Presentation

   The accompanying condensed financial information has been prepared using the same accounting policies as set out in Studio City International's consolidated financial statements except that the parent company has used the equity method to account for its investments in subsidiaries.

Exhibit 2.11

Execution Version

STUDIO CITY COMPANY LIMITED,

as Company

THE GUARANTORS PARTIES HERETO,

7.00% SENIOR SECURED NOTES DUE 2027

INDENTURE

February 16, 2022

DEUTSCHE BANK TRUST COMPANY AMERICAS,

as Trustee, Paying Agent, Registrar and Transfer Agent

and

THE OTHER PERSONS FROM TIME TO TIME PARTY HERETO

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INDENTURE dated as of February 16, 2022 among Studio City Company Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands with company number 1673603 (the "*Company*"), Studio City Investments Limited (the "*Parent Guarantor*"), and certain subsidiaries of the Parent Guarantor from time to time parties hereto (the "*Subsidiary Guarantors*") and Deutsche Bank Trust Company Americas, as Trustee, Paying Agent, Registrar and Transfer Agent. On the Issue Date, each of the Security Agent and the Intercreditor Agent (as such terms defined below) will accede to this Indenture by delivering a duly and validly executed supplemental indenture substantially in the form of Exhibit E.

Each party agrees as follows for the benefit of each other and for the other parties hereto and for the equal and ratable benefit of the Holders (as defined herein) of the 7.00% Senior Secured Notes due 2027 (the "*Notes*"):

ARTICLE 1
DEFINITIONS

Section 1.01 *Definitions*.

"*144A Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, that will be issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"*Acquired Indebtedness*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Additional Notes*" means additional Notes (other than the Initial Notes) issued under this Indenture in accordance with Section 2.02 and Section 4.09 hereof, as part of the same series as the Initial Notes; *provided that* any Additional Notes that are not fungible with the Notes for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number than any previously issued Notes, but shall otherwise be treated as a single class with all other Notes issued under this Indenture.

"*Additional Intercreditor Agreement*" means any intercreditor agreement entered into in connection with the Incurrence of any Indebtedness that is permitted to share the Collateral or that is otherwise permitted to be incurred under this Indenture, by the Company, the relevant Guarantors, the Trustee, the Security Agent and the Intercreditor Agent (without the consent of Holders) on terms substantially similar to the Intercreditor Agreement (or on terms more favorable to the Holders) or an accession or amendment to or an amendment and restatement of the Intercreditor Agreement (which accession or amendment does not adversely affect the rights of the Holders).

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control*," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided that* beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Agent*" means any Registrar, co-registrar, Paying Agent, Transfer Agent or additional paying agents or transfer agents.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at February 15, 2024 (such redemption price being set forth in the table appearing in Section 3.07 hereof) plus (ii) all required interest payments due on the Note through February 15, 2024 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note, if greater,

as calculated by the Company or on behalf of the Company by such Person as the Company may engage. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Transfer Agent or the Registrar.

"*Applicable Procedures*" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream, Luxembourg that apply to such transfer or exchange.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided that* the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole will be governed by the provisions of this Indenture described in Section 4.16 hereof and/or the provisions described in Section 5.01 hereof and not by the provisions of Section 4.10 hereof;

(2) the issuance of Equity Interests in any of the Restricted Subsidiaries of the Parent Guarantor or the sale of Equity Interests in any of the Parent Guarantor's Subsidiaries; and

(3) any Event of Loss.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than US$5.0 million;

(2) a transfer of assets between or among the Parent Guarantor and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Parent Guarantor to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor;

(4) the sale, license, transfer, lease (including the right to use) or other disposal of products, services, rights, accounts receivable, undertakings, establishments or other current assets or cessation of any undertaking or establishment in the ordinary course of business (including pursuant to any shared services agreements (including the MSA), Revenue Sharing Agreement or any construction and development activities) and any sale or other disposition of damaged, worn-out, surplus or obsolete assets (or the dissolution of any Dormant Subsidiary) in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) any transfer, termination or unwinding or other disposition of Hedging Obligations in the ordinary course of business;

(7) a transaction covered under Section 5.01 or Section 4.16;

(8) the lease of, right to use or equivalent interest under Macau law on that portion of real property granted to Studio City Developments Limited pursuant to the applicable land concession granted by the government of the Macau SAR in connection with the development of the Phase II Project in accordance with such applicable land concession;

(9) a Restricted Payment that does not violate the provisions of Section 4.07 hereof or a Permitted Investment, and any other payment under the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and any transactions or arrangements involving contractual rights under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof;

(10) (i) the lease, sublease, license or right to use of any portion of the Property to persons who, either directly or through Affiliates of such persons, intend to develop, operate or manage gaming, hotel, nightclubs, bars, restaurants, malls, amusements, attractions, recreation, spa, pool, exercise or gym facilities, or entertainment facilities or venues or retail shops or venues or similar or related establishments or facilities within the Property and (ii) the grant of declarations of covenants, conditions and restrictions and/or easements or other rights to use with respect to common area spaces and similar instruments benefiting such tenants of such lease, subleases licenses and rights to use generally and/or entered into connection with the Property (collectively, the "*Venue Easements*"); *provided that* no Venue Easements or operations conducted pursuant thereto would reasonably be expected to materially interfere with, or materially impair or detract from, the operation of the Property;

(11) the dedication of space or other dispositions of property in connection with and in furtherance of constructing structures or improvements reasonably related to the development, construction and operation of the Property; *provided*, that in each case such dedication or other disposition is in furtherance of, and does not materially impair or interfere with the use or operations (or intended use or operations) of, the Property;

(12) the granting of easements, rights of way, rights of access and/or similar rights to any governmental authority, utility providers, cable or other communication providers and/or other parties providing services or benefits to the Property, the real property held by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor or the public at large that would not reasonably be expected to interfere in any material respect with the construction, development or operation of the Property;

(13) the granting of a lease, right to use or equivalent interest to Melco Resorts Macau or Melco Resorts or any of its Affiliates for purposes of operating a gaming facility at Studio City, including under the Services and Right to Use Agreement and any related agreements, or any transactions or arrangements contemplated thereby;

(14) the grant of licenses to intellectual property rights to third Persons (other than Affiliates of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor) on an arm's length basis in the ordinary course of business or to Melco Resorts Macau, Melco Resorts and its Affiliates in the ordinary course of business;

(15) any Compliance Sale;

(16) transfers, assignments or dispositions constituting an Incurrence of a Permitted Lien (but not the actual sale or other disposition of the property subject to such Lien); and

(17) any surrender or waiver of contractual rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business.

"*Bankruptcy Law*" means (i) the United States Bankruptcy Code of 1978 or any similar U.S. federal or state law for the relief of debtors, (ii) the provisions of the Code of Civil Procedure of Macau that deal with the placement of a debtor into liquidation, the administration and disposal of its assets, the distribution of the proceeds thereof and the alternatives to such liquidation, or any laws of similar effect, and (iii) those laws included, principally within (but not limited to) the BVI Business Companies Act, 2004 (as amended) and the Insolvency Act, 2007 (as amended) concerning the solvency and insolvency of BVI companies.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a finance or capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with U.S. GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided that* the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition;

(2) demand deposits, certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any commercial bank organized under the laws of Macau, Hong Kong, a member state of the European Union or of the United States of America or any state thereof having capital and surplus in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "A-3" or higher by Moody's or "A-" or higher by S&P or the equivalent rating category or another internationally recognized rating agency;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within 12 months after the date of acquisition; and

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

"*Casualty*" means any casualty, loss, damage, destruction or other similar loss with respect to real or personal property or improvements.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Subsidiaries taken as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) (other than Melco Resorts or a Related Party of Melco Resorts);

(2) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor or the Company;

(3) the first day on which:

(A) Melco Resorts ceases to own, directly or indirectly, (i) a majority, or (ii) if Melco Resorts is authorized by the relevant Gaming Authority or is otherwise permitted to hold less than 50.1% of Equity Interest in Studio City International, the greater of (x) such lesser percentage and (y) 35%, of the outstanding Equity Interests and/or Voting Stock of each of the Parent Guarantor and Studio City Holdings Five Limited (or any Person which becomes a "Golden Shareholder" and/or a "Preference Holder" under the Direct Agreement pursuant to the terms thereof, if any);

(B) Melco Resorts ceases to own, directly or indirectly, at least 50.1% of the Equity Interest in Melco Resorts Macau (or another operator of the Studio City Casino); or

(C) Melco Resorts ceases to have, directly or indirectly (through a Subsidiary), the power to nominate a number of directors on the Board of Directors of the Parent Guarantor who are entitled to cast a majority of the votes which may be cast at a meeting of the Board of Directors of the Parent Guarantor; or

(4) the first day on which the Parent Guarantor ceases to own, directly or indirectly (through a subsidiary), 100% of the outstanding Equity Interests and/or Voting Stock of the Company.

"*Clearstream, Luxembourg*" means Clearstream Banking société anonyme.

"*Collateral*" means the rights, property and assets securing the Notes and the Note Guarantees and any rights, property or assets in which a security interest has been or will be granted on the Issue Date or thereafter to secure the Obligations of the Company and the Guarantors under the Notes, the Note Guarantees and this Indenture.

"*Common Collateral*" means the Collateral other than the Credit-Specific Transaction Security.

"*Company*" means Studio City Company Limited, and any and all successors thereto.

"*Condemnation*" means any taking by a Governmental Authority of assets or property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with U.S. GAAP; *provided that*:

(1) the Net Income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary that is not a Subsidiary Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders; *provided, however*, that Consolidated Net Income of the specified Person will be increased by the amount of dividends or similar contributions actually paid in cash (or to the extent converted into cash) to the specified Person or any of its Restricted Subsidiaries that is a Subsidiary Guarantor, to the extent not already included therein;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) charges or expenses related to deferred financing fees and Indebtedness issuance costs, including related commissions, fees and expenses, premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off, extinguishment, repurchase, cancellation or forgiveness of Indebtedness will be excluded.

"*Corporate Trust Office of the Trustee*" means the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Company.

"*Credit Facilities*" means one or more debt facilities (including, without limitation, the Senior Secured Credit Facilities), indentures or commercial paper facilities, in each case, with banks or other lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit or other forms of Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to investors) in whole or in part from time to time; *provided* that in no event shall such amendment, restatement, modification, renewable, refunding, replacement or refinancing result in the Parent Guarantor and its Restricted Subsidiaries not having any debt facilities which would have the effect of impairing any security interest over any of the assets comprising the Collateral for the benefit of the Holders (including the priority thereof).

"*Credit Facilities Documents*" means the collective reference to any Credit Facilities, any notes issued pursuant thereto and the guarantees thereof, and the collateral or other documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"*Credit-Specific Transaction Security*" means:

(a) the Lien over the cash collateral account securing the term loan portion of the Senior Secured Credit Facilities; and

(b) the Lien over any interest accrual account or debt service reserve account established in connection with any *pari passu* Indebtedness.

"*Custodian*" means Deutsche Bank Trust Company Americas, as custodian with respect to the Notes in global form, or any successor entity thereto.

"*Debt Documents*" means the definitive documents in respect to the Secured Obligations as determined in accordance with the Intercreditor Agreement.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Definitive Note*" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"*Direct Agreement*" means the direct agreement dated November 26, 2013, in relation to (a) the Services and Right to Use Agreement and (b) the Reinvestment Agreement, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed in whole or in part from time to time.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Parent Guarantor to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Parent Guarantor may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Parent Guarantor may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*Dormant Subsidiary*" means a Restricted Subsidiary of the Parent Guarantor which does not trade (for itself or as agent for any other person) and does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Parent Guarantor or any other Restricted Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period), of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; *plus*

(6) Pre-Opening Expenses, to the extent such expense were deducted in computing; *plus*

(7) Consolidated Net Income; *plus*

(8) any goodwill or other intangible asset impairment charge; *plus*

(9) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with U.S. GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Parent Guarantor will be added to Consolidated Net Income to compute EBITDA of the Parent Guarantor only to the extent that a corresponding amount was included in the calculation of Consolidated Net Income.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Parent Guarantor or (2) a direct or indirect parent of the Parent Guarantor to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Parent Guarantor (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Parent Guarantor).

"*Euroclear*" means Euroclear Bank SA/NV.

"*Event of Loss*" means, with respect to the Company, Parent Guarantor, any Subsidiary Guarantor or any Restricted Subsidiary of the Parent Guarantor that is a Significant Subsidiary, any (1) Casualty, (2) Condemnation or seizure (other than pursuant to foreclosure) or (3) settlement in lieu of clause (2) above, in each case having a fair market value in excess of US$20.0 million.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Excluded Contributions*" means the net cash proceeds received by the Parent Guarantor subsequent to the Issue Date from:

(1) contributions to its common equity capital; and

(2) the issuance or sale (other than to a Subsidiary of the Parent Guarantor or to any Parent Guarantor or Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) by the Parent Guarantor of shares of its Capital Stock (other than Disqualified Stock) or a share capital increase;

in each case, designated as Excluded Contributions on the date on which such Excluded Contributions were received pursuant to an Officer's Certificate, and excluded from the calculation set forth in Section 4.07(a)(C)(ii) hereof.

"*Excluded Subsidiary*" means a Restricted Subsidiary of the Parent Guarantor which (a) is incorporated solely the purpose of complying with the requirements of the government of Macau in connection with the conduct of the Permitted Business by the Parent Guarantor and its Restricted Subsidiaries, and (b) does not own, legally or beneficially, assets (including, without limitation, Indebtedness owed to it) which in aggregate have a book value greater than US$100,000 and has no third-party recourse Indebtedness or intercompany Indebtedness with the Parent Guarantor or any other Restricted Subsidiary of the Parent Guarantor.

"*Fair Market Value*" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Parent Guarantor or the Company, as the case may be (unless otherwise provided in this Indenture).

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (in accordance with Regulation S-X under the Securities Act) as if they had occurred on the first day of the four-quarter reference period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with U.S. GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the Obligations giving rise to such Fixed Charges will not be Obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt discount (but not (i) debt issuance costs, commissions, fees and expenses or (ii) amortization of discount on the Intercompany Note Proceeds Loans (if any)), non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than Indebtedness secured by a Lien of the type specified in clause (22) of the definition of "Permitted Liens"), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of such Person (other than Disqualified Stock) or to such Person or a Restricted Subsidiary of such Person, *times* (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with U.S. GAAP.

"*Gaming Authorities*" means the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates) or (iii) of the Parent Guarantor or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treatises, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities (i) at the Studio City Casino, (ii) of Melco Resorts Macau (or any other operator of the Studio City Casino including Melco Resorts or any of its Affiliates); or (iii) of the Parent Guarantor or any of its Subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming Licenses*" means any concession, subconcession, license, permit, franchise or other authorization at any time required under any Gaming Laws to own, lease, operate or otherwise conduct the gaming business (i) at the Studio City Casino or (ii) of Melco Resorts Macau.

"*Global Note Legend*" means the legend set forth in Section 2.06(f)(2) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"*Global Notes*" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes deposited with or on behalf of and registered in the name of the Depository or its nominee, substantially in the form of Exhibit A hereto and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, issued in accordance with Section 2.01, Section 2.06(b)(3), Section 2.06(b)(4), and with Section 2.06(d)(2) or Section 2.06(f) hereof.

"*Governmental Authority*" means the government of the Macau SAR or any other territory, nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Guarantors*" means collectively, the Parent Guarantor and the Subsidiary Guarantors, and a "*Guarantor*" means any one of them.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Holder*" means a Person in whose name a Note is registered.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to U.S. GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Restricted Subsidiary of the Parent Guarantor shall be deemed to be Incurred at the time at which such Person becomes a Restricted Subsidiary of the Parent Guarantor. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with U.S. GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "*Indebtedness*" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), (ii) obligations of the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; *provided that*, in each case of clause (i) or (ii), such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Parent Guarantor (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet), or (iii) any lease of property which would be considered an operating lease under U.S. GAAP and any guarantee given by the Parent Guarantor or a Restricted Subsidiary in the ordinary course of business solely in connection with, or in respect of, the obligations of the Parent Guarantor or a Restricted Subsidiary under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with U.S. GAAP;

(B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Indirect Participant*" means a Person who holds a beneficial interest in a Global Note through a Participant.

"*Initial Notes*" means the first US$350,000,000 aggregate principal amount of Notes issued under this Indenture on the date hereof.

"*Initial Purchasers*" means Deutsche Bank AG, Singapore Branch, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, Industrial and Commercial Bank of China (Macau) Limited..

"*Intercompany Note Proceeds Loans*" means one or more intercompany loans, if any, between the Company or its Subsidiaries pursuant to which the Company on-lends to its Subsidiaries the net proceeds from the issuance of the Notes in accordance with the terms of the definitive documents with respect to the Notes, as amended from time to time, including in connection with any extension, additional issuance or refinancing thereof.

"*Intercreditor Agent*" means DB Trustees (Hong Kong) Limited, or its successors or assignees appointed pursuant to the Intercreditor Agreement.

"*Intercreditor Agreement*" means the amended and restated intercreditor agreement dated as of February 7, 2022 (as may be further amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed in whole or in part from time to time, which amended and restated the intecreditor agreement dated as of November 30, 2016.

"*Investment Grade Status*" shall apply at any time the Notes receive (i) a rating equal to or higher than BBB- (or the equivalent) from S&P and (ii) a rating equal to or higher than Baa3 (or the equivalent) from Moody's.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with U.S. GAAP. If the Parent Guarantor or any Subsidiary of the Parent Guarantor sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Parent Guarantor such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Parent Guarantor, the Parent Guarantor will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Parent Guarantor's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof. The acquisition by the Parent Guarantor or any Subsidiary of the Parent Guarantor of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of Section 4.07 hereof. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Land Concession*" means the land concession by way of lease, for a period of 25 years, subject to renewal as of October 17, 2001 for a plot of land situated in Cotai, Macau, described with the Macau Immovable Property Registry under No. 23059 and registered in Studio City Developments Limited's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001, published in the Macau Official Gazette no. 42 of October 17, 2001, as amended by Dispatch of the Secretary for Public Works and Transportation no. 31/2012 of July 19, 2012, published in the Macau Official Gazette no. 30 of July 25, 2012, and by Dispatch of Secretary for Public Works and Transportation no. 92/2015 of September 10, 2015, published in the Macau Official Gazette no. 38 of September 23, 2015 and including any other amendments from time to time to such land concession.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the City of New York, Hong Kong, Macau, the British Virgin Islands or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"*Majority Pari Passu Creditors*" means creditors holding more than 50% of the Notes and certain pari passu Indebtedness, as determined in accordance with the Intercreditor Agreement.

"*Majority Super Senior Creditors*" means creditors holding more than 50% of the super senior credit participations under the Senior Secured Credit Facilities and, if any, other Credit Facilities, and certain designated super senior hedging, as determined in accordance with the Intercreditor Agreement.

"*Measurement Date*" means February 11, 2019.

"*Melco Resorts*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited, a Macau company.

"*Melco Resorts Parties*" means COD Resorts Limited, Altira Resorts Limited, Melco Resorts (Macau) Limited, MPEL Services Limited, Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Resorts Security Services Limited, Melco Resorts Travel Limited, MCE Transportation Limited, MCE Transportation Two Limited and any other Person which accedes to the MSA as a "Melco Resorts Party" pursuant to terms thereof; and a "*Melco Resorts Party*" means any of them.

"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"*MSA*" means the master services agreement dated December 21, 2015, including any work agreements entered into pursuant to the master services agreement, entered into between the Studio City Parties on the one part and the Melco Resorts Parties on the other part, as amended, modified, supplemented, extended, replaced or renewed from time to time, and any other master services agreement or equivalent agreement or contract, including any work agreements entered into pursuant to any such master services agreement, in each case entered into in connection with the conduct of Permitted Business and on terms that are no less favorable to the Company, the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in an arm's length commercial transaction, as amended, modified, supplemented, extended, replaced or renewed from time to time.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with U.S. GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (or loss), together with any related provision for taxes on such gain (or loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment, repurchase or cancellation of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain (or loss), together with any related provision for taxes on such extraordinary gain (or loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Parent Guarantor or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with U.S. GAAP.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither the Parent Guarantor nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender, other than, in the case of (a) and (b), Indebtedness incurred pursuant to Section 4.09(b)(15) hereof; and

(2) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Parent Guarantor or any of its Restricted Subsidiaries (other than to the Equity Interests of any Unrestricted Subsidiary).

"*Non-U.S. Person*" means a Person who is not a U.S. Person.

"*Note Guarantee*" means the Guarantee by each Guarantor of the Company's Obligations under this Indenture and the Notes.

"*Notes*" has the meaning assigned to it in the preamble to this Indenture. The Initial Notes and the Additional Notes shall be treated as a single class for all purposes under this Indenture, and unless the context otherwise requires, all references to the Notes shall include the Initial Notes and any Additional Notes.

"*Notes Document*" means the Notes (including any Additional Notes), this Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum dated February 9, 2022 in respect of the Notes.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company or the Parent Guarantor, as the case may be, or any Directors of the Board or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company or the Parent Guarantor, as the case may be, by an Officer of the Company or the Parent Guarantor, as applicable, which meets the requirements of Section 13.05 hereof.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Company.

"*Parent Guarantor*" means Studio City Investments Limited.

"*Participant*" means, with respect to the Depositary, Euroclear or Clearstream, Luxembourg, a Person who has an account with the Depositary, Euroclear or Clearstream, Luxembourg, respectively (and, with respect to DTC, shall include Euroclear and Clearstream, Luxembourg).

"*Permitted Business*" means (1) any businesses, services or activities engaged in by the Parent Guarantor or any of its Restricted Subsidiaries on the Issue Date, including, without limitation, the construction, development and operation of the Property, (2) any gaming, hotel, accommodation, hospitality, transport, tourism, resort, food and beverage, retail, entertainment, cinema / cinematic venue, audio-visual production (including provision of sound stage, recording studio and similar facilities), performance, cultural or related business, development, project, undertaking or venture of any kind in the Macau SAR, and (3) any other businesses, services, activities or undertaking that are necessary for, supportive of, or connected, related, complementary, incidental, ancillary or similar to, any of the foregoing or are extensions or developments of any thereof (including in support of the businesses, services, activities and undertakings of the Melco Resorts group as a whole or any member thereof including through participation in shared and centralized services and activities).

"*Permitted Investments*" means:

(1) any Investment in the Company, the Parent Guarantor or in a Restricted Subsidiary of the Parent Guarantor;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in a Person, if as a result of such Investment:

(A) such Person becomes a Restricted Subsidiary of the Parent Guarantor; or

(B) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof;

(5) any acquisition of assets or Capital Stock in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor;

(6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Parent Guarantor or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;

(7) Investments represented by Hedging Obligations;

(8) loans or advances to employees, officers, or directors made in the ordinary course of business of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in an aggregate principal amount not to exceed US$2.0 million at any one time outstanding;

(9) repurchases of the Notes;

(10) any Investments consisting of gaming credit extended to customers and junket operators in the ordinary course of business and consistent with applicable law and any Investments made or deemed to be made in connection with or through any transactions or arrangements involving contractual rights under, pursuant to or in connection with (i) the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA and (ii) any transaction or arrangements made pursuant to clause (10) of the definition of "Asset Sale", including any amendments, modifications, supplements, extensions, replacements, terminations or renewals;

(11) advances to contractors and suppliers and accounts, trade and notes receivables created or acquired in the ordinary course of business;

(12) receivables owing to the Parent Guarantor or any of its Restricted Subsidiaries if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(13) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided that* the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(14) Investments in prepaid expenses, negotiable instruments held for collection, deposits made in connection with self-insurance, and performance and other similar deposits and prepayments made in connection with an acquisition of assets or property in the ordinary course of business by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor;

(15) deposits made by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in the ordinary course of business to comply with statutory or regulatory obligations (including land grants) to maintain deposits for the purposes specified by the applicable statute or regulation (including land grants) from time to time;

(16) any Investment consisting of a Guarantee permitted by Section 4.09 hereof and performance guarantees that do not constitute Indebtedness entered into by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in the ordinary course of business;

(17) to the extent constituting an Investment, licenses of intellectual property rights granted by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor in the ordinary course of business; *provided*, that such grant does not interfere in any material respect with the ordinary conduct of the business of such Person;

(18) Investments consisting of purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property, in each case, in the ordinary course of business;

(19) Investments held by a Person that becomes a Restricted Subsidiary of the Parent Guarantor; *provided*, *however*, that such Investments were not acquired in contemplation of the acquisition of such Person;

(20) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(21) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens";

(22) Investments (other than Permitted Investments) made with Excluded Contributions; *provided*, *however*, that any amount of Excluded Contributions made will not be included in the calculation of Section 4.07(a)(4)(C)(ii) hereof;

(23) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons; and

(24) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (24) that are at the time outstanding, not to exceed US$5.0 million.

"*Permitted Land Concession Amendment*" means any of the following:

(1) any action or thing which results in, with respect to the Land Concession:

(i) an increase of the gross floor construction area at the Site as permitted under Macau legal requirements; or

(ii) any extension of the term of the Land Concession; or

(iii) the removal of development or other obligations or terms; or

(iv) the imposition of less onerous development or other obligations or terms than those set forth in the Land Concession; or

(v) any extension of the date required for completion of development of the Site; or

(vi) amendments to enable definitive registration of the Land Concession (or part thereof) in line with the works actually executed; *provided that* such amendments do not adversely affect the interests of the Holders; or

(2) any amendment to the Land Concession:

(i) required to permit development of the Site under formal phasing (where the Property will be comprised in one of such formal phases);

(ii) required to permit separation of the Site into more than one autonomous land plot or lots (where the Property will be comprised in one of such land plots or lots);

(iii) required to permit registration of strata title (pursuant to which the Property shall be comprised in one or more autonomous units to be created under strata title);

(iv) required to permit separate and/or definitive registration of the part of the Land Concession comprising the Property separately from the remaining development of the Site;

(v) required to permit independent termination of the part of the Land Concession relative to the Property from the termination of the remaining part;

(vi) required to permit independent registration of the part of the Land Concession comprising the Property from the remaining part;

(vii) required to permit the separate disposal of the rights resulting from the Land Concession relative to the Property from the remaining rights; or

(viii) required to modify the purpose of the Land Concession to include casino, gaming or gaming related activities and operations;

provided that any such amendment (i) would not reasonably be expected to be adverse to the interests of the Holders, or (ii) is required by applicable Gaming Law; or

(3) any amendment to the purpose of the Land Concession relating to the rating of a hotel;

(4) any amendment which is of a mechanical or administrative nature or any amendment required by any Macau SAR Governmental Authority for which reasonable notice has been given (which does not, in any case, materially adversely affect the interests of the Holders); or

(5) any other amendment to the Land Concession that is not or would not reasonably be expected to be materially adverse to the interests of the Holders under this Indenture.

"*Permitted Liens*" means:

(1) Liens securing Indebtedness Incurred pursuant to of Section 4.09(b)(1) hereof;

(2) Liens created for the benefit of (or to secure) the Notes (including any Additional Notes) or the Note Guarantees;

(3) Liens in favor of the Company or the Guarantors;

(4) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided that* such Liens were not created in connection with, or in contemplation of, such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Parent Guarantor or the Subsidiary;

(5) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided that* such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;

(6) Liens incurred or deposits made in the ordinary course of business in connection with workmen's compensation or unemployment obligations or other obligations of a like nature, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by Section 4.09(b)(4) covering only the assets acquired with or financed by such Indebtedness and directly related assets such as proceeds (including insurance proceeds), improvements, replacements and substitutions thereto;

(8) Liens existing on the Issue Date;

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with U.S. GAAP has been made therefor;

(10) Liens imposed by law, such as carriers, warehousemen's, landlord's, suppliers' and mechanics' Liens, in each case, incurred in the ordinary course of business;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under this Indenture; *provided, however*, that:

(A) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(B) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under this Indenture, secured by a Lien on the same assets or property securing such Hedging Obligations;

(14) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the money borrowed, (ii) relating to pooled deposit or sweep accounts of the Parent Guarantor or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Parent Guarantor and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business;

(15) Liens arising out of judgments against such Person not giving rise to an Event of Default, with respect to which such Person shall then be proceeding with an appeal or other proceedings for review, *provided that* any reserve or other appropriate provision as shall be required in conformity with U.S. GAAP shall have been made therefor;

(16) Liens granted to the Trustee for its compensation and indemnities pursuant to this Indenture;

(17) Liens arising out of or in connection with licenses, sublicenses, leases (other than capital leases) and subleases (including rights to use) of assets (including, without limitation, intellectual property) entered into in the ordinary course of business;

(18) Liens upon specific items of inventory or other goods and proceeds of the Parent Guarantor or any of its Restricted Subsidiaries securing obligations in respect of bankers' acceptances issued or created to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(19) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods in the ordinary course of business;

(20) Liens arising under customary provisions limiting the disposition or distribution of assets or property or any related restrictions thereon in operating agreements, joint venture agreements, partnership agreements, contracts for sale and other agreements arising in the ordinary course of business; *provided, that* such Liens do not extend to any assets of the Parent Guarantor or any of its Restricted Subsidiaries other than the assets subject to such agreements or contracts;

(21) Liens on deposits made in the ordinary course of business to secure liability to insurance carriers;

(22) Liens on the Equity Interests of Unrestricted Subsidiaries;

(23) Liens created or Incurred under, pursuant to or in connection with the Services and Right to Use Agreement or the Reinvestment Agreement, including Liens on any revenues or receipts thereunder or any accounts created or maintained thereunder;

(24) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries of the Parent Guarantor securing obligations of such joint ventures;

(25) [Reserved];

(26) Liens incurred in the ordinary course of business of the Parent Guarantor or any Subsidiary of the Parent Guarantor with respect to Obligations that do not exceed US$5.0 million at any one time outstanding; and

(27) Liens securing obligations under a debt service reserve account or interest reserve account (including all dividends, instruments, cash and Cash Equivalents and other property, as applicable, on deposit in such account) established for the benefit of creditors securing Indebtedness to the extent such debt service reserve account or interest reserve account is established in the ordinary course of business consistent with past practice.

Notwithstanding the foregoing, no Liens on the Common Collateral other than Liens of the type described in paragraphs (1), (2) (and any Permitted Refinancing Indebtedness in respect of Indebtedness secured pursuant to such paragraph (2)), (6), (9), (10), (11), (13), (14)(i), (14)(ii), (15), (16), (17), (18), (19), (20), (21) and (23) of this definition of "Permitted Liens" shall constitute Permitted Liens; *provided that*, with respect to Liens securing Indebtedness of the type described in paragraphs (1), (2) (and any Permitted Refinancing Indebtedness in respect of Indebtedness secured pursuant to such paragraph (2)), (13) (with respect to Hedging Obligations secured by the Common Collateral):

(i) all the property and assets securing such Indebtedness (including, without limitation, the Common Collateral) also secure the Notes and the Note Guarantees on a senior or *pari passu* basis (other than (I) Liens of the type described in paragraph (27) of the definition of "Permitted Liens", or (II) Liens securing any cash collateral arrangements established under the term loan portion of a Credit Facility Incurred pursuant to clause (1) of the definition of "*Permitted Debt*");

(ii) Indebtedness secured by Liens of the type described in paragraph (1) (only to the extent that such Indebtedness is Incurred under any revolving credit facility) or (13) (with respect to Hedging Obligations supporting Indebtedness of the type described in clauses (1) and (2) (and any Permitted Refinancing Indebtedness in respect of Indebtedness secured pursuant to clause (2)) of the definition of "Permitted Debt" in an aggregate amount outstanding at any time up to US$5.0 million) of the definition of "Permitted Liens" may receive priority as to enforcement proceeds from such Common Collateral; and

(iii) the parties with respect to such Indebtedness will have entered into the Intercreditor Agreement (and/or an Additional Intercreditor Agreement) as "Secured Parties" (or the analogous term) thereunder.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided that*:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes and the Note Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred either by the Parent Guarantor or by the Restricted Subsidiary who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Phase I*" means the approximately 477,110 gross square meter complex on the Site which contains retail, hotel, gaming, entertainment, food and beverage outlets and entertainment studios and other facilities.

"*Phase II Project*" means the development of the remainder of the Site, which is expected to include one or more types of Permitted Business and will be developed in accordance with the applicable governmental requirements regarding the Site.

"*Preferred Stock*" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"*Pre-Opening Expenses*" means, with respect to any fiscal period, the amount of expenses (other than interest expense) incurred with respect to capital projects that are classified as pre-opening expenses on the applicable financial statements of the Parent Guarantor and its Restricted Subsidiaries for such period, prepared in accordance with U.S. GAAP.

"*Primary Creditors*" means the super senior creditors under the Senior Secured Credit Facilities and if any, other Credit Facilities, and certain designated hedging obligations and the *pari passu* creditors under the Notes and certain *pari passu* indebtedness and hedging obligations.

"*Private Placement Legend*" means the legend set forth in Section 2.06(f)(1) hereof to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"*Property*" means Phase I and the Phase II Project.

"*QIB*" means a "qualified institutional buyer" as defined in Rule 144A.

"*Regulation S*" means Regulation S promulgated under the Securities Act.

"*Regulation S Global Note*" means a Global Note substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal (subject to a maximum denomination of US$500 million) to the outstanding principal amount of the Notes sold in reliance on Rule 903 of Regulation S.

"*Reinvestment Agreement*" means the reimbursement agreement dated June 15, 2012, between Melco Resorts Macau and Studio City Entertainment Limited, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed in whole or in part from time to time, including pursuant to the Direct Agreement.

"*Related Party*" means:

(1) any controlling stockholder, or majority-owned Subsidiary, or immediate family member (in the case of an individual) of Melco Resorts; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding at least 50.1% interest of which consist of Melco Resorts and/or such other Persons referred to in the immediately preceding clause (1).

"*Relevant Agreements*" means collectively, the Services and Right to Use Agreement, the Direct Agreement and the Reinvestment Agreement.

"*Responsible Officer*," when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*Restricted Definitive Note*" means a Definitive Note bearing the Private Placement Legend.

"*Restricted Global Note*" means a Global Note bearing the Private Placement Legend.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Period*" means the 40-day distribution compliance period as defined in Regulation S.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*Revenue Sharing Agreement*" means any joint venture, development, management, operating or similar agreement or arrangement for the sharing of revenues, profits, losses, costs or expenses entered into in connection with developments or services complementary or ancillary to the Property in the ordinary course of business (including, for the avoidance of doubt, such agreements or arrangements reasonably necessary to conduct a Permitted Business) and on arms' length terms.

"*Rule 144*" means Rule 144 promulgated under the Securities Act.

"*Rule 144A*" means Rule 144A promulgated under the Securities Act.

"*Rule 903*" means Rule 903 promulgated under the Securities Act.

"*Rule 904*" means Rule 904 promulgated under the Securities Act.

"*S&P*" means S&P Global Ratings or any successor to the rating agency business thereof.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Secured Obligations*" means all Obligations of and all other present and future liabilities and obligations at any time due, owing or incurred by the Company and the Guarantors and by each of them to any Secured Party under (or in connection with) the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"*Secured Parties*" means the creditors of the Secured Obligations as determined in accordance with the Intercreditor Agreement.

"*Security Agent*" means Industrial and Commercial Bank of China (Macau) Limited, or its successors or assignees appointed pursuant to the applicable Security Documents and/or Intercreditor Agreement. For the avoidance of doubt, all references to the "Common Security Agent" in the Intercreditor Agreement, insofar as they are references to the Common Security Agent acting as security agent under this Indenture, are to the Security Agent.

"*Securities Act*" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Security Documents*" means the security agreements, pledge agreements and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time, creating the security interests in the Collateral for the benefit of the Trustee and the Holders as contemplated by this Indenture including those listed on Exhibit G.

"*Senior Secured Credit Facilities*" means the senior secured credit facilities described in the section entitled "Description of Other Material Indebtedness—2021 Credit Facility" of the Offering Memorandum, among the Senior Secured Credit Facilities Borrower, the guarantors named therein, the Senior Secured Credit Facilities Lenders, and the agent for the Senior Secured Credit Facilities Lenders, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such facilities may be amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed in whole or in part from time to time.

"*Senior Secured Credit Facilities Borrower*" means the Company.

"*Senior Secured Credit Facilities Finance Parties*" means the Senior Secured Credit Facilities Lenders, the counterparties of any secured Hedging Obligations, and any other administrative parties that benefit from the collateral securing the Senior Secured Credit Facilities.

"*Senior Secured Credit Facilities Lenders*" means the financial institutions named as lenders under the Senior Secured Credit Facilities.

"*Services and Right to Use Agreement*" means the services and right to use agreement originally dated May 11, 2007 and as amended and restated on June 15, 2012, executed with Studio City Entertainment Limited (formerly named MSC Diversões, Limitada and New Cotai Entertainment (Macau) Limited), a wholly owned indirect subsidiary of the Company, as amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed in whole or in part or renewed from time to time, including pursuant to the Direct Agreement.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Parent Guarantor by any direct or indirect parent holding company of the Parent Guarantor (or Melco Resorts), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Shareholder Subordinated Debt; *provided that* such Shareholder Subordinated Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Parent Guarantor (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor and is not guaranteed by any Subsidiary of the Parent Guarantor;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Parent Guarantor;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Parent Guarantor or the Company with its obligations under the Notes, the related Note Guarantees and this Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Parent Guarantor.

"*Significant Subsidiary*" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"*Site*" means an approximately 130,789 square meter parcel of land in the reclaimed area between Taipa and Coloane Island (Cotai), Lotes G300, G310 and G400, registered with the Macau Real Estate Registry under no. 23059.

"*Special Put Option Triggering Event*" means:

(1) any event after which the Gaming License or other permits or authorizations as are necessary for the operation of the Studio City Casino in substantially the same manner and scope as operations are conducted at the Issue Date cease to be in full force and effect, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Parent Guarantor and its Subsidiaries, taken as a whole;

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Parent Guarantor and its Subsidiaries, taken as a whole, excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; *provided that* such renewal, tender or other process results in the granting or renewal of the relevant Gaming License; or

(3) the termination, rescission, revocation or modification of one or more of the Relevant Agreements which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Parent Guarantor and its Subsidiaries, taken as a whole.

For the avoidance of doubt, subject to clause (3) of this definition, any changes necessary, as determined by the Issuer in good faith, to comply with the Gaming Laws as in effect from time to time shall not constitute a change of manner or scope for the purposes of clause (1) of this definition.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Studio City Casino*" means any casino, gaming business or activities conducted at the Site.

"*Studio City International*" means, Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Studio City Parties*" means Studio City International, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Retail Services Limited, Studio City Developments Limited, Studio City Ventures Limited, Studio City Services Limited and any other Person which accedes to the MSA as a "Studio City Party" pursuant to terms thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Company, any Indebtedness of the Company which is by its terms subordinated in right of payment to the Notes, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to such Guarantor's Obligations in respect of its Note Guarantee.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantor*" means each of Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCIP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited and Studio City Retail Services Limited and Studio City (HK) Two Limited and (2) any other Subsidiary of the Parent Guarantor or the Company that provides a Note Guarantee in accordance with the provisions of this Indenture, and their respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

"*Total Assets*" means, as of any date, the consolidated total assets of the Parent Guarantor and its Restricted Subsidiaries in accordance with U.S. GAAP as shown on the most recent balance sheet of such Person.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to February 15, 2024; *provided*, *however*, that if the period from the redemption date to February 15, 2024 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trustee*" means Deutsche Bank Trust Company Americas until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"*Unrestricted Definitive Note*" means a Definitive Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Global Note*" means a Global Note that does not bear and is not required to bear the Private Placement Legend.

"*Unrestricted Subsidiary*" means any Subsidiary of the Parent Guarantor that is designated by the Board of Directors of the Parent Guarantor as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by Section 4.12 hereof, is not party to any agreement, contract, arrangement or understanding with the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company, the Parent Guarantor or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent Guarantor or the Company;

(3) is a Person with respect to which neither the Parent Guarantor nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries.

"*U.S. GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*U.S. Person*" means a U.S. Person as defined in Rule 902(k) promulgated under the Securities Act.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly-Owned Restricted Subsidiary*" is any Wholly-Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly-Owned Subsidiary*" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

Section 1.02 *Other Definitions*.

Term	Defined in Section
"Additional Amounts"	2.13
"Affiliate Transaction"	4.12
"Asset Sale Excess Proceeds"	4.10
"Asset Sale Offer"	3.09
"Asset Sale Offer Amount"	3.09
"Asset Sale Offer Period"	3.09
"Asset Sale Purchase Date"	3.09
"Authentication Order"	2.02
"Change of Control Offer"	4.16
"Change of Control Payment"	4.16
"Change of Control Payment Date"	4.16
"Compliance Sale"	4.11
"Compliance Sale Excess Proceeds"	4.10
"Compliance Sale Offer"	3.13
"Compliance Sale Offer Amount"	3.13
"Compliance Sale Offer Period"	3.13
"Compliance Sale Purchase Date"	3.13
"Covenant Defeasance"	Section 8.02 11.08
"DTC"	2.03
"Event of Default"	6.01
"Guaranteed Obligations"	11.01
"Independent Financial Advisor"	Section 4.07(c)
"Legal Defeasance"	8.02
"Paying Agent"	2.03

"Permitted Debt"	4.09
"Payment Default"	6.01
"Registrar"	2.03
"Relevant Jurisdiction"	2.13
"Restricted Payments"	4.07
"Reversion Date"	Section 4.24
"Suspended Covenants"	Section 4.24
"Suspension Period"	Section 4.24
"Taxes"	2.13

Section 1.03 *Rules of Construction*.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) "will" shall be interpreted to express a command;

(6) provisions apply to successive events and transactions; and

(7) references to sections of or rules under the Securities Act will be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

Section 2.01 *Form and Dating*.

(a) *General*. The Notes and the Trustee's certificate of authentication will be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication. The Notes shall be in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The terms and provisions contained in the Notes will constitute, and are hereby expressly made, a part of this Indenture and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a

Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Paying Agent, Trustee or the Registrar, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) *Euroclear and Clearstream, Luxembourg Procedures Applicable.* The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions—Clearstream Banking, Luxembourg" and "Customer Handbook" of Clearstream, Luxembourg will be applicable to transfers of beneficial interests in the Regulation S Global Note that are held by Participants through Euroclear or Clearstream, Luxembourg.

Section 2.02 *Execution and Authentication*.

At least one Officer must sign the Notes for the Company by manual, electronic or fascimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note will nevertheless be valid.

A Note will not be valid until authenticated by the manual or electronic signature of the Trustee. The signature will be conclusive evidence that the Note has been authenticated under this Indenture.

The Company may issue additional notes under this Indenture from time to time after the Issue Date. Any issuance of Additional Notes shall be subject to all of the covenants described under Article 4 of this Indenture, including Section 4.09 hereof. The Notes and any Additional Notes subsequently issued under this Indenture will be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; provided, however if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes will have a separate CUSIP, ISIN or other identifying number.

The Trustee will, upon receipt of a written order of the Company signed by an Officer (an "*Authentication Order*"), authenticate Notes for original issue that may be validly issued under this Indenture, including any Additional Notes. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount of Notes authorized for issuance by the Company pursuant to one or more Authentication Orders, except as provided in Section 2.07 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03 *Registrar, Paying Agent and Transfer Agent*.

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("*Registrar*") and an office or agency where Notes may be presented for payment ("*Paying Agent*"). The Company will also maintain a transfer agent (the "*Transfer Agent*"). The Registrar will keep a register of the Notes and of their transfer and exchange. The Transfer Agent shall perform the functions of a transfer agent. The Company may appoint one or more co-registrars, one or more additional transfer agents and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent, the Transfer Agent or Registrar without notice to any Holder and shall so notify the Trustee and each Paying Agent thereof in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar, Transfer Agent or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("*DTC*") to act as Depositary with respect to the Global Notes.

The Company initially appoints Deutsche Bank Trust Company Americas to act as the Registrar, Transfer Agent and Paying Agent and to act as Custodian, with respect to the Global Notes.

Section 2.04 *Paying Agent to Hold Money in Trust*.

The Company will require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Amounts, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) will have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it will segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee will serve as Paying Agent for the Notes.

Section 2.05 *Holder Lists*.

The Registrar, will preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company will furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.06 *Transfer and Exchange*.

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Company for Definitive Notes if:

(1) the Company delivers to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Company within 120 days after the date of such notice from the Depositary;

(2) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

Upon the occurrence of either of the preceding events in (1) or (2) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or Section 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes will be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes will be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also will require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(1).

(2) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(1) above, the transferor of such beneficial interest must deliver to the Registrar either:

(A) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase; or

(B) both:

(i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged; and

(ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above.

Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(g) hereof.

(3) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(4) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note*. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(2) above and the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to the paragraph above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to the paragraph above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(1) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(2) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if the Registrar receives the following:

(i) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(ii) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(2) hereof, the Trustee will cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(g) hereof, and the Company will execute and the Trustee will authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest requests through instructions to the Registrar from or through the Depositary and the Participant or Indirect Participant. The Trustee will deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(3) will not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(1) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof, the Trustee will cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(2) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(i) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(ii) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions in this Section 2.06(d)(2), the Trustee will cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(3) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee will cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (1)(B), (1)(D) or (3) above at a time when an Unrestricted Global Note has not yet been issued, the Company will issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee will authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar will register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder must present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder must provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e).

(1) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications and certificates required by item (3) thereof, if applicable.

(2) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(i) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(ii) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in such case set forth in this paragraph, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Legends.* The following legends will appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(1) Private Placement Legend.

(A) Except as permitted by subparagraph (C) below, each 144A Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

“THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF. IF AT ANY TIME THE COMPANY DETERMINES IN GOOD FAITH THAT A HOLDER OR BENEFICIAL OWNER OF THIS SECURITY OR BENEFICIAL INTERESTS HEREIN IS IN BREACH, AT THE TIME GIVEN, OF ANY OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE INDENTURE, THE COMPANY SHALL REQUIRE SUCH HOLDER TO TRANSFER THIS SECURITY (OR INTEREST HEREIN) TO A TRANSFEREE ACCEPTABLE TO THE COMPANY WHO IS ABLE TO AND WHO DOES SATISFY ALL OF THE REQUIREMENTS SET FORTH HEREIN AND IN THE INDENTURE. PENDING SUCH TRANSFER, SUCH HOLDER WILL BE DEEMED NOT TO BE THE HOLDER OF THIS SECURITY (OR INTEREST HEREIN) FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO RECEIPT OF PRINCIPAL AND INTEREST PAYMENTS ON THE SECURITY, AND SUCH HOLDER WILL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN THE SECURITY EXCEPT AS OTHERWISE REQUIRED TO SELL ITS INTEREST THEREIN AS DESCRIBED HEREIN.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(B) Except as permitted by subparagraph (C) below, each Regulation S Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTES MAY BE PURCHASED AND TRANSFERRED ONLY IN MINIMUM PRINCIPAL AMOUNTS OF US$200,000 AND INTEGRAL MULTIPLES OF US$1,000 IN EXCESS THEREOF.

THE NOTES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) ONLY (A) TO THE COMPANY, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE."

(C) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(4), (c)(2), (d)(2), (d)(3), (e)(2) or (e)(3) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) will not bear the Private Placement Legend.

(2) *Global Note Legend*. Each Global Note will bear a legend in substantially the following form:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO Section 2.06 OF THE INDENTURE, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO Section 2.06(a) OF THE INDENTURE, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(g) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note will be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note will be reduced accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note will be increased accordingly and an endorsement will be made on such Global Note by the Trustee or by the Registrar at the direction of the Trustee to reflect such increase.

(h) *General Provisions Relating to Transfers and Exchanges*.

(1) To permit registrations of transfers and exchanges, the Company will execute and the Trustee will authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 hereof or at the Registrar's request.

(2) No service charge will be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.06, 3.06, 3.09, 4.10, 4.15 and 9.05 hereof).

(3) The Registrar will not be required to register the transfer of or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(4) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(5) Neither the Registrar nor the Company will be required:

(A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection;

(B) to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part; or

(C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(6) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(7) The Trustee will authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02 hereof.

(8) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile or electronic mail (in pdf format).

Section 2.07 *Replacement Notes*.

If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company will issue and the Trustee, upon receipt of an Authentication Order, will authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company and the Trustee may charge the Holder for their expenses in replacing a Note, including but not limited to the reasonable expenses of counsel and any tax that may be imposed with respect to replacement of such Note.

Every replacement Note is an additional obligation of the Company and will be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.08 *Outstanding Notes*.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(a) hereof.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a protected purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes will be deemed to be no longer outstanding and will cease to accrue interest.

Section 2.09 *Treasury Notes*.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or any Guarantor, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any Guarantor, will be considered as though not outstanding, except that for the purposes of determining whether the Trustee will be protected in relying on any such direction, waiver or consent, only Notes that the Trustee actually knows are so owned will be so disregarded.

Section 2.10 *Temporary Notes*.

Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, will authenticate temporary Notes. Temporary Notes will be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as may be reasonably acceptable to the Trustee. Without unreasonable delay, the Company will prepare and the Trustee will authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes will be entitled to all of the benefits of this Indenture.

Section 2.11 *Cancellation*.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent will forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, in accordance with its customary procedures, and no one else will cancel (subject to the Trustee's retention policy) all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and will dispose of such cancelled Notes in its customary manner (subject to the record retention requirement of the Exchange Act). At the request of the company, the Trustee will confirm the cancellation of the Notes delivered to it. The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.12 *Defaulted Interest*.

If the Company defaults in a payment of interest on the Notes, it will pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company will notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company will fix or cause to be fixed each such special record date and payment date; *provided that* no such special record date may be less than ten (10) days prior to the related payment date for such defaulted interest. At least fifteen (15) days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) will mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.13 *Additional Amounts*.

(a) All payments of principal of, premium, if any, and interest on the Notes and all payments under the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever ("*Taxes*") nature imposed or levied by or within any jurisdiction in which the Company or any applicable Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) or any jurisdiction from or through which payment is made by or on behalf of the Company or any Guarantor (including the jurisdiction of any Paying Agent) (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In such event, the Company or the applicable Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the Holder of such amounts as would have been received by such holder had no such withholding or deduction been required, *provided that* no Additional Amounts will be payable for or on account of:

(1) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Note Guarantee, as the case may be, and the Relevant Jurisdiction including, without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee;

(B) the presentation of such Note (where presentation is required) more than thirty (30) days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the holder or beneficial owner to comply with a timely request of the Company or any Guarantor addressed to the holder or beneficial owner, as the case may be, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

(3) any tax, duty, assessment or other governmental charge which is payable other than (i) by deduction or withholding from payments of principal of or interest on the Note or payments under the Note Guarantees, or (ii) by direct payment by the Company or applicable Guarantor in respect of claims made against the Company or the applicable Guarantor;

(4) any tax arising pursuant to Sections 1471 – 1474 of the U.S. Internal Revenue Code, of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any agreement entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing; or

(5) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note or any payment under any Note Guarantee to such holder, if the holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the holder thereof.

In addition to the foregoing, the Company and the Guarantors will also pay and indemnify the holder of a Note for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and other reasonable expenses related thereto) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, this Indenture, any Note Guarantee or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any Note Guarantee. The Company and the Guarantors will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustee and the Paying Agent. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent. The Company or the Guarantor, as applicable, will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per $1,000 principal amount of the Notes.

(c) Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note or under any Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in this Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Section 2.14 *Forced Sale or Redemption for Non-QIBs*.

(a) The Company has the right to require any Holder of a Note (or beneficial interest therein) that is a U.S. Person and is determined not to have been a QIB at the time of acquisition of such Note or is otherwise determined to be in breach, at the time given, of any of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, to transfer such Security (or beneficial interest therein) to a transferee acceptable to the Company who is able to and who does make all of the representations and agreements required to be made pursuant to the transfer restrictions set forth herein, or to redeem such Note (or beneficial interest therein) within 30 days of receipt of notice of the Company's election to so redeem such Holder's Notes on the terms set forth in paragraph (b) below. Pending such transfer or redemption, such Holder will be deemed not to be the Holder of such Note for any purpose, including but not limited to receipt of interest and principal payments on such Note, and such Holder will be deemed to have no interest whatsoever in such Note except as otherwise required to sell or redeem its interest therein.

(b) Any such redemption occurring pursuant to paragraph (a) above shall be at a redemption price equal to the lesser of (i) the Person's cost, plus accrued and unpaid interest, if any, to the redemption date and (ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. The Company shall notify the Trustee in writing of any such redemption as soon as practicable.

ARTICLE 3
REDEMPTION AND PREPAYMENT

Section 3.01 *Notices to Trustee*.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it must furnish to the Trustee, the Registrar and the Paying Agent, at least 45 days but not more than 60 days before a redemption date, an Officer's Certificate setting forth:

(1) the clause of this Indenture pursuant to which the redemption shall occur;

(2) the redemption date;

(3) the principal amount of Notes to be redeemed; and

(4) the redemption price.

Section 3.02 *Selection of Notes to Be Redeemed or Purchased*.

If fewer than all of the Notes are to be redeemed or purchased at any time, the Trustee, the Paying Agent or the Registrar, as applicable, will select Notes for redemption or purchase (i) in compliance with the requirements of the principal national securities exchange, if any, on which Notes are listed and any applicable Depositary procedures, (ii) by lot or such other similar method in accordance with the Applicable Procedures of the Depositary or any other applicable clearing system (if the Notes are Global Notes), or (iii) if there are no such requirements of such exchange or the Notes are not then listed on a national securities exchange or cleared through the Depositary or any other applicable clearing system, on a *pro rata* basis. No Notes of a principal amount of US$200,000 or less may be redeemed or purchased in part, and if Notes are redeemed or purchased in part, the remaining outstanding amount must be at least equal to US$200,000 and integral multiples of US$1,000 in excess thereof. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made under this paragraph.

In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased will be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption or purchase date by the Registrar from the outstanding Notes not previously called for redemption or purchase.

The Registrar will promptly notify the Company in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in amounts of US$200,000 or integral multiples of US$1,000 in excess thereof; except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of US$1,000, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

Section 3.03 *Notice of Redemption*.

Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company will mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date (with prior notice to the Trustee) if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture pursuant to Article 8 or 11 hereof.

The notice will identify the Notes to be redeemed and will state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note, *provided that* the unredeemed portion has a minimum denomination of US$200,000;

(4) the name and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes;

(9) if applicable, any condition to such redemption; and

(10) if applicable, that payment of the redemption price and performance of the Company's obligations with respect to such redemption is to be performed by another Person and the identity of such other Person.

At the Company's request, the Paying Agent will give the notice of redemption in the Company's name and at its expense; *provided*, *however*, that the Company has delivered to the Trustee and the Paying Agent, at least three Business Days prior to the date the notice of redemption is to be delivered to Holders, an Officer's Certificate requesting that the Paying Agent give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04 *Effect of Notice of Redemption*.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become due and payable on the redemption date at the redemption price stated in such notice; *provided that* any redemption pursuant to Paragraph 5 of the Notes, may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

Section 3.05 *Deposit of Redemption or Purchase Price*.

No later than 10 a.m. New York time one Business Day prior to the redemption or purchase date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent will promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption or purchase price of, and accrued interest and Additional Amounts, if any, on all Notes to be redeemed or purchased.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest will cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption or purchase is not so paid upon surrender for redemption or purchase because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 *Notes Redeemed or Purchased in Part*.

In the case of Definitive Notes, upon surrender of a Note that is redeemed or purchased in part, the Company will issue and, upon receipt of an Authentication Order, the Trustee will authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered.

Section 3.07 *Optional Redemption*.

(a) At any time prior to February 15, 2024, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price of 107.00% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that*:

(1) at least 65% of the aggregate principal amount of Notes originally issued under this Indenture (excluding Notes held by the Parent Guarantor, the Company and their respective Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the Equity Offering.

(b) At any time prior to February 15, 2024, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to satisfaction of one or more conditions precedent.

(c) Except pursuant to the two preceding paragraphs, and the provisions under Section 3.10 and Section 3.11 hereof, the Notes will not be redeemable at the Company's option prior to February 15, 2024.

(d) On or after February 15, 2024, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after February 15, 2024	103.500%
Twelve-month period on or after February 15, 2025	101.750%
On or after February 15, 2026	100.000%

(e) In connection with any tender offer or other offer (including a Change of Control Offer, an Asset Sale Offer or a Compliance Sale Offer) to purchase for all of the Notes, if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer or other offer and the Company, or any third party making such tender offer or other offer in lieu of the Company, purchases all of such Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of such Notes will be deemed to have consented to such tender or other offer and, accordingly, the Company or such third party will have the right upon not less than 10 days' and no more than 60 days' prior written notice, given not more than 30 days following the expiration date of such tender offer or other offer, to holders of the Notes following such purchase date, to redeem all, but not some, Notes that remain outstanding following such purchase at a price equal to the price paid (excluding any early tender premium or similar payment) to each other Holder in such tender offer or other offer, plus, to the extent not included in the tender offer payment or other offer, accrued and unpaid interest, if any, on Notes so redeemed, to, but excluding such redemption date.

(f) Any redemption set forth in this Section 3.07 may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (*provided, however,* that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations under this Indenture with respect to such redemption may be performed by another Person.

(g) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(h) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.08 *Mandatory Redemption.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described in Section 3.12, Section 4.10 and Section 4.16 hereof. The Company may at any time and from time to time purchase Notes in the open market or otherwise.

Section 3.09 *Offer to Purchase by Application of Excess Proceeds*.

In the event that, pursuant to Section 4.10 hereof, the Company is required to commence an offer to all Holders to purchase Notes (an "*Asset Sale Offer*"), it will follow the procedures specified below.

The Asset Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets. The Asset Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Asset Sale Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Asset Sale Purchase Date*"), the Company will apply all Excess Proceeds (the "*Asset Sale Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Asset Sale Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Asset Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Asset Sale Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The notice, which will govern the terms of the Asset Sale Offer, will state:

(1) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer will remain open;

(2) the Asset Sale Offer Amount, the purchase price and the Asset Sale Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer will cease to accrue interest after the Asset Sale Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in integral multiples of US$200,000 and integral multiples of US$1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Asset Sale Offer will be required to surrender the Note, with the form entitled “Option of Holder to Elect Purchase” attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Asset Sale Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Asset Sale Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Asset Sale Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of US$200,000, or integral multiples of US$1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer), *provided that* the unpurchased portion has a minimum denomination of US$200,000.

On or before the Asset Sale Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary (but subject to Section 3.02), the Asset Sale Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Asset Sale Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Asset Sale Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided that* the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Asset Sale Offer on the Asset Sale Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

Section 3.10 *Redemption for Taxation Reasons*.

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of this Indenture with respect to any payment due or to become due under the Notes, this Indenture or a Note Guarantee related thereto, the Company or a Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company or a Guarantor, as the case may be, taking reasonable measures available to it; *provided that* for the avoidance of doubt, changing the jurisdiction of the Company or a Guarantor is not a reasonable measure for the purposes of this Section 3.10; *provided, further*, that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company or a Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company or such Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel or opinion of tax consultant as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Section 3.11 *Gaming Redemption*.

Each Holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Parent Guarantor, Company or any of their respective Affiliates (including Melco Resorts Macau) conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

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

(A) the lesser of:

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

(2) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(B) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any Holder may incur in connection with such Holder's application for a license, qualification or a finding of suitability. Those costs and expenses will be the obligations of the holder or beneficial owner, as applicable. The Trustee shall not be liable or responsible for (i) determining whether a holder or beneficial owner is subject to Gaming Laws; (ii) any operational mechanics and DTC procedures relating to the redemption of any holder or beneficial owners Notes and (iii) any other matters in connection with this Section 3.11.

Section 3.12 *Special Put Option*.

Upon a Special Put Option Triggering Event, each holder of the Notes will have the right to require the Company to repurchase all or any part of such holder's Notes pursuant to a Special Put Option Offer on the terms set forth in this Indenture. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under Section 3.07 hereof.

Within ten days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under Section 3.07 hereof the Company shall mail a notice (a "*Special Put Option Offer*") to each holder of the Notes with a copy to the Trustee and the Paying Agent stating:

(a) that a Special Put Option Triggering Event has occurred and that such holder has the right to require the Company to repurchase such holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date);

(b) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(c) the instructions determined by the Company, consistent with this covenant, that a holder must follow in order to have its Notes repurchased.

On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(a) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(b) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(c) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

The Paying Agent will promptly make payment of the Special Put Option Payment for such Notes to the accounts specified by DTC or its nominee, for onward payment to the relevant holders of Notes, and the Trustee, or its authenticating agent, will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

The provisions described above that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of this Indenture are applicable.

The Company will not be required to make a Special Put Option Offer with respect to the Notes upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with the terms of this Indenture, as described above in Section 3.07 and Section 3.10, pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Section 3.13 *Compliance Sale Offer*.

In the event that, pursuant to Section 4.11 hereof, the Company is required to commence an offer to all Holders to purchase Notes (a "*Compliance Sale Offer*"), it will follow the procedures specified below.

The Compliance Sale Offer shall be made to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of a Compliance Sale (or the equivalent term used therein). The Compliance Sale Offer will remain open for a period of at least 20 Business Days following its commencement and not more than 30 Business Days, except to the extent that a longer period is required by applicable law (the "*Compliance Sale Offer Period*"). No later than five Business Days after the termination of the Offer Period (the "*Compliance Sale Purchase Date*"), the Company will apply all Compliance Sale Excess Proceeds (the "*Compliance Sale Offer Amount*") to the purchase of Notes and such other *pari passu* Indebtedness (on a *pro rata* basis, if applicable) or, if less than the Compliance Sale Offer Amount has been tendered, all Notes and other Indebtedness tendered in response to the Compliance Sale Offer. Payment for any Notes so purchased will be made in the same manner as interest payments are made.

If the Compliance Sale Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest and Additional Amounts, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to Holders who tender Notes pursuant to the Compliance Sale Offer.

Upon the commencement of a Compliance Sale Offer, the Company will send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice will contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Compliance Sale Offer. The notice, which will govern the terms of the Compliance Sale Offer, will state:

(1) that the Compliance Sale Offer is being made pursuant to this Section 3.13 and Section 4.11 hereof and the length of time the Compliance Sale Offer will remain open;

(2) the Compliance Sale Offer Amount, the purchase price and the Compliance Sale Purchase Date;

(3) that any Note not tendered or accepted for payment will continue to accrue interest;

(4) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Compliance Sale Offer will cease to accrue interest after the Compliance Sale Purchase Date;

(5) that Holders electing to have a Note purchased pursuant to a Compliance Sale Offer may elect to have Notes purchased in integral multiples of US$200,000 and integral multiples of US$1,000 in excess thereof only;

(6) that Holders electing to have Notes purchased pursuant to any Compliance Sale Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Compliance Sale Purchase Date;

(7) that Holders will be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Compliance Sale Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(8) that, if the aggregate principal amount of Notes and other *pari passu* Indebtedness surrendered by holders thereof exceeds the Compliance Sale Offer Amount, the Company will select the Notes and other *pari passu* Indebtedness to be purchased in accordance with Section 3.02 based on the principal amount of Notes and such other *pari passu* Indebtedness surrendered (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of US$200,000, or integral multiples of US$1,000 in excess thereof, will be purchased); and

(9) that Holders whose Notes were purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer); *provided that* the unpurchased portion has a minimum denomination of US$200,000.

On or before the Compliance Sale Purchase Date, the Company will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary (but subject to Section 3.02), the Compliance Sale Offer Amount of Notes or portions thereof tendered pursuant to the Compliance Sale Offer, or if less than the Compliance Sale Offer Amount has been tendered, all Notes tendered, and will deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.11. On the Compliance Sale Purchase Date, the Company will deposit with the Payment Agent an amount equal to purchase price in respect of all Notes or portions of Notes properly tendered, and the Paying Agent will promptly (but in any case not later than five days after the Compliance Sale Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company will promptly issue a new Note, and the Trustee, upon written request from the Company, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered, *provided that* the unpurchased portion has a minimum denomination of US$200,000. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company will publicly announce the results of the Compliance Sale Offer on the Compliance Sale Purchase Date.

Other than as specifically provided in this Section 3.13, any purchase pursuant to this Section 3.13 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4
COVENANTS

Section 4.01 *Payment of Notes*.

The Company will pay or cause to be paid the principal of, premium, if any, and interest and Additional Amounts, if any, on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest and Additional Amounts, if any, will be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. New York Time two Business Days prior to the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02 *Maintenance of Office or Agency*.

The Company will maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates Deutsche Bank Trust Company Americas as one such office or agency of the Company in accordance with Section 2.03 hereof.

Section 4.03 *Reports*.

(a) The Company will provide to the Trustee and the Holders and make available to potential investors:

(1) within 120 days after the end of the Parent Guarantor's fiscal year, annual reports of the Parent Guarantor containing: (a) information with a level of detail that is substantially comparable to the sections in the Offering Memorandum entitled "Selected Consolidated Financial and Operational Data," "Business," "Management," "Related Party Transactions" and "Description of Other Material Indebtedness;" (b) the Parent Guarantor's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) income statement and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with U.S. GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Parent Guarantor and its Restricted Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Parent Guarantor on a consolidated basis and any material changes between such two fiscal years and (ii) any material developments in the business of the Parent Guarantor and its Restricted Subsidiaries; and (d) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless *pro forma* information has been provided in a previous report pursuant to paragraph (2)(c) below; *provided that* no *pro forma* information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project;

(2) within 60 days after the end of each day of the first three fiscal quarters in each fiscal year of the Parent Guarantor, quarterly reports containing: (a) the Parent Guarantor's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of income and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with U.S. GAAP; (b) an operating and financial review of such periods for the Parent Guarantor and its Restricted Subsidiaries including a discussion of (i) the financial condition and results of operations of the Parent Guarantor on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Parent Guarantor and its Restricted Subsidiaries; (c) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter; *provided that* no pro forma information shall be required to be provided for any material acquisitions or dispositions relating solely to the Phase II Project, and *provided further* that the Company may provide any such *pro forma* information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3) information with respect to (a) any change in the independent accountants of the Parent Guarantor, the Company or any of the Significant Subsidiaries of the Parent Guarantor, (b) any material acquisition or disposition, (c) any material event that the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor announces publicly and (d) any information that the Parent Guarantor or the Company is required to make publicly available under the requirements of the SGX-ST or such other exchanges on which the securities of the Parent Guarantor, the Company or their respective Subsidiaries are then listed.

(b) If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries constitute Significant Subsidiaries of the Parent Guarantor, then the annual and quarterly information required by the paragraphs (a)(1) and (a)(2) hereof shall include a reasonably detailed presentation of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Parent Guarantor.

(c) In addition, so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and in any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the holders of the Notes, securities analysts and prospective investors, upon their request, any information that Rule 144A(d)(4) under the Securities Act would require the Company to provide to such parties.

(d) The Company may elect to satisfy its obligations under this covenant with respect to all such financial information relating to the Parent Guarantor by furnishing, or making available on the SEC's website (*provided that* the Trustee shall have no responsibility whatsoever to determine whether such filing has occurred), such financial information relating to Studio City International, or by furnishing or making available on the SGX-ST's website such financial information relating to Studio City Finance Limited; *provided that* the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to Studio City International or Studio City Finance Limited (as the case may be), on the one hand, and the information relating to the Parent Guarantor and its Restricted Subsidiaries on a stand-alone basis, on the other hand; provided further that the Company shall make no more than two such elections.

(e) All financial statement information required under this covenant shall be prepared on a consistent basis in accordance with U.S. GAAP. In addition, all financial statement information and all reports required under this covenant shall be presented in the English language.

(f) Contemporaneously with the provision of each report discussed above, the Company will also post such report on the Company's website.

(g) Delivery of such reports, information and documents to the Trustee shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice or actual knowledge of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

Section 4.04 *Compliance Certificate*.

(a) The Company shall deliver to the Trustee, within (x) 120 days after the end of each fiscal year and (y) within seven (7) Business Days of receipt of a written request from the Trustee, an Officer's Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, the Intercreditor Agreement and the Security Documents, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture, the Intercreditor Agreement and the Security Documents and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture or any Security Document (or, if a Default or Event of Default has occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) *[Intentionally Omitted]*.

(c) So long as any of the Notes are outstanding, the Company will deliver to the Trustee, as soon as possible and in any event within five (5) Business Days after the Company becomes aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. The Trustee shall not be deemed to have a duty to monitor compliance by the Company, nor to have knowledge of a Default or an Event of Default (other than a payment default on a scheduled interest payment date) unless a Responsible Officer of the Trustee receives written notice thereof, stating that it is a notice of default and referencing the applicable section of this Indenture.

Section 4.05 *Taxes*.

The Company will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies required to be paid by the Company or such Subsidiaries except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders.

Section 4.06 *Stay, Extension and Usury Laws*.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07 *Limitation on Restricted Payments*.

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Parent Guarantor's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Parent Guarantor and other than dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Parent Guarantor or the Company) any Equity Interests of the Parent Guarantor or any of its respective direct or indirect parents held by persons other than the Parent Guarantor or a Restricted Subsidiary (other than in exchange for Equity Interests (other than Disqualified Stock) of the Parent Guarantor);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness of the Company or any Guarantor (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of its Restricted Subsidiaries) or the Intercompany Note Proceeds Loans, except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) through (4) above being collectively referred to as "*Restricted Payments*"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Parent Guarantor would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof; and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries since the Measurement Date (excluding Restricted Payments permitted by clauses (2) through (17) of Section 4.07(b)) pursuant to this Indenture, is less than the sum, without duplication, of:

(i) 75% of the EBITDA of the Parent Guarantor *less* 2.00 times Fixed Charges for the period (taken as one accounting period) from January 1, 2019 to the end of the Parent Guarantor's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such EBITDA for such period is a deficit, *minus* 100% of such deficit); *plus*

(ii) 100% of the aggregate net cash proceeds received by the Parent Guarantor since the Measurement Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Parent Guarantor (in each case, other than in connection with any Excluded Contribution) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Parent Guarantor that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Parent Guarantor); *plus*

(iii) to the extent that any Restricted Investment that was made after the Measurement Date (x) is reduced as a result of payments of dividends to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor or (y) is sold for cash or otherwise liquidated or repaid for cash, (in the case of sub-clauses (x) and (y)) the lesser of (i) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (ii) the initial amount of such Restricted Investment or (z) is reduced upon the release of a Note Guarantee granted by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor that constituted a Restricted Investment, to the extent that the initial granting of such Note Guarantee reduced the restricted payments capacity under Section 4.07(a)(C); *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Parent Guarantor designated as such after the Measurement Date is re-designated as a Restricted Subsidiary after the Measurement Date, the lesser of (i) the Fair Market Value of the Parent Guarantor's Restricted Investment in such Subsidiary as of the date of such re-designation or (ii) the Fair Market Value of the net aggregate Investments made by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor in such Unrestricted Subsidiary from the date such entity was originally designated as an Unrestricted Subsidiary through the date of such re-designation; *plus*

(v) 100% of the aggregate amount received from the sale of the stock of any Unrestricted Subsidiary of the Parent Guarantor after the Measurement Date or 100% of any dividends received by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor after the Measurement Date from an Unrestricted Subsidiary of the Parent Guarantor.

(b) The provisions of Section 4.07(a) hereof will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or redemption payment would have complied with the provisions of this Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Parent Guarantor) of, Equity Interests of the Parent Guarantor (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital to the Parent Guarantor (in each case, other than in connection with any Excluded Contribution); *provided that* the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from Section 4.07(a)(C)(ii) hereof;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Guarantor with the net cash proceeds from a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis;

(5) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor held by any current or former officer, director or employee of the Parent Guarantor or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement; *provided that* the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US$1.0 million in any twelve-month period;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test described in Section 4.09(a) hereof;

(8) any Restricted Payment made or deemed to be made by the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA;

(9) [Reserved];

(10) Restricted Payments that are made with Excluded Contributions;

(11) payments to any parent entity in respect of directors' fees, remuneration and expenses (including director and officer insurance (including premiums therefore)) to the extent relating to the Parent Guarantor and its Subsidiaries, in an aggregate amount not to exceed US$5.0 million per annum;

(12) the making of Restricted Payments, if applicable:

(A) in amounts required for any direct or indirect parent of the Parent Guarantor to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Parent Guarantor and general corporate operating and overhead expenses of any direct or indirect parent of the Parent Guarantor in each case to the extent such fees and expenses are attributable to the ownership or operation of the Parent Guarantor, if applicable, and its Subsidiaries, in an aggregate amount not to exceed US$2.0 million per annum;

(B) in amounts required for any direct or indirect parent of the Parent Guarantor, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Parent Guarantor or any of its Restricted Subsidiaries prior to the Issue Date and that has been guaranteed by, or is otherwise considered Indebtedness of, the Parent Guarantor Incurred in accordance with Section 4.09; *provided that* the amount of any such proceeds will be excluded from Section 4.07(a)(C)(ii);

(C) in amounts required for any direct or indirect parent of the Parent Guarantor to pay fees and expenses, other than to Affiliates of the Parent Guarantor, related to any unsuccessful equity or debt offering of such parent; and

(D) payments for services under any Revenue Sharing Agreement that would constitute or be deemed to constitute a Restricted Payment;

(13) any Restricted Payment used to fund the Transactions and the payment of fees and expenses incurred in connection with the Transactions or owed by the Parent Guarantor or any direct or indirect parent of the Company, the Parent Guarantor or its Restricted Subsidiaries to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Parent Guarantor to enable it to make payments, in connection with the consummation of the Transactions, whether payable on the Issue Date or thereafter, in each case on terms described in the Offering Memorandum under "Use of Proceeds" and to the extent permitted by Section 4.12;

(14) any Restricted Payments, to the extent required to be made (i) by any Gaming Authority having jurisdiction over the Parent Guarantor or any of its Restricted Subsidiaries or Melco Resorts Macau (or any other operator of the Studio City Casino), or (ii) due to a change in Gaming Law that occurs after the Issue Date;

(15) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Parent Guarantor or any Restricted Subsidiary; *provided*, *however*, that any such cash payment shall not be for the purpose of evading the limitation of this Section 4.07;

(16) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Company or any Guarantor pursuant to provisions similar to those described under Section 4.16, *provided that* all Notes tendered by holders of the Notes in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value;

(17) payments or distributions to dissenting stockholders of Capital Stock of the Parent Guarantor pursuant to applicable law in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided that* as a result of such consolidation, merger or transfer of assets, the Company shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value; and

(18) other Restricted Payments in an aggregate amount not to exceed US$15.0 million since the Issue Date;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (12), (13) and (18) of this Section 4.07(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

(c) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company, the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Section 4.07 will be determined by the Board of Directors of the Parent Guarantor whose resolution with respect thereto will be delivered to the Trustee as set forth in an Officer's Certificate of the Parent Guarantor. The Parent Guarantor's Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of international standing (an "*Independent Financial Advisor*") if the Fair Market Value exceeds US$70.0 million.

Section 4.08 *Dividend and Other Payment Restrictions Affecting Subsidiaries*.

(a) The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause, permit or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantor or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Parent Guarantor or any of its Restricted Subsidiaries;

(2) make loans or advances to the Parent Guarantor or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Parent Guarantor or any of its Restricted Subsidiaries.

(b) The restrictions in Section 4.08(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Indebtedness or any other agreements in existence on the Issue Date as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements on the Issue Date;

(2) the Credit Facilities Documents (including the Senior Secured Credit Facilities), and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided that* such Credit Facilities Documents and the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in the Senior Secured Credit Facilities on the original execution date thereof;

(3) this Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement and the Security Documents;

(4) applicable law, rule, regulation or order, or governmental license, permit or concession;

(5) any agreement or instrument governing Indebtedness or Capital Stock of a Person or assets acquired by the Parent Guarantor or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired (and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements or instruments; *provided that* the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other restrictions than those contained in those agreements or instruments at the time of such acquisition); *provided further*, *that*, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be Incurred;

(6) customary non-assignment provisions in contracts and licenses including, without limitation, with respect to any intellectual property, entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described in Section 4.08(a)(3);

(8) any agreement for the sale or other disposition of Equity Interests or property or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition;

(9) Permitted Refinancing Indebtedness; *provided that* the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(10) Liens permitted to be incurred under the provisions of Section 4.13 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting dividends or the disposition or distribution of assets, property or Equity Interests in joint venture or operating agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, merger agreements and other similar agreements entered into with the approval of the Parent Guarantor's Board of Directors, which limitation is applicable only to the assets, property or Equity Interests that are the subject of such agreements;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business; and

(13) any agreement or instrument with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of this Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its subsidiaries or the property or assets of such Subsidiary or its subsidiaries, and any extensions, refinancing, renewals, supplements or amendments or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed, supplemented, amended or replaced.

Section 4.09 *Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock*.

(a) The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Parent Guarantor will not issue any shares of Disqualified Stock and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that the Parent Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Disqualified Stock, and the Company or any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock, if the Fixed Charge Coverage Ratio of the Parent Guarantor for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been at least 2.00 to 1.00 determined on a *pro forma* basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The provisions of Section 4.09(a) hereof do not apply to the following (collectively, "*Permitted Debt*"):

(1) the Incurrence by the Company and the Guarantors of Indebtedness under Credit Facilities; *provided that* on the date of the Incurrence of any such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (1) (together with any refinancing thereof) does not exceed (i) US$200.0 million *less* (ii) the aggregate amount of all Net Proceeds of Asset Sales or any Compliance Sale applied since the Issue Date to repay any term Indebtedness Incurred pursuant to this clause (1) or to repay any revolving credit indebtedness Incurred under this clause (1) and effect a corresponding commitment reduction thereunder pursuant to Section 4.10 or Section 4.11 hereof;

(2) the Incurrence of Indebtedness represented by the Notes (other than Additional Notes), the Note Guarantees (other than Note Guarantees for Additional Notes), and, to the extent those obligations would represent Indebtedness, the Security Documents;

(3) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (1) and (2));

(4) the Incurrence of Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or other assets (including through the acquisition of Capital Stock of any person that owns property, plant or other assets which will, upon acquisition, become a Restricted Subsidiary) used in the business of the Parent Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (4), not to exceed the greater of (x) US$50.0 million and (y) 2.0% of Total Assets at any time outstanding;

(5) the Incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5) or (15) of this Section 4.09(b);

(6) (a) Obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by the Company or any Restricted Subsidiary in connection with the Property or in the ordinary course of business and (b) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than thirty (30) days following receipt of a demand for reimbursement;

(7) the Incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Parent Guarantor or any of its Restricted Subsidiaries; *provided*, *however*, that:

(A) if the Company or any Guarantor is the obligor on such Indebtedness and the payee is not the Company or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Guarantor; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor and (ii) any sale or other transfer of any such Indebtedness to a Person that is not the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Parent Guarantor or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (7);

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Parent Guarantor or another Restricted Subsidiary of the Parent Guarantor; *provided that*

(A) any subsequent issuance or transfer of Equity Interests that results in any such Preferred Stock being held by a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor; and

(B) any sale or other transfer of any such Preferred Stock to a Person that is not the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, will be deemed, in each case, to constitute an issuance of such Preferred Stock by such Restricted Subsidiary that was not permitted by this clause (8).

(9) the Incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(10) the guarantee by the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor of Indebtedness of the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor that was permitted to be Incurred by another provision of this Section 4.09; *provided that* if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(12) to the extent constituting Indebtedness, agreements to pay service fees to professionals (including architects, engineers, contractors and designers) in furtherance of and/or in connection with the Property or agreements to pay fees and expenses or other amounts pursuant to the Services and Right to Use Agreement or the MSA or otherwise arising under the Services and Right to Use Agreement or the MSA in the ordinary course of business (*provided*, *that* no such agreements shall give rise to Indebtedness for borrowed money);

(13) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; *provided*, *that* the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(14) Obligations in respect of Shareholder Subordinated Debt;

(15) any guarantees made solely in connection with (and limited in scope to) the giving of a Lien of the type specified in clause (22) of "Permitted Liens" to secure Indebtedness of an Unrestricted Subsidiary, the only recourse of which to the Parent Guarantor and its Restricted Subsidiaries is to the Equity Interests subject to the Liens; and

(16) the Incurrence by the Company or the Guarantors of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness Incurred pursuant to this clause (16), not to exceed US$100.0 million.

The Parent Guarantor and the Company will not Incur, and the Parent Guarantor will not permit any Subsidiary Guarantor to Incur, any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Parent Guarantor, the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms; *provided*, *however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Parent Guarantor, the Company or any Subsidiary Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Parent Guarantor and the Company will be permitted to classify such item of Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 4.09. Indebtedness incurred under the Credit Facilities, to the extent the liabilities in respect of obligations under such Credit Facilities are Incurred under any revolving credit facility, are secured by the Common Collateral and receive priority over the Notes and the Note Guarantee with respect to any proceeds received upon any enforcement action of the Common Collateral, will be deemed to have been incurred in reliance on the exception provided by clause (1) of the definition of Permitted Debt and may not be reclassified. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this Section 4.09; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Parent Guarantor as accrued. Notwithstanding any other provision of this Section 4.09, the maximum amount of Indebtedness that the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor may Incur pursuant to this Section 4.09 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Further, for purposes of determining compliance with this covenant, to the extent the Parent Guarantor or any of its Restricted Subsidiaries (including the Company) guarantees Indebtedness of a direct or indirect parent entity to the extent otherwise permitted by this covenant, the on-loan by such direct or indirect parent entity to the Parent Guarantor or any of its Restricted Subsidiaries of all or a portion of the principal amount of such Indebtedness will not be double counted.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(A) the Fair Market Value of such assets at the date of determination; and

(B) the face amount of the Indebtedness of the other Person.

Section 4.10 *Asset Sales*.

(a) The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale (other than an Event of Loss), unless:

(1) the Company, the Parent Guarantor or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) at least 75% of the consideration received in the Asset Sale by the Company, the Parent Guarantor or such Restricted Subsidiary is in the form of cash. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Parent Guarantor's most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Parent Guarantor or such Restricted Subsidiary from further liability;

(B) any securities, notes or other Obligations received by the Parent Guarantor or any such Restricted Subsidiary from such transferee that are, within 30 days of the receipt thereof, converted by the Parent Guarantor or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(C) any stock or assets of the kind referred to in Section 4.10(b)(2) or Section 4.10(b)(4).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale (including an Event of Loss), the Company, the Parent Guarantor or the applicable Restricted Subsidiary, as the case may be may apply such Net Proceeds:

(1) to repay (a) Indebtedness Incurred under Section 4.09(b)(1) (b) other Indebtedness of the Company or a Guarantor secured by property and assets that do not constitute Collateral that is the subject of such Asset Sale, and, in each case, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (c) Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor or (d) the Notes pursuant to the redemption provisions of this Indenture;

(2) to acquire all or substantially all of the assets of another Permitted Business, or any Capital Stock of, a Person undertaking another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Parent Guarantor (*provided that* (a) such acquisition funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets or Capital Stock is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds);

(3) to make a capital expenditure (*provided that* any such capital expenditure funded with any proceeds from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to make such capital expenditure is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss); or

(4) to acquire other assets that are not classified as current assets under U.S. GAAP and that are used or useful in a Permitted Business (*provided that* (a) such acquisition funded from an Event of Loss occurs within the date that is 545 days after receipt of the Net Proceeds from the relevant Event of Loss to the extent that a binding agreement to acquire such assets is entered into on or prior to the date that is 360 days after receipt of the Net Proceeds from the relevant Event of Loss, and (b) if such acquisition is not consummated within the period set forth in clause (a), the Net Proceeds not so applied will be deemed to be Excess Proceeds);or

(5) enter into a binding commitment regarding clauses (2), (3) or (4) above (in addition to the binding commitments expressly referenced in those clauses); *provided that* such binding commitment shall be treated as a permitted application of Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company, the Parent Guarantor or such Restricted Subsidiary shall not have applied such Net Proceeds pursuant to clauses (2), (3) or (4)above on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Proceeds, and such Net Proceeds will constitute Excess Proceeds.

(c) Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this Section 4.10 will constitute "*Asset Sale Excess Proceeds*." When the aggregate amount of Asset Sale Excess Proceeds exceeds US$5.0 million, within ten (10) days thereof, the Company shall make an Asset Sale Offer to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes and secured by the Collateral containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Asset Sale Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, and will be payable in cash. If any Asset Sale Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Asset Sale Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Asset Sale Excess Proceeds, the Company will purchase all tendered Notes and such other *pari passu* Indebtedness on a *pro rata* basis unless otherwise required under Section 3.02. Upon completion of each Asset Sale Offer, the amount of Asset Sale Excess Proceeds will be reset at zero.

(e) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of Section 3.09 hereof or this Section 4.10, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 3.09 hereof or this Section 4.10 by virtue thereof.

Section 4.11 *Compliance Sale.*

(a) If the Gaming Laws then in effect require Melco Resorts Macau (or another gaming operator operating the Studio City Casino) to be the owner of that part of the Property comprising the Studio City Casino, including the gaming areas, gaming support areas and/or common areas, or a portion thereof, in order to continue to operate the Studio City Casino and only to the extent so required, the Parent Guarantor and the Company may, and the Parent Guarantor may permit the applicable Restricted Subsidiaries to, consummate a sale, transfer or disposition of the relevant part of the Property, including any rights associated thereto, to Melco Resorts Macau (or any other gaming operator operating the Studio City Casino) (a "*Compliance Sale*"); *provided that* the following conditions and the other conditions set forth in this section are satisfied:

(1) the Company, the Parent Guarantor or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Compliance Sale equal to (i) such price as is necessary or appropriate under or in connection with the applicable Gaming Law, as determined by the Board of Directors of the Issuer in good faith, evidenced by an Officer's Certificate delivered by the Issuer to the Trustee; or alternatively (ii) the Fair Market Value of the assets or rights sold, transferred or otherwise disposed of; and

(2) to the extent applicable, such Compliance Sale is consummated in compliance with the terms of the covenant set forth under Section 4.12.

(b) Within 10 Business Days following the consummation of any Compliance Sale, the Company may use any Net Proceeds from such Compliance Sale to repay Indebtedness Incurred under Section 4.09(b)(1) to the extent such Indebtedness is secured by the Common Collateral and will receive priority over the Notes and the Note Guarantee with respect to any proceeds received upon any enforcement action of the Common Collateral and if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto.

(c) Any Net Proceeds from any Compliance Sale that are not applied pursuant to the immediately preceding paragraph will constitute "*Compliance Sale Excess Proceeds*." When the aggregate amount of Compliance Sale Excess Proceeds exceeds US$15.0 million, within 10 Business Days thereof, the Company shall make an offer to all Holders and all holders of other Indebtedness that is *pari passu* with the Notes and secured by the Collateral containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of a Compliance Sale (or the equivalent term used therein) to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Compliance Sale Excess Proceeds. The offer price in any Compliance Sale Offer will be equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash. If any Compliance Sale Excess Proceeds remain after consummation of a Compliance Sale Offer, the Company may use such Compliance Sale Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Compliance Sale Offer exceeds the amount of Compliance Sale Excess Proceeds, the Company will purchase all tendered Notes and such other *pari passu* Indebtedness on a *pro rata* basis. Upon completion of each Compliance Sale Offer, the amount of Compliance Sale Excess Proceeds will be reset at zero.

(d) The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to a Compliance Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

Section 4.12 *Transactions with Affiliates*.

(a) The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Parent Guarantor or the Company (each, an "*Affiliate Transaction*"), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company, the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company, the Parent Guarantor or such Restricted Subsidiary with a Person that is not an Affiliate of the Parent Guarantor or the Company; and

(2) the Parent Guarantor delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$55.0 million, a resolution of the Board of Directors of the Parent Guarantor set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this Section 4.12(a) and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor or, if the Board of Directors of the Parent Guarantor has no disinterested directors, approved in good faith by a majority of the members (or in the case of a single member, the sole member) of the Board of Directors of the Parent Guarantor; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$70.0 million, an opinion as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of national standing with experience appraising the terms and conditions of the type of transaction or series of related transactions.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of Section 4.12(a) hereof:

(1) any employment agreement, employee benefit plan (including compensation, retirement, disability, severance and other similar plan), officer or director indemnification, stock option or incentive plan or agreement, employee equity subscription agreement or any similar arrangement entered into by the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) transactions between or among the Company, the Parent Guarantor and/or its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Parent Guarantor or the Company solely because the Parent Guarantor or the Company, as the case may be, owns directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable officers' and directors' fees and reimbursement of expenses (including the provision of indemnity to officers and directors) to Persons who are not otherwise Affiliates of the Parent Guarantor or the Company;

(5) any issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor to Affiliates of the Parent Guarantor or contribution to the common equity capital of the Parent Guarantor;

(6) Restricted Payments (including any payments made under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA) that do not violate Section 4.07 hereof;

(7) any agreement or arrangement existing on the Issue Date, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals (so long as any such agreement or arrangement together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, than the original agreement or arrangement as in effect on the Issue Date, unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority, in each case having jurisdiction over the Studio City Casino, Melco Resorts Macau (or any other operator of the Studio City Casino), the Parent Guarantor or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR);

(8) loans or advances to employees (including personnel who provide services to the Parent Guarantor or any of its Restricted Subsidiaries pursuant to the MSA) in the ordinary course of business not to exceed US$1.0 million in the aggregate at any one time outstanding;

(9) [Reserved];

(10) (a) transactions or arrangements under, pursuant to or in connection with the Services and Right to Use Agreement, the Reinvestment Agreement or the MSA, including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof (so long as the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, together with all such amendments, modifications, supplements, extensions, replacements, terminations and renewals, taken as a whole, is not materially more disadvantageous to the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, than the Services and Right to Use Agreement and the Reinvestment Agreement, taken as a whole, or the MSA, respectively, as in effect on the Issue Date or, as determined in good faith by the Board of Directors of the Parent Guarantor, would not materially and adversely affect the Company's ability to make payments of principal of and interest on the Notes) and (b) other than with respect to transactions or arrangements subject to clause (a) above, transactions or arrangements with customers, clients, suppliers or sellers of goods or services in the ordinary course of business, on terms that are fair to the Parent Guarantor or any of its Restricted Subsidiaries, as applicable, or are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arms-length basis from a Person that is not an Affiliate of the Parent Guarantor or the Company, in the case of each of (a) and (b), unless any such amendments, modifications, supplements, extensions, replacements, terminations or renewals are imposed by any Gaming Authority or any other public authority having jurisdiction over Melco Resorts Macau (or any other operator of the Studio City Casino), the Parent Guarantor or any of its Restricted Subsidiaries, including, but not limited to, the government of the Macau SAR;

(11) the execution of the Transactions, and the payment of all fees and expenses relating to the Transactions described in the Offering Memorandum;

(12) transactions or arrangements to be entered into in connection with the Property in the ordinary course of business (including, for the avoidance of doubt, transactions or arrangements necessary to conduct a Permitted Business) including any amendments, modifications, supplements, extensions, replacements, terminations or renewals thereof; *provided that* such transactions or arrangements must comply with clauses 4.11(a)(1) and (a)(2)(A) hereof;

(13) transactions or arrangements duly approved by the Audit and Risk Committee of Studio City International (or any other committee of the board of directors of Studio City International so long as such committee consists entirely of independent directors) and the Company delivers to the Trustee a copy of the resolution of the Audit and Risk Committee of Studio City International (or, if applicable, such other committee) annexed to an Officer's Certificate certifying that such Affiliate Transaction complies with this clause (13) and that such Affiliate Transaction has been duly approved by the Audit and Risk Committee of Studio City International (or, if applicable, such other committee);

(14) execution, delivery and performance of any tax sharing agreement or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes; and

(15) provision by, between, among, to or from Persons who may be deemed Affiliates of group administrative, treasury, legal, accounting and similar services.

Section 4.13 *Liens*.

The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness on any asset now owned or hereafter acquired or any proceeds, income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, or, if such Lien is not a Permitted Lien, unless the Notes and the Note Guarantees are secured on a *pari passu* basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Section 4.14 *Business Activities*.

The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Business, except to such extent as would not be material to the Parent Guarantor and its Restricted Subsidiaries (taken as a whole).

Section 4.15 *Corporate Existence*.

Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; *provided, however*, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders.

Section 4.16 *Offer to Repurchase upon Change of Control*.

(a) Upon the occurrence of a Change of Control, each Holder will have the right to require the Company to repurchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full pursuant to Section 3.07 hereof. Within ten (10) days following any Change of Control, except to the extent that the Company has exercised its right to redeem the Notes by delivery of a notice of redemption pursuant to Section 3.03 hereof, the Company shall mail a notice (a "*Change of Control Offer*") to each Holder with a copy to the Trustee stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Company to repurchase such Holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date (the "*Change of Control Payment*"));

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(4) that any Note not tendered will continue to accrue interest;

(5) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;

(6) the Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" attached to the Notes completed, or transfer by book-entry transfer, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(7) the Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Notes delivered for purchase, and a statement that such Holder is withdrawing his election to have the Notes purchased, and

(8) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, *provided that* the unpurchased portion has a minimum denomination of US$200,000.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes properly tendered and being purchased by the Company.

The Paying Agent will promptly mail (but in any case not later than five (5) days after the Change of Control Payment Date) to each Holder properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any, *provided that the unpurchased portion has a minimum denomination of US$200,000*. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 4.16, the Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.16 hereof and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to Section 3.03 hereof, unless and until there is a default in payment of the applicable redemption price.

(d) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(e) Notes repurchased by the Company pursuant to a Change of Control Offer will be retired and cancelled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

(f) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section 4.16. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.16, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.16 by virtue of such compliance.

Section 4.17 *Payments for Consents*.

The Parent Guarantor and the Company will not, and the Parent Guarantor will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture, the Notes, the Note Guarantees, the Security Documents or the Intercreditor Agreement unless such consideration is (1) offered to be paid; and (2) is paid to all Holders that consent, waive or agree to amend within the time frame and on the terms set forth in the solicitation documents relating to such consent, waiver or agreement.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes in connection with an exchange offer, the Company and any of the Restricted Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company or any of its Restricted Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company or any of its Restricted Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company or any of its Restricted Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Section 4.18 *Intercompany Note Proceeds Loans.*

The Parent Guarantor shall, and shall cause its Restricted Subsidiaries to, ensure that:

(a) the Intercompany Note Proceeds Loans (if any) are subordinated in right of payment to the Guarantees provided by the Parent Guarantor's Restricted Subsidiaries party thereto;

(b) the Company will receive interest payments under such Intercompany Note Proceeds Loans (if any) in amounts sufficient for the Company to make interest payments under the Notes as they become due; and

(c) the maturity date of such Intercompany Note Proceeds Loans (if any) will be same as the maturity date of the Notes.

Section 4.19 *Future Subsidiary Guarantors*.

(a) If the Parent Guarantor or any of its Restricted Subsidiaries acquires or creates another Subsidiary after the Issue Date, then the Parent Guarantor shall cause such newly acquired or created Subsidiary (other than any Excluded Subsidiary) to become a Guarantor (in the event that such Subsidiary provides a guarantee of any other Indebtedness of the Company or a Guarantor of the type specified under clauses (1) or (2) of the definition of "Indebtedness"), at which time such Subsidiary shall:

(1) execute a supplemental indenture in the form attached as Exhibit D hereto pursuant to which such Subsidiary shall unconditionally guarantee, on a senior basis, all of the Company's Obligations under this Indenture and the Notes on the terms set forth in this Indenture;

(2) execute and deliver to the Security Agent and/or the Intercreditor Agent (as applicable) such amendments or supplements to the Security Documents necessary in order to grant to the Security Agent, for the benefit of the Trustee and the holders of the Notes, a perfected security interest (subject to Permitted Liens and to the extent permitted under applicable law) in the Collateral owned by such Subsidiary Guarantor required to be pledged pursuant to the Security Documents;

(3) take such further action and execute and deliver such other documents as otherwise may be reasonably requested by the Trustee, the Security Agent or the Intercreditor Agent to give effect to the foregoing; and

(4) deliver to the Trustee, the Security Agent and the Intercreditor Agent an Opinion of Counsel that (i) such supplemental indenture and any other documents required to be delivered have been duly authorized, executed and delivered by such Subsidiary and constitute legal, valid, binding and enforceable Obligations of such Subsidiary and (ii) the Security Documents to which such Subsidiary is a party create a valid perfected Lien on the Collateral covered thereby to the extent permitted under applicable law.

(b) Notwithstanding the foregoing, any Guarantee of the Notes created pursuant to the provisions described in paragraph (a) above may provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) (with respect to any Guarantee created after the date of this Indenture) the release by the holders of the Company's, the Parent Guarantor's or the Subsidiary Guarantor's Debt described in paragraph (a) above, of their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee), at a time when:

(A) no other Indebtedness of either the Company, the Parent Guarantor or any Subsidiary Guarantor has been guaranteed by such Restricted Subsidiary; or

(B) the holders of all such other Indebtedness that is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Debt other than as a result of payment under such guarantee); or

(2) the release of the Guarantees on the terms and conditions and in the circumstances described in Section 11.08 hereof.

(c) Each additional Note Guarantee will be limited as necessary to recognize certain defences generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally) or other considerations under applicable law. Notwithstanding Section 4.19(a), the Parent Guarantor shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent that such Guarantee by such Restricted Subsidiary would reasonably be expected to give rise to or result in (i) any liability for the officers, directors or shareholders of such Restricted Subsidiary or (ii) any significant cost, expense, liability or obligation (including with respect of any Taxes, but excluding any reasonable guarantee or similar fee payable to the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor) other than reasonable out of pocket expenses.

Section 4.20 *Designation of Restricted Subsidiaries and Unrestricted Subsidiaries*.

The Board of Directors of the Parent Guarantor may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default; *provided that* in no event will the business currently operated by the Company, Studio City Developments Limited, Studio City Entertainment Limited or Studio City Hotels Limited be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Parent Guarantor and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 hereof or under one or more clauses of the definition of Permitted Investments, as determined by the Parent Guarantor. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Parent Guarantor may re-designate any Unrestricted Subsidiary to be a Restricted Subsidiary if that re-designation would not cause a Default.

Any designation of a Subsidiary of the Parent Guarantor as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Parent Guarantor giving effect to such designation and an Officer's Certificate of the Parent Guarantor certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Parent Guarantor as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under Section 4.09 hereof, Parent Guarantor and the Company will be in Default of such covenant. The Board of Directors of the Parent Guarantor may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Parent Guarantor; *provided that* such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Parent Guarantor of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under Section 4.09 hereof, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the reference period; and (2) no Default or Event of Default would be in existence following such designation. On such designation, the Parent Guarantor shall deliver an Officer's Certificate of the Parent Guarantor to the Trustee regarding such designation and certifying that such designation complies with the preceding conditions and the relevant covenants under this Indenture.

Section 4.21 *Listing*.

The Company will use its commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited or another comparable exchange.

Section 4.22 *Limitations on Use of Proceeds*.

The Parent Guarantor and the Company will not, and the Parent Guarantor will not cause or permit any of its Restricted Subsidiaries to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than as set forth under the caption "Use of Proceeds" in the Offering Memorandum.

Section 4.23 *Impairment of Security Interest*.

(a) Subject to clauses (b) and (c) below, the Parent Guarantor and the Company will not, and the Parent Guarantor will not cause or permit any of its Restricted Subsidiaries to, take or knowingly omit to take, any action which action or omission would have the result of materially impairing the security interest over any of the assets comprising the Collateral (it being understood that the incurrence of Liens on the Collateral permitted by the definition of Permitted Liens shall not be deemed to materially impair the security interest with respect to any Collateral), for the benefit of the Trustee, the Security Agent, the Intercreditor Agent and the holders of Notes (including the priority thereof).

(b) At the request of the Parent Guarantor and without the consent of the holders of the Notes, the Trustee may from time to time (subject to receipt of the documents described in Section 7.02(b)) direct the Security Agent and/or the Intercreditor Agent (as applicable) (and acting on such direction the Security Agent and/or the Intercreditor Agent may, to the extent authorized and permitted by the Intercreditor Agreement), enter into one or more amendments to the Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for any Permitted Liens; (iii) add to the Collateral or (iv) make any other change thereto that does not adversely affect the holders of the Notes in any material respect; *provided, however*, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified or replaced, unless contemporaneously with such amendment, extension, renewal, restatement, supplement, modification or replacement, the Parent Guarantor delivers to the Trustee, any of:

(1) a solvency opinion, in form satisfactory to the Trustee, from an Independent Financial Advisor confirming the solvency of the Parent Guarantor and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement;

(2) a certificate from the Board of Directors or chief financial officer of the Parent Guarantor (acting in good faith), substantially in the form attached hereto as Exhibit F to this Indenture, confirming the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement; or

(3) an opinion of counsel, in form satisfactory to the Trustee confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or replacement, the Lien or Liens securing the applicable Notes created under the Security Documents as so amended, extended, renewed, restated, supplemented, modified or replaced remain valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification, replacement or release and retaking.

(c) Nothing in this Section 4.23 will restrict and clause (b) above will not apply to (x) any release, amendment, extension, renewal, restatement, supplement, modification or replacement of any security interests in compliance with the provisions set out in Section 10.06 or (y) any Permitted Land Concession Amendment.

(d) In the event that the Parent Guarantor complies with this Section 4.23, the Trustee and/or the Security Agent and/or the Intercreditor Agent, as applicable, shall (to the extent authorized and permitted under the Intercreditor Agreement and subject to customary protections and indemnifications) consent to such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from holders of the Notes; *provided* such amendments do not impose any personal obligations on the Trustee and/or the Security Agent and/or the Intercreditor Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee under this Indenture or the Intercreditor Agreement.

Section 4.24 *Suspension of Covenants*.

(a) The following covenants (the "*Suspended Covenants*") will not apply during any period during which the Notes have an Investment Grade Status (a "*Suspension Period*"): Section 4.07, Section 4.08, Section 4.09, Section 4.10, Section 4.12, with respect to the Parent Guarantor and the Company Section 5.01(a)(3), Section 4.19 and Section 4.23. Additionally, during any Suspension Period, the Parent Guarantor will not be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

(b) In the event that the Parent Guarantor and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") the Notes cease to have Investment Grade Status, then the Suspended Covenants will apply with respect to events occurring following the Reversion Date (unless and until the Notes subsequently attain an Investment Grade Status, in which case the Suspended Covenants will again be suspended for such time that the Notes maintain an Investment Grade Status); *provided*, *however*, that no Default or Event of Default will be deemed to exist under this Indenture with respect to the Suspended Covenants, and none of the Parent Guarantor, the Company or any of their respective Subsidiaries will bear any liability for any actions taken or events occurring during a Suspension Period and before any related Reversion Date, or any actions taken at any time pursuant to any contractual obligation or binding commitment arising prior to such Reversion Date, regardless of whether those actions or events would have been permitted if the applicable Suspended Covenant had remained in effect during such period. The Company shall notify the Trustee should the Notes achieve Investment Grade Status, *provided that* such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall have no duty to (i) monitor the Investment Grade Status of the Notes, or (ii) ascertain whether either a Suspension Period or Reversion Date has occurred. The Trustee shall be under no obligation to notify the holders of the Notes that the Notes have achieved Investment Grade Status.

(c) On each Reversion Date, all Indebtedness Incurred during the Suspension Period prior to such Reversion Date will be deemed to be Indebtedness existing on the Issue Date. For purposes of calculating the amount available to be made as Restricted Payments under Section 4.07(a)(C) on or after the Reversion Date, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the Issue Date (including the Suspension Period). Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (2) through (6) or (18) under Section 4.07(b) will reduce the amount available to be made as Restricted Payments under Section 4.07(a)(C); provided, that the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. In addition, for purposes of the other Suspended Covenants, all agreements entered into and all actions taken during the Suspension Period, including, without limitation, the Incurrence of Indebtedness shall be deemed to have been taken or to have existed prior to the Issue Date.

ARTICLE 5
SUCCESSORS

Section 5.01 *Merger, Consolidation, or Sale of Assets*.

(a) *The Parent Guarantor and the Company*. Neither the Parent Guarantor nor the Company will, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Parent Guarantor or the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of the Parent Guarantor or the Company with or a merger of the Parent Guarantor or the Company with or into any other Person, the Parent Guarantor or the Company, as the case may be, shall be the surviving entity of such merger or consolidation; or

(B) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor or the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Parent Guarantor or the Company, as the case may be, under the Notes, the Note Guarantees, this Indenture; the Security Documents and the Intercreditor Agreement pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee, the Security Agent and the Intercreditor Agent, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Security Documents on the Collateral owned by or transferred to the surviving Person;

(2) immediately after such transaction, no Default or Event of Default exists; and

(3) the Parent Guarantor or the Company or, if applicable, the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor or the Company), or to which such sale, assignment, transfer, conveyance or other disposition has been made, would, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to Incur at least US$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a) hereof.

(b) *The Subsidiary Guarantors*. Subject to the provisions in this Indenture governing release of a Subsidiary Guarantor upon the sale or disposition of a Restricted Subsidiary of the Parent Guarantor that is a Subsidiary Guarantor, no Subsidiary Guarantor will, and the Parent Guarantor will not permit any Subsidiary Guarantor to, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not such Subsidiary Guarantor survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Subsidiary Guarantor in one or more related transactions, to another Person, unless:

(1) either:

(A) if the transaction or series of transactions is a consolidation of such Subsidiary Guarantor with or a merger of such Subsidiary Guarantor with or into any other Person, such Subsidiary Guarantor shall be the surviving entity of such consolidation or merger; or

(B) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of such Subsidiary Guarantor under its Note Guarantee, this Indenture, the Security Documents and the Intercreditor Agreement pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee, the Security Agent and the Intercreditor Agent, and in connection therewith shall cause such instruments to be filed and recorded in such jurisdictions and take such other actions as may be required by applicable law to perfect or continue the perfection of the Lien created under the Security Documents on the Collateral owned by or transferred to the surviving Person; and

(2) immediately after such transaction, no Default or Event of Default exists;

provided, *however*, that the provisions of this Section 5.01(b) shall not apply if such Subsidiary Guarantor is released from its Note Guarantee as a result of such consolidation, merger, sale or other disposition pursuant to Section 11.08 hereof.

(c) This Section 5.01 will not apply to:

(1) a merger of the Company or a Guarantor, as the case may be, with an Affiliate solely for the purpose of reincorporating the Company or a Subsidiary Guarantor, as the case may be, in another jurisdiction; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets between or among the Company and the Guarantors or between or among the Guarantors.

Upon consummation of any consolidation or merger, or any sale, assignment, transfer, conveyance, or other disposition of assets by a Subsidiary Guarantor with or into the Company or another Guarantor in accordance with this Section 5.01 which results in a Subsidiary Guarantor distributing all of its assets (other than *de minimis* assets required by law to maintain its corporate existence) to the Company or another Guarantor, such transferring Subsidiary Guarantor may be wound up pursuant to a solvent liquidation or solvent reorganization, provided it shall have no third party recourse Indebtedness or be the obligor under any intercompany Indebtedness.

Section 5.02 *Successor Corporation Substituted.*

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; *provided*, *however*, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets in a transaction that is subject to, and that complies with the provisions of, Section 5.01 hereof.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 *Events of Default.*

(a) Each of the following is an event of default (an "*Event of Default*"):

(1) default for 30 days in the payment when due of interest or Additional Amounts, if any, on the Notes;

(2) default in the payment when due (at maturity, upon redemption, upon required repurchase, or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Parent Guarantor or any of its Restricted Subsidiaries to comply with its obligations under the provisions of Sections 3.09, 3.12, 3.13, 4.10, 4.11, 4.16 or 5.01 hereof;

(4) failure by the Parent Guarantor or any of its Restricted Subsidiaries for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture, the Security Documents or the Intercreditor Agreement;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of this Indenture, if that default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "*Payment Default*"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates US$20.0 million or more at any time outstanding;

(6) failure by the Parent Guarantor or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case or is the subject of a petition by a creditor to have it declared bankrupt,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a custodian of it or for all or substantially all of its property,

(D) makes a general assignment for the benefit of its creditors, or

(E) generally is not paying its debts as they become due;

(8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary; or

(C) orders the liquidation of the Company or of any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary;

(9) the repudiation by the Company or any Guarantor of any of their Obligations under the Security Documents, or except as permitted by this Indenture and the Intercreditor Agreement, any of the Security Documents or the Intercreditor Agreement ceasing to be in full force and effect for any reason, being declared fully or partially void in judicial, regulatory or administrative proceeding or becoming enforceable against the Company or any Guarantor for any reason;

(10) except as permitted by this Indenture, (a) any Note Guarantee being held in any judicial proceeding in a competent jurisdiction to be unenforceable or invalid or ceases for any reason to be in full force and effect, or (b) any Person acting on behalf of any Guarantor, denying or disaffirming its Obligations under its Note Guarantee; and

(11) the termination or rescission of any Gaming License or the Macau government takes any formal measure to do so (excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the government of Macau in connection with the granting or renewal of any Gaming License; *provided that* such renewal, tender or other process results in the granting or renewal of the relevant Gaming License).

Section 6.02 *Acceleration*.

In the case of an Event of Default specified in Section 6.01(a)(7) or 6.01(a)(8) hereof, with respect to the Company, the Parent Guarantor, any Restricted Subsidiary of the Parent Guarantor that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Parent Guarantor that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders (with a copy to the Trustee) of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Upon any such declaration, the Notes shall become due and payable immediately.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of all of the Holders, rescind an acceleration and its consequences (including any related payment default that resulted from such acceleration), if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest, premium or Additional Amounts, if any, that has become due solely because of the acceleration) have been cured or waived.

Section 6.03 *Other Remedies*.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium and Additional Amounts, if any, and interest on the Notes or to enforce the performance of any provision of the Notes, this Indenture or the Security Documents.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

The Trustee will not be charged with knowledge or deemed to have notice of any Default or Event of Default with respect to the Notes unless written notice of such Default or Event of Default is received by a Responsible Officer of the Trustee, from the Company or any other obligor on the Notes or by any holder of the Notes, and such notice specifically identifies this Indenture and the Notes.

Section 6.04 *Waiver of Past Defaults*.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, Additional Amounts, if any, or interest on, the Notes (including in connection with an offer to purchase); *provided*, *however*, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 *Control by Majority*.

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct, in writing, the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06 *Limitation on Suits*.

(a) Subject to the provisions of this Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of any Holders unless such Holders have offered to the Trustee reasonable indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder may pursue any remedy with respect to this Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have made a written request to the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security and/or indemnity to its satisfaction against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) during such 60-day period, Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a written direction inconsistent with such request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07 *Rights of Holders to Receive Payment*.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, Additional Amounts, if any, and interest on the Notes, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder; *provided that* a Holder shall not have the right to institute any such suit for the enforcement of payment if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture upon any property subject to such Lien.

Section 6.08 *Collection Suit by Trustee*.

If an Event of Default specified in Section 6.01(a)(1) or (a)(2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, Additional Amounts, if any, and interest remaining unpaid on, the Notes and interest on overdue principal and premium, if any and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 *Trustee May File Proofs of Claim*.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.08 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 *Priorities*.

Subject to the terms of the Intercreditor Agreement, if the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

First: to the Trustee, the Agents, and their respective agents and attorneys for amounts due under Section 7.08 hereof, including payment of all compensation, expenses and liabilities incurred, and all advances made, by the Trustee or any Agent, and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, Additional Amounts, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, Additional Amounts, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 *Undertaking for Costs*.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

Section 7.01 *Duties of Trustee*.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the duties of the Trustee will be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee will examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) other than with respect to a payment default, the Trustee shall not be charged with knowledge of any Default or Event of Default unless written notice has been delivered to a Responsible Officer at the Corporate Trust Office of the Trustee referencing the applicable provision of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer; and

(3) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section 7.01.

(e) No provision of this Indenture or the Intercreditor Agreement will require the Trustee, to expend or risk its own funds or incur any liability.

(f) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02 *Rights of Trustee*.

(a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may engage and consult with professional advisors and counsel selected by it at the reasonable expense of the Company, and the Trustee may rely conclusively upon advice of such professional advisors and counsel or any Opinion of Counsel will be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon by the Trustee and any of its directors, officers, employees or agents duly appointed.

(c) The Trustee may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any agent appointed with due care. The Trustee shall have no duty to monitor the performance of such agents.

(d) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture and the Intercreditor Agreement. The Trustee shall not be required to take action at the direction of the Company or Holders which conflicts with the requirements of this Indenture and the Intercreditor Agreement or for which it is not indemnified/and to secured to its satisfaction, or which involves undue risk or would be contrary to applicable law or regulation.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer or a director of the Company.

(f) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture or the Intercreditor Agreement at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security satisfactory to it in its sole discretion against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(g) In no event shall the Trustee be responsible or liable for not performing any act or fulfilling any duty, obligation or responsibility hereunder arising out of or caused by, directly or indirectly, any occurrence beyond its control, including, without limitation, any act or provision of any present or future law or regulation or government authority strikes, work stoppages, accidents, any act of war or terrorism, civil unrest or military disturbances, local or national disturbance or disaster, pandemic, epidemic nuclear or natural catastrophes or any act of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(h) The recitals contained herein and in the Notes are made by the Company and not by the Trustee, and the Trustee, does not assume any responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Indenture, the Notes, the Intercreditor Agreement or Security Documents.

(i) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(j) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The rights, privileges, indemnity, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder and each agent (including each Agent), custodian and other Person employed to act hereunder and shall be incorporated by reference and made a part of the Security Documents and the Intercreditor Agreement.

(l) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(m) In the event that the Trustee and Agents shall be uncertain as to their respective duties or rights hereunder or shall receive instructions, claims or demands from the Company, which in their opinion, conflict with any of the provisions of this Indenture, they shall be entitled to refrain from taking action until directed in writing by a final order or judgment of a court of competent jurisdiction.

(n) So long as any of the Notes remains outstanding, the Company shall provide the Agents with a sufficient number of copies of this Indenture and each of the documents sent to the Trustee or which are required to be made available by stock exchange regulations or stated in the Offering Memorandum relating to the Notes, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office during normal office hours for examination by the Holders and that copies thereof will be furnished to the Holders upon written request at their own expense.

(o) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate and/or an Opinion of Counsel.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders, each representing less than a majority in aggregate principal amount of the Notes then outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, will be taken and shall not incur any liability for its failure to act until such inconsistency or conflict is, in its reasonable opinion, resolved.

(q) The Trustee may, before commencing (or at any time during the continuance of) any act, action or proceeding, require the Holders at whose instance it is acting to deposit with the Trustee the Notes held by them, for which Notes the Trustee to which such Notes are deposited shall issue receipts to such Holders.

(r) Notwithstanding any other provision of this Indenture, the Trustee and the Paying Agent shall be entitled to make a deduction or withholding from any payment which they make under this Indenture for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event the Trustee or the Paying Agent, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.

(s) The Trustee shall (except as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Indenture or by applicable law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and, absent any wilful misconduct, gross negligence or fraud on the part of the Trustee the Trustee shall not be responsible for any loss, damage, cost, claim or any other liability or inconvenience that may result from the exercise or non-exercise thereof.

(t) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice of the Company mentioned herein shall be sufficiently evidenced if in writing and signed by an Officer of the Company and any resolution of the Board of Directors shall be sufficiently evidenced by a board resolution.

(u) The Trustee shall have no duty to inquire as to the performance of the covenants of the Company, the Parent Guarantor or its Restricted Subsidiaries. Delivery of reports, information and documents to the Trustee under Section 4.03 hereof shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice or actual knowledge of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

(v) The Trustee shall not have any obligation or duty to monitor, determine or inquire as to compliance, and shall not be responsible or liable for compliance with restrictions on transfer, exchange, redemption, purchase or repurchase, as applicable, of minimum denominations imposed under this Indenture or under applicable law or regulation with respect to any transfer, exchange, redemption, purchase or repurchase, as applicable, of any interest in any Notes.

(w) The Trustee is not required to give any bond or surety with respect to the performance of its duty or the exercise of its power under this Indenture or the Notes.

(x) No provision of this Indenture shall require the Trustee to do anything which, in its opinion, may be illegal or contrary to applicable law or regulation.

(y) The Trustee may assume without inquiry in the absence of actual knowledge that the Company and the Parent Guarantor are duly complying with their obligations contained in this Indenture required to be performed and observed by them, and that no Default or Event of Default or other event which would require repayment of the Notes has occurred.

(z) At any time that the security granted pursuant to the Security Documents has become enforceable and the Holders have given a direction to the Trustee to enforce such Collateral, the Trustee is not required to give any direction to the Security Agent with respect thereto unless it has been indemnified and/or secured in accordance with Section 7.01(e) hereof, if requested. In any event, in connection with any enforcement of such security, the Trustee is not responsible for:

(A) any failure of the Security Agent to enforce such security within a reasonable time or at all;

(B) any failure of the Security Agent to pay over the proceeds of enforcement of the Collateral;

(C) any failure of the Security Agent to realize such security for the best price obtainable;

(D) monitoring the activities of the Security Agent in relation to such enforcement;

(E) taking any enforcement action itself in relation to such security;

(F) agreeing to any proposed course of action by the Security Agent which could result in the Trustee incurring any liability for its own account; or

(G) paying any fees, costs or expenses of the Security Agent; and

(aa) the permissive right of the Trustee to take the actions permitted by this Indenture and the Intercreditor Agreement shall not be construed as an obligation or duty to do so.

Section 7.03 *Limitation on Duties of Trustee in Respect of Collateral; Indemnification.*

(a) Beyond the exercise of reasonable care in the custody thereof, the Security Agent, shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Trustee and the Security Agent shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral. The Security Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords other collateral and shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Security Agent in good faith.

(b) The Trustee shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority of enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence, fraud or willful misconduct on the part of the Trustee for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of the Company to the Collateral, for insuring the Collateral or otherwise as to the maintenance of the Collateral. The Trustee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Indenture, the Intercreditor Agreement or the Security Documents, by the Company or the Guarantors.

Section 7.04 *Individual Rights of Trustee*.

(a) The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. The Trustee is also subject to Section 7.11 hereof.

(b) If the Trustee becomes a creditor of the Company or a Guarantor, this Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires actual knowledge that it has any conflicting interest it must eliminate such conflict within 90 days or resign.

Section 7.05 *Trustee's Disclaimer*.

The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Intercreditor Agreement, the Security Documents or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture or the Intercreditor Agreement, it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it will not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture or the Intercreditor Agreement other than the certificate of authentication. The Trustee shall not be deemed to be required to calculate any Fixed Charges, Treasury Rates, Additional Amounts, any make-whole amount, any Fixed Charge Coverage Ratio or other coverage ratio, or otherwise.

Section 7.06 *Notice of Defaults*.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within ninety (90) days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, Additional Amounts, if any, or interest on, any Note, the Trustee shall not be deemed to have such actual knowledge and may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.07 *[Intentionally Omitted.]*

Section 7.08 *Compensation and Indemnity*.

(a) The Company will pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder pursuant to a written fee agreement executed or as otherwise agreed by the Trustee and the Company. The Trustee's compensation will not be limited by any law on compensation of a trustee of an express trust. The Company will reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses properly incurred or made by it in addition to the compensation for its services. Such expenses will include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Guarantors will indemnify the Trustee and its officers, directors, employees and agents against any and all losses, liabilities or expenses (including the fees and expenses of counsel) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture and the Intercreditor Agreement, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.08) and defending itself against any claim (whether asserted by the Company, the Guarantors, any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable solely to its gross negligence, willful misconduct or fraud as determined by a court of competent jurisdiction in a final non-appealable order. The Trustee will notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company will not relieve the Company or any of the Guarantors of their obligations hereunder. The Company or such Guarantor will defend the claim and the Trustee will cooperate in the defense. The Trustee may have separate counsel and the Company will pay the reasonable fees and expenses of such counsel. Neither the Company nor any Guarantor need to pay for any settlement made without its consent, which consent will not be unreasonably withheld.

(c) The obligations of the Company and the Guarantors under this Section 7.08 will survive the satisfaction and discharge of this Indenture, and the resignation or removal of the Trustee and/or any Agent.

(d) To secure the Company's and the Guarantors' payment obligations in this Section 7.08, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien will survive the satisfaction and discharge of this Indenture.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(7) or Section 6.01(a)(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.09 *Replacement of Trustee*.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in aggregate principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.11 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. Within one (1) year after the successor Trustee takes office, the holders of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within sixty (60) days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the holders of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee at the sole expense of the Company.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.08 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.09, the Company's obligations under Section 7.08 hereof will continue for the benefit of the retiring Trustee.

Section 7.10 *Successor Trustee by Merger, etc.*

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee.

Section 7.11 *Eligibility; Disqualification*.

There shall at all times be a Trustee hereunder that is entitled to carry out the activities of a trustee under the laws of England and Wales, or Hong Kong, or is a corporation organized or doing business under the laws of the United States of America or any state thereof or the District of Columbia that is authorized under such laws to exercise corporate trustee power and that is a corporation which is generally recognized as a corporation which customarily performs such corporate trustee roles and provides such corporate trustee services in transactions similar in nature to the offering of the Notes. No obligor under the Notes or Person directly controlling, controlled by, or under common control with such obligor shall serve as trustee under the Notes.

Section 7.12 *Appointment of Co-Trustee*.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirement of any jurisdiction or otherwise, the Trustee shall have the power and may execute and deliver all instruments necessary to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustees, of all or any part of this Indenture, and to vest in such Person or Persons, in such capacity and for the benefit of the Holders, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 and no notice to the Holders of the appointment of any co-trustee or separate trustee shall be required.

(b) Every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(1) All rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee.

(2) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(3) The Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Section 7.12. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection or rights (including the rights to compensation, reimbursement and indemnification hereunder) to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies, and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.13 *Resignation of Agents*.

Any Agent may resign and be discharged from its duties under this Indenture at any time by giving thirty (30) days' prior written notice of such resignation to the Trustee and the Company. The Trustee or the Company may remove any Agent at any time by giving thirty (30) days' prior written notice to such Agent. Upon such notice, a successor Agent shall be appointed by the Company, who shall provide written notice of such to the Trustee. Such successor Agent shall become the Agent hereunder upon the resignation or removal date specified in such notice. If the Company is unable to replace the resigning Agent within thirty (30) days after such notice, the Agent shall deliver any funds then held hereunder in its possession to the Trustee or (i) such Agent may appoint as its successor Agent, any reputable and experienced financial institution acceptable to the Trustee and the Company or (ii) apply to a court of competent jurisdiction for the appointment of a successor Agent or for other appropriate relief. The reasonable costs and expenses (including its counsels' fees and expenses) incurred by the Agent in connection with such proceeding shall be paid by the Company. Upon receipt of the identity of the successor Agent, the Agent shall deliver any funds then held hereunder to the successor Agent, less the Agent's fees, costs and expenses or other obligations owed to the Agent. Upon its resignation and delivery of any funds, the Agent shall be discharged of and from any and all further obligations arising in connection with this Indenture, but shall continue to enjoy the benefit of Section 7.08.

Section 7.14 *Agents General Provisions*.

(a) The rights, powers, duties and obligations and actions of each Agent under this Indenture are several and not joint or joint and several.

(b) The Company and the Agents acknowledge and agree that in the event of a Default or Event of Default, the Trustee may, by notice in writing to the Company and the Agents, require that the Agents act as agents of, and take instructions exclusively from, the Trustee. Until they have received such written notice from the Trustee, the Agents shall act solely as agents of the Company and need have no concern for the interests of the Holders.

(c) In the event that instructions given to any Agent are not reasonably clear, then such Agent shall be entitled to seek clarification from the Company or other party entitled to give the Agents instructions under this Indenture. If an Agent has sought clarification in accordance with this Section 7.14(c), then such Agent shall be entitled to take no action until such clarification is provided, and shall not incur any liability for not taking any action pending receipt of such clarification.

(d) The Agents shall only have such duties as expressly set out in this Indenture.

(e) The Company shall provide the Agents with a certified list of authorized signatories.

Section 7.15 *Rights of Trustee in Other Roles*.

All rights, powers and indemnities contained in this Article 7 shall apply to the Trustee in its other roles hereunder (including, for the avoidance of doubt, in relation to the Security Documents and the Intercreditor Agreement) and to the Agents.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 *Option to Effect Legal Defeasance or Covenant Defeasance*.

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

Section 8.02 *Legal Defeasance and Discharge*.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their Obligations with respect to all outstanding Notes (including the Note Guarantees) on the date the conditions set forth below are satisfied (hereinafter, "*Legal Defeasance*"). For this purpose, Legal Defeasance means that the Company and the Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which will thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (1) and (2) below, and to have satisfied all their other obligations under such Notes, the Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which will survive until otherwise terminated or discharged hereunder:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Notes when such payments are due from the trust referred to in Section 8.04 hereof;

(2) the Company's Obligations with respect to such Notes under Article 2 and Section 4.02 hereof;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Security Agent, the Intercreditor Agent, the Paying Agent, the Registrar and the Transfer Agent hereunder and the Company's and the Guarantors' Obligations in connection therewith; and

(4) this Article 8.

Subject to compliance with this Article 8, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03 *Covenant Defeasance*.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and each of the Guarantors will, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from each of their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.12, 4.13, 4.14, 4.16, 4.17, 4.19, 4.20, 4.21 and 4.23 hereof and Section 5.01(a)(3) hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 hereof are satisfied (hereinafter, "*Covenant Defeasance*"), and the Notes will thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but will continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes will not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and Note Guarantees, the Company and the Guarantors may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply will not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees will be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(a)(3) through 6.01(a)(5) hereof will not constitute Events of Default.

Section 8.04 *Conditions to Legal or Covenant Defeasance.*

In order to exercise either Legal Defeasance or Covenant Defeasance under either Section 8.02 or 8.03 hereof:

(1) the Company must irrevocably deposit with the Trustee (or such other entity designated or appointed by the Trustee for this purpose), in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, and Additional Amounts, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of an election under Section 8.02 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that:

(A) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(B) since the date of this Indenture, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of an election under Section 8.03 hereof, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Parent Guarantor, the Company or any of their respective Subsidiaries is a party or by which the Parent Guarantor, the Company or any of their Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer's Certificate of the Company stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

(8) The Trustee shall be entitled to its usual fees and, in addition, any fees and expenses incurred or charged by the Trustee and its counsel in connection with defeasance, satisfaction and discharge, and investment or custody services provided hereunder.

Section 8.05 *Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions*.

Subject to Section 8.06 hereof, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "*Trustee*") pursuant to Section 8.04 hereof in respect of the outstanding Notes will be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the holders of such Notes of all sums due and to become due thereon in respect of principal, premium, and Additional Amounts, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company will pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the holders of the outstanding Notes.

Notwithstanding anything in this Article 8 to the contrary, the Trustee will deliver or pay to the Company from time to time upon the request of the Company any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 *Repayment to Company*.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium or Additional Amounts, if any, or interest on, any Note and remaining unclaimed for two (2) years after such principal, premium, or Additional Amounts, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) will be discharged from such trust; and the holder of such Note will thereafter be permitted to look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which will not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 8.07 *Reinstatement*.

If the Trustee or Paying Agent is unable to apply any U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture and the Notes and the Note Guarantees will be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; *provided*, *however*, that, if the Company makes any payment of principal of, premium or Additional Amounts, if any, or interest on, any Note following the reinstatement of its obligations, the Company will be subrogated to the rights of the holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 *Without Consent of Holders of Notes*.

Notwithstanding Section 9.02 of this Indenture, the Company, the Guarantors, the Trustee, each Agent, the Security Agent and/or the Intercreditor Agent, (as applicable and to the extent each is a party to the relevant document), may amend or supplement this Indenture, the Notes, the Note Guarantees, the Security Documents and/or the Intercreditor Agreement without the consent of any Holder:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or a Guarantor's Obligations under the Notes or the Note Guarantees in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets, as applicable;

(4) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under this Indenture of any such Holder;

(5) to conform the text of the Notes, this Indenture, the Note Guarantees, the Security Documents or the Intercreditor Agreement to any provision of the "Description of Notes" section of the Offering Memorandum, to the extent that such provision in that "Description of Notes" section of the Offering Memorandum was intended to be a verbatim recitation of a provision of the Notes, this Indenture, the Note Guarantees, the Security Documents or the Intercreditor Agreement, which intent shall be evidenced by an Officer's Certificate of the Company to that effect;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date of this Indenture;

(7) to make, complete or confirm any grant of Collateral permitted or required by this Indenture, the Security Documents or the Intercreditor Agreement; or

(8) to allow any Guarantor to execute a supplemental indenture and/or a Note Guarantee with respect to the Notes or to release any Guarantor from its Note Guarantee in accordance with the terms of this Indenture.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon receipt by the Trustee of the documents described in Sections 7.02, 9.06, 13.04 and 13.05 hereof, the Trustee, each Agent, the Security Agent (at the direction of the Trustee, subject to receipt of the documents described in Section 7.02(b)) and/or the Intercreditor Agent, (at the direction of the Trustee, subject to receipt of the documents described in Section 7.02(b)), as the case may be, will join with the Company and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and the Intercreditor Agreement and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee, the Security Agent, the Intercreditor Agent nor any Agent will be obligated to (although they may at their discretion) enter into such amended or supplemental indenture that affects their own rights, duties or immunities under this Indenture, the Intercreditor Agreement or otherwise.

Section 9.02 *With Consent of Holders of Notes*.

Except as provided below in this Section 9.02, the Company, the Trustee, each Agent, the Security Agent and/or the Intercreditor Agent, as the case may be, may amend or supplement this Indenture (including, without limitation, Sections 3.09, 4.10 and 4.16 hereof) and the Notes, and the Company, the Guarantors, the Trustee and/or the Intercreditor Agent and/or the Security Agent, after they have acceded to this Indenture, as the case may be, may amend or supplement the Note Guarantees, the Security Documents and the Intercreditor Agreement, in each case with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium or Additional Amounts, if any, or interest on, the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Notes, the Note Guarantees, the Security Documents or the Intercreditor Agreement may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Sections 7.02, 9.06, 13.04 and 13.05 hereof, the Trustee, each Agent, the Security Agent (at the direction of the Trustee, subject to receipt of the documents described in Section 7.02(b)) and/or the Intercreditor Agent (at the direction of the Trustee, subject to receipt of the documents described in Section 7.02(b)), as the case may be, will join with the Company and the Guarantors in the execution of such amended or supplemental indenture authorized or permitted by the terms of this Indenture and the Intercreditor Agreement unless such amended or supplemental indenture directly affects the Trustee's, any Agent's, the Security Agent's or the Intercreditor Agent's own rights, duties or immunities under this Indenture or the Intercreditor Agreement, as applicable, or otherwise, in which case the Trustee, each Agent, the Security Agent and/or the Intercreditor Agent (as the case may be) may in their discretion, but will not be obligated to, enter into such amended or supplemental indenture.

It is not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it is sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company will mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder (including the Additional Notes) affected, an amendment, supplement or waiver under this Section 9.02 may not (with respect to any Notes (including the Additional Notes) held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter the provisions with respect to the redemption of the Notes (except as provided above with respect to Sections 3.09, 3.13, 4.10, 4.11 and 4.16 hereof);

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest, premium or Additional Amounts, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest, premium or Additional Amounts, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by Sections 3.09, 3.13, 4.10, 4.11or 4.16 hereof);

(8) release any Guarantor from any of its Obligations under its Note Guarantee with respect to the Notes or this Indenture, except in accordance with the terms of this Indenture;

(9) release the Collateral from the Liens securing the Notes or making any changes to the priority of the Liens under the Security Documents or the Intercreditor Agreement that would adversely affect the Holders, except in accordance with the terms of this Indenture, the applicable Security Documents or the Intercreditor Agreement; or

(10) make any change in the preceding amendment and waiver provisions.

For the avoidance of doubt, no amendment to or deletion of, or actions taken in compliance with, the covenants described under Article 4 shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or premium, if any, or interest on, the Notes.

Section 9.03 *Supplemental Indenture*.

Every amendment or supplement to this Indenture or the Notes will be set forth in an amended or supplemental indenture.

Section 9.04 *Revocation and Effect of Consents*.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by such Holder and every subsequent holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05 *Notation on or Exchange of Notes*.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note will not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06 *Trustee, Security Agent and Intercreditor Agent to Sign Amendments, etc.*

The Trustee, the Security Agent and/or the Intercreditor Agent, as the case may be, will sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee, and/or the Security Agent and/or the Intercreditor Agent. The Company may not sign an amended or supplemental indenture until the Board of Directors of the Company approves it. In executing any amended or supplemental indenture, the Trustee, the Security Agent and/or the Intercreditor Agent will be entitled to receive security and/or indemnity to their reasonable satisfaction. The Trustee (subject to Section 7.01 hereof) will be fully protected in relying upon, in addition to the documents required by Section 13.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture, that the supplemental indenture is legal, valid, binding and enforceable against the Company in accordance with its terms and such other matters as the Trustee may request. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 10.01 *Pledge of Collateral*.

The due and punctual payment of the principal of, and premium, interest and Additional Amounts, if any, on the Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of and interest and Additional Amounts (to the extent permitted by law), if any, on the Notes and performance of all other obligations of the Company to the Holders of Notes or the Trustee, the Security Agent, the Intercreditor Agent and the Agents under this Indenture and the Notes according to the terms hereunder or thereunder, are secured as provided in the Security Documents, subject to the terms of the Intercreditor Agreement. Each Holder of Notes, by its acceptance thereof, consents and agrees to the terms of the Security Documents and the Intercreditor Agreement in effect or may be amended from time to time in accordance with its terms and authorizes and directs the Security Agent to enter into the Security Documents and the Intercreditor Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company will deliver to the Trustee copies of all documents delivered to the Security Agent pursuant to the Security Documents and the Intercreditor Agreement, and the Company will, and the Company will cause each of its Restricted Subsidiaries to, do or cause to be done all such acts and things as may be required, to assure and confirm to the Trustee that the Security Agent holds, for the benefit of the Holders and the Trustee, duly created, enforceable and perfected Liens as contemplated hereby and by the Security Documents and the Intercreditor Agreement, so as to render the same available for the security and benefit of this Indenture and of the Notes secured hereby, according to the intent and purposes herein expressed. The Company will take, and will cause its Restricted Subsidiaries to take, upon request of the Trustee or Security Agent, any and all actions reasonably required to cause the Security Documents to create and maintain, as security for the Obligations of the Company hereunder, in respect of the Collateral, valid and enforceable perfected first priority Liens on all such Collateral, superior to and prior to the rights of all third parties and subject to no Liens other than the Permitted Liens. Certain provisions with respect to enforcement of security interests are set out in each of the Security Documents and the Intercreditor Agreement.

Section 10.02 *Security Agent and Intercreditor Agent*.

(a) On the Issue Date, the Security Agent and the Intercreditor Agent shall enter into a supplemental indenture substantially in the form attached hereto as Exhibit E pursuant to which it shall accede to this Indenture as Security Agent or Intercreditor Agent hereunder.

(b) Appointment of the Security Agent and the Intercreditor Agent and any resignation or replacement of the Security Agent or the Intercreditor Agent shall be made in accordance with the terms of the Intercreditor Agreement.

(c) The Security Agent agrees that it will hold the security interests in Collateral created under any Security Documents to which it is a party as contemplated by this Indenture and in accordance with the Intercreditor Agreement, and any and all proceeds thereof, for the benefit of, among others, itself, the Trustee and the Holders, without limiting the Security Agent's rights including under Section 10.04, to act in preservation of the security interest in the Collateral. The Security Agent will take action or refrain from taking action in connection therewith only as directed by the Intercreditor Agent or the Trustee, in each case pursuant to the terms of this Indenture and the Intercreditor Agreement.

Section 10.03 *Release of Collateral and Certain Matters with Respect to Collateral*.

Collateral may be released from the Liens and security interests created by the Security Documents at any time or from time to time in accordance with the provisions of the Security Documents, the Intercreditor Agreement and Section 10.06 of this Indenture. In connection therewith, and subject to the terms and conditions of the relevant Security Documents and the Intercreditor Agreement, upon the request of the Company pursuant to an Officer's Certificate certifying that all conditions precedent hereunder have been met, the Security Agent shall, at the expense of the Company, and the direction of the Trustee (subject to receipt of the documents described in Section 7.02(b)), execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture, the Intercreditor Agreement or the Security Documents.

Section 10.04 *Authorization of Actions to Be Taken by the Trustee and the Security Agent and the Intercreditor Agent*.

(a) Subject to the provisions of Section 6.05, 7.01 and 7.02 and the terms of the Security Documents and the Intercreditor Agreement, the Trustee may (acting on the instruction of Holders holding at least 25% of the aggregate principal amount of the Notes), take all actions it deems necessary or appropriate, or direct, on behalf of the Holders, the Security Agent and/or the Intercreditor Agent to take all actions it deems necessary or appropriate, in order to:

(1) enforce any of the terms of the Security Documents or the Intercreditor Agreement; and

(2) collect and receive any and all amounts payable in respect of the Obligations of the Company hereunder.

(b) The Trustee will have power to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security Documents, the Intercreditor Agreement or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders of Notes in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of Notes or of the Trustee).

(c) With respect to any action authorized to be taken by the Security Agent or the Intercreditor Agent under this Indenture, the Security Agent or the Intercreditor Agent, as the case may be, may act (or refrain from acting) on the instruction of the Trustee unless the provision requiring such action expressly requires otherwise, to the extent such action or non-action is authorized and permitted under the Intercreditor Agreement and subject to Section 14.02(d).

Section 10.05 *Authorization of Receipt of Funds by the Trustee under the Security Documents*.

The Trustee is authorized to receive any funds for the benefit of the Holders of Notes distributed under the Security Documents and the Intercreditor Agreement, and to make further distributions of such funds to the Holders of Notes according to the provisions of this Indenture and the Intercreditor Agreement.

Section 10.06 *Termination of Security Interest*.

Subject to the terms of the Intercreditor Agreement, the Trustee shall, at the request and expense of the Company upon having provided the Trustee an Officer's Certificate (which shall certify, among other things, that all action under the relevant Security Document(s) with respect to the release of the security thereunder has been taken and the release of the Collateral complies with the terms of the relevant Security Document(s) and this Indenture) and an Opinion of Counsel certifying compliance with this Section 10.06, execute and deliver a certificate to the Security Agent and the Intercreditor Agent instructing each of them to release the relevant Collateral or enter into such other appropriate instrument evidencing such release (in the form provided by the Company):

(a) upon the full and final payment and performance of all Obligations of the Company under this Indenture and the Notes;

(b) upon the Legal Defeasance or satisfaction and discharge of the Notes as provided in Section 8.02 and Article 12 hereof;

(c) upon certain dispositions of the Collateral in compliance with either of the covenants set forth under Section 4.10, Section 4.11 or 5.01 (and in the latter instance, if such covenant authorizes such release);

(d) in the case of a Guarantor that is released from its Note Guarantee, pursuant to the terms of this Indenture and, the Intercreditor Agreement;

(e) in connection with certain enforcement actions taken by the creditors under certain of the Company's and the Guarantors' secured Indebtedness (including the Notes and the Senior Secured Credit Facilities) in accordance with the Intercreditor Agreement; or

(f) as described under Article 9 hereof.

Section 10.07 *[Reserved]*.

Section 10.08 *Further Actions*.

(a) The Company shall use its best efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the security over the Collateral as contemplated by the Security Documents and the Intercreditor Agreement, including, without limitation, (i) cooperating in the preparation of any required filings under the Security Documents and the Intercreditor Agreement, (ii) using best efforts to make all required filings, notifications, releases and applications and to obtain licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company as are necessary for the grants of security contemplated by this Indenture, the Intercreditor Agreement and the Security Documents and to fulfill the conditions of the Security Documents including, without limitation, delivery of title deeds and all other documents of title relating to the Collateral secured by the Security Documents in the manner as provided for therein and in the Intercreditor Agreement, and (iii) taking any and all action to perfect the security over the Collateral as contemplated by this Indenture, the Intercreditor Agreement and the Security Documents.

Notwithstanding any other provision of this Indenture, none of the Trustee, the Security Agent or the Intercreditor Agent has any responsibility for the validity, perfection, priority or enforceability of any lien, Collateral, Security Documents or other security interest.

ARTICLE 11
NOTE GUARANTEES

Section 11.01 *Guarantee*.

(a) Each Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee, successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts, if any, on the Notes and all other monetary obligations of the Company under this Indenture and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "*Guaranteed Obligations*"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantor waives presentation to, demand of payment from and protest to the Company of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Company or any other Person under this Indenture, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (4) the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Subsidiary.

(c) Each Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Guarantors, such that such Guarantor's obligations would be less than the full amount claimed. Each Guarantor hereby waives any right to which it may be entitled to have the assets of the Company first be used and depleted as payment of the Company's or such Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Guarantor hereunder. Each Guarantor hereby waives any right to which it may be entitled to require that the Company be sued prior to an action being initiated against such Guarantor.

(d) Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02 and 11.08, each Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Company or otherwise.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Company to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Company to the Holders and the Trustee.

(h) Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of Section 11.01.

(i) Each Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01.

(j) Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 11.02 *Limitation on Liability*.

Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Guarantor shall not exceed the maximum amount that can be hereby guaranteed by the applicable Guarantor without rendering the Note Guarantee, as it relates to such Guarantor, voidable under applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

Section 11.03 *Successors and Assigns*.

This Article 11 shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

Section 11.04 *No Waiver*.

Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

Section 11.05 *Modification*.

No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

Section 11.06 *Execution of Supplemental Indenture for Future Guarantors*.

Each Restricted Subsidiary which is required to become a Guarantor pursuant to Section 4.19 shall promptly execute and deliver to the Trustee a supplemental indenture substantially in the form attached hereto as Exhibit D pursuant to which such Subsidiary shall become a Guarantor under this Article 11 and shall guarantee the Guaranteed Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Restricted Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms and or to such other matters as the Trustee may reasonably request.

Section 11.07 *Non-Impairment*.

The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

Section 11.08 *Release of Guarantees*.

(a) Subject to paragraphs (b), (c) and (d), each Note Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their successors, transferees and assigns.

(b) The Note Guarantee of the Parent Guarantor will be automatically and unconditionally released and discharged:

(1) if the Parent Guarantor is not the surviving entity in a sale of all or substantially all of the properties and assets of the Parent Guarantor in a transaction that complies with the provisions described under Section 5.01(a) (including, without limitation, compliance with the requirement that the surviving entity expressly assume, by a supplemental indenture, the Parent Guarantor's obligations under this Indenture, the applicable Notes, the Intercreditor Agreement and the Security Documents);

(2) upon legal defeasance or satisfaction and discharge of this Indenture as provided in Article 8 and Article 12 hereof.

(3) upon payment in full of the principal of, premium, if any, and accrued and unpaid interest on, the Notes and all other Obligations that are then due and payable thereunder; or

(4) as described under Article 9 hereof.

(c) The Note Guarantee of a Subsidiary Guarantor with respect to the Notes will be automatically and unconditionally released and discharged:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or, consolidation) to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, if the sale or other disposition does not violate Sections 3.09 or 4.16 hereof;

(2) in connection with any sale or other disposition of the Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, if the sale or other disposition does not violate Sections 3.09 or 4.16 hereof and such Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Parent Guarantor as a result of such sale or other disposition;

(3) if the Parent Guarantor designates any Restricted Subsidiary that is a Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.20 hereof;

(4) upon Legal Defeasance or satisfaction and discharge of this Indenture as provided by Article 8 and 12 of this Indenture;

(5) upon payment in full of the principal of, premium, if any, and accrued and unpaid interest on, the Notes and all other Obligations that are then due and payable thereunder;

(6) upon the merger or consolidation of any Subsidiary Guarantor with and into the Company, the Parent Guarantor or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction) that is the surviving Person in such merger or consolidation, or upon the liquidation of such Subsidiary Guarantor following the transfer of all or substantially all of its assets to the Company, the Parent Guarantor or a Wholly-Owned Subsidiary Guarantor (or a Wholly-Owned Restricted Subsidiary that becomes a Subsidiary Guarantor concurrently with the transaction);

(7) in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness (including the Notes and the Senior Secured Credit Facilities) in accordance with the Intercreditor Agreement; or

(8) as described under Article 9 hereof.

(d) Each Holder hereby authorizes the Trustee to take all actions to effectuate any release in accordance with the provisions of this Section 11.08, subject to customary and reasonably satisfactory protections and indemnifications provided by the Company to the Trustee.

ARTICLE 12
SATISFACTION AND DISCHARGE

Section 12.01 *Satisfaction and Discharge*.

This Indenture will be discharged and will cease to be of further effect as to all Notes issued hereunder, when:

(1) either:

(A) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one (1) year and the Company has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated or appointed by the Trustee for this purpose) as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default with respect to the Notes has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate of the Company and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to sub clause (B) of clause (1) of this Section 12.01, the provisions of Sections 12.02 and 8.06 hereof will survive.

Section 12.02 *Application of Trust Money*.

Subject to the provisions of Section 8.06 hereof, all money deposited with the Trustee pursuant to Section 12.01 hereof shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium and Additional Amounts, if any) and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any cash in U.S. dollars or non-callable U.S. Government Obligations in accordance with Section 12.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01 hereof; *provided that* if the Company has made any payment of principal of, premium or Additional Amounts, if any, or interest on, any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the cash in U.S. dollars or non-callable U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

Section 13.01 *[Intentionally Omitted]*.

Section 13.02 *Notices*.

Any notice or communication by the Company or the Trustee to the others is duly given if in writing, in the English language, and delivered in Person or by first class mail (registered or certified, return receipt requested), facsimile transmission, overnight air courier or electronic mail (in pdf format), to the others' address:

If to the Company, the Parent Guarantor, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, SCP Holdings Limited, SCIP Holdings Limited, SCP One Limited and/or SCP Two Limited:

Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands

With a copy to:
Studio City (HK) Limited
38th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to Studio City Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and/or Studio City Developments Limited:
Rua de Évora, nos 199-207
Edifício Flower City
1° andar, A1, Taipa
Macau

With a copy to:
Studio City (HK) Limited
38th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

With a copy to:
Ashurst Hong Kong
11/F Jardine House
1 Connaught Place
Central, Hong Kong
Facsimile No.: +852 2868 0898
Attention: Anna-Marie Slot

If to Studio City (HK) Two Limited:

38th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

If to the Trustee, the Paying Agent, Registrar and Transfer Agent:
Deutsche Bank Trust Company Americas
Trust and Agency Services
1 Columbus Circle, 17th Floor
Mail Stop: NYC01-1710
New York, NY 10019
USA
Attn: Corporates Team - Studio City, Deal ID SF7236
Fax: 732-578-4635

If to the Intercreditor Agent:
DB Trustees (Hong Kong) Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
HONG KONG
Attn: The Directors
Facsimile: (852) 2203 7320
Email:loanagency.hkcsg@list.db.com

If to the Security Agent:
For loan administration matters:
Address: 18/F, ICBC Tower, Macau Landmark 555 Avenida da Amizade Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
Fax: +853 2858 4496

For credit matters:
Address: 11/F, ICBC Tower, Macau Landmark 555 Avenida da Amizade Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

The Company, any Guarantor, the Trustee, the Security Agent, the Intercreditor Agent and any Agent, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if transmitted by facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder will be electronically delivered mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders. All notices to the Holders (while any Notes are represented by one or more Global Notes) shall be delivered to the Depositary in accordance with its procedures, for communication to entitled account Holders, and any obligation to give notice to the Holders will be discharged upon delivery of such notice to the Depositary.

If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Company mails or delivers a notice or communication to Holders, it will mail or deliver a copy to the Trustee and each Agent at the same time.

Section 13.03 *Communication by Holders of Notes with Other Holders of Notes*.

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.04 *Certificate and Opinion as to Conditions Precedent*.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which must include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 13.05 *Statements Required in Certificate or Opinion*.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 13.06 *Rules by Trustee and Agents*.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.07 *No Personal Liability of Directors, Officers, Employees and Stockholders*.

No past, present or future director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Security Documents, the Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.08 *Governing Law*.

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 13.09 *No Adverse Interpretation of Other Agreements*.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 13.10 *Successors*.

All agreements of the Company in this Indenture and the Notes will bind its successors. All agreements of the Trustee, the Security Agent, the Intercreditor Agent and each Agent in this Indenture will bind their respective successors. All agreements of each Guarantor in this Indenture will bind their respective successors, except as otherwise provided in Section 11.05 hereof.

Section 13.11 *Severability*.

In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 13.12 *Counterpart Originals*.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including those created or transmitted through a software platform or application, shall be deemed original signatures for purposes of this Indenture and the Notes Documents and all matters and agreements related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Indenture or any other Notes Document or any instrument, agreement or document necessary for the consummation of the transactions contemplated by this Indenture or the other Notes Document or related hereto or thereto (including, without limitation, addendums, amendments, notices, instructions, communications with respect to the delivery of securities or the wire transfer of funds or other communications) ("*Executed Documentation*") may be accepted, executed or agreed to through the use of an electronic signature in accordance with applicable laws, rules and regulations in effect from time to time applicable to the effectiveness and enforceability of electronic signatures. Any Executed Documentation accepted, executed or agreed to in conformity with such laws, rules and regulations will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto or thereto. When the Trustee or any Agent acts on any Executed Documentation sent by electronic transmission, the Trustee or such Agent will not be responsible or liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such Executed Documentation, notwithstanding that such Executed Documentation (a) may not be an authorized or authentic communication of the party involved or in the form such party sent or intended to send (whether due to fraud, distortion or otherwise) or (b) may conflict with, or be inconsistent with, a subsequent written instruction or communication; it being understood and agreed that the Trustee and each Agent shall conclusively presume that Executed Documentation that purports to have been sent by an authorized officer of a Person has been sent by an authorized officer of such Person. The party providing Executed Documentation through electronic transmission or otherwise with electronic signatures agrees to assume all risks arising out of such electronic methods, including, without limitation, the risk of the Trustee or any Agent acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 13.13 *Table of Contents, Headings, etc.*

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

Section 13.14 *Patriot Act*.

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA Patriot Act of the United States ("Applicable Law"), the Trustee, the Security Agent, the Intercreditor Agent, and Agents are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee, the Security Agent, the Intercreditor Agent and Agents. Accordingly, each of the parties agree to provide to the Trustee, the Security Agent, the Intercreditor Agent and Agents, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Trustee, the Security Agent, the Intercreditor Agent and Agents to comply with Applicable Law.

Section 13.15 *Submission to Jurisdiction; Waiver of Jury Trial*.

THE COMPANY AND EACH GUARANTOR HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY AND EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTE GUARANTEES, THE NOTES AND ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY IN FEDERAL AND STATE COURTS IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE TRUSTEE OR ANY HOLDER OF THE NOTES TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY AND EACH GUARANTOR IRREVOCABLY APPOINTS LAW DEBENTURE CORPORATE SERVICES INC., 4TH FLOOR, 400 MADISON AVENUE, NEW YORK, NEW YORK, 10017, AS ITS AUTHORIZED AGENT IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK UPON WHICH PROCESS MAY BE SERVED IN ANY SUCH SUIT OR PROCEEDING, AND AGREES THAT SERVICE OF PROCESS UPON SUCH AGENT, AND WRITTEN NOTICE OF SAID SERVICE TO THE COMPANY BY THE PERSON SERVING THE SAME TO THE ADDRESS PROVIDED IN SECTION 13.02, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE COMPANY OR ANY GUARANTOR, AS THE CASE MAY BE, IN ANY SUCH SUIT OR PROCEEDING. THE COMPANY AND EACH GUARANTOR FURTHER AGREES TO TAKE ANY AND ALL ACTION AS MAY BE NECESSARY TO MAINTAIN SUCH DESIGNATION AND APPOINTMENT OF SUCH AGENT IN FULL FORCE AND EFFECT FOR SO LONG AS THE NOTES ARE OUTSTANDING FROM THE DATE OF THIS INDENTURE.

EACH PARTY HERETO HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 13.15 HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS SHALL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, SUPPLEMENTS OR MODIFICATIONS TO (OR ASSIGNMENTS OF) THIS INDENTURE. IN THE EVENT OF LITIGATION, THIS INDENTURE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL (WITHOUT A JURY) BY THE COURT.

ARTICLE 14
INTERCREDITOR ARRANGEMENTS

Section 14.01 *Intercreditor Agreement*.

On the Issue Date, the Trustee, the Security Agent and the Intercreditor Agent will enter into an accession deed to the Intercreditor Agreement pursuant to which the Trustee will accede to the Intercreditor Agreement. This Indenture is entered into with the benefit of, and subject to the terms of, the Intercreditor Agreement and each Holder, by accepting a Note, shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement. The rights and benefits of the Holders, the Trustee, the Security Agent and the Intercreditor Agent (on their own behalf and on behalf of the Holders (as applicable)) are subject to the terms of the Intercreditor Agreement. To the extent any provision of the Intercreditor Agreement conflicts with the express provisions of this Indenture, the provisions of the Intercreditor Agreement shall govern and be controlling.

Section 14.02 *Additional Intercreditor Agreement*.

(a) At the request of the Company, at the time of, or prior to, the Incurrence of any Indebtedness that is permitted to share the Collateral or that is otherwise permitted to be incurred under this Indenture, the Company, the relevant Guarantors, the Trustee, the Security Agent and the Intercreditor Agent will (without the consent of Holders), to the extent authorized and permitted under the Intercreditor Agreement, enter into an Additional Intercreditor Agreement; *provided that* such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee, the Security Agent or the Intercreditor Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee, the Security Agent or the Intercreditor Agent under this Indenture or the Intercreditor Agreement.

(b) At the written direction of the Company and without the consent of the Holders, the Trustee, the Security Agent and the Intercreditor Agent, to the extent authorized and permitted under the Intercreditor Agreement, shall upon the written direction of the Company from time to time enter into one or more Additional Intercreditor Agreements to: (1) cure any ambiguity, omission, defect or inconsistency therein; (2) increase the amount of Indebtedness permitted to be incurred or issued under this Indenture of the types covered thereby that may be incurred by the Company or any Guarantors that is subject thereto (including the addition of provisions relating to new Indebtedness); (3) add Guarantors thereto; (4) further secure the Notes (including any Additional Notes); or (5) make any other such change thereto that does not adversely affect the rights of holders of the Notes in any material respect; *provided that* such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee, the Security Agent or the Intercreditor Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee, the Security Agent or the Intercreditor Agent under this Indenture or the Intercreditor Agreement.

(c) Each Holder, by accepting a Note, will be deemed to have agreed to and accepted the terms and conditions of each Intercreditor Agreement and Additional Intercreditor Agreement, to have authorized the Trustee, Intercreditor Agent and the Security Agent to become a party to any such Intercreditor Agreement, Additional Intercreditor Agreement, or accession or amendment to the Intercreditor Agreement and the Trustee, the Intercreditor Agent or the Security Agent will not be required to seek the consent of any Holders to perform their respective obligations under and in accordance with this Section 14.02.

(d) For the avoidance of doubt, the Intercreditor Agent will, subject to being indemnified or secured in accordance with this Indenture, take action or refrain from taking action in connection with this Indenture only as directed by the Trustee and subject to the Intercreditor Agreement.

[Signatures on following page]

SIGNATURES

Dated as of February 16, 2022

STUDIO CITY COMPANY LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS THREE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS FOUR LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY DEVELOPMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCIP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY RETAIL SERVICES LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY (HK) TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee

By: /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Vice President

By: /s/ Chris Niesz
Name: Chris Niesz
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Paying Agent, Registrar and Transfer Agent

By: /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Vice President

By: /s/ Chris Niesz
Name: Chris Niesz
Title: Vice President

[Face of Note]

[*Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture*]

[*Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture*]

CUSIP:
ISIN:
COMMON CODE:

7.00% Senior Secured Notes due 2027

No. __ _____

STUDIO CITY COMPANY LIMITED

Promises to pay to Cede & Co. or its registered assigns, the principal sum of _____ [*NUMBER IN WORDS*] on February 15, 2027.

Interest Payment Dates: February 15 and August 15

Record Dates: January 31 and July 31

Dated: _____, 20__

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by the duly authorized officers referred to below.

Dated: _____, 20__

STUDIO CITY COMPANY LIMITED, as Company

By: _____
Name:
Title:

Certificate of Authentication

This is one of the Notes referred to in the within-mentioned Indenture.

Dated: _____, 20__

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Authentication Agent for the Trustee

By: _____
Name:
Title:

Capitalized terms used herein have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) *INTEREST*. Studio City Company Limited, a BVI business company with limited liability incorporated under the laws of the British Virgin Islands (the "*Company*"), promises to pay interest on the principal amount of this Note at 7.00% per annum from _____, 20__ until maturity. The Company will pay interest and Additional Amounts, if any, semi-annually in arrears on February 15 and August 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "*Interest Payment Date*"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided that* if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be _____, 20__. The Company will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Amounts (without regard to any applicable grace period) at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

(2) *METHOD OF PAYMENT*. The Company will pay interest on the Notes (except defaulted interest) and Additional Amounts, if any, to the Persons who are registered Holders of Notes at the close of business on the January 31 or July 31 next preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, and Additional Amounts, if any, and interest at the office or agency of the Company maintained for such purpose within or without the City and State of New York, or, at the option of the Company, payment of interest and Additional Amounts, if any, may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided that* payment by wire transfer of immediately available funds will be required with respect to principal of and interest, premium and Additional Amounts, if any, on, all Global Notes and all other Notes, the Holders of which will have provided wire transfer instructions to the Company or the Paying Agent, and shall so notify the Trustee and each Paying Agent thereof. Such payment will be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

(3) *PAYING AGENT AND REGISTRAR*. Initially, Deutsche Bank Trust Company Americas will act as Paying Agent, Registrar and Transfer Agent. The Company may change any Paying Agent, Transfer Agent or Registrar without notice to any Holder. The Parent Guarantor or any of its Subsidiaries may act in any such capacity.

(4) *INDENTURE, SECURITY DOCUMENTS AND INTERCREDITOR AGREEMENT*. The Company issued the Notes under an Indenture dated as of February 16, 2022 (the "*Indenture*") among the Company, each Guarantor, the Trustee, the Paying Agent, the Registrar and other persons from time to time party thereto. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are secured pursuant to the terms of the Indenture and the Security Documents referred to in the Indenture and subject to the terms of the Intercreditor Agreement referred to in the Indenture. The Indenture does not limit the aggregate principal amount of Notes that may be issued thereunder.

(5) *OPTIONAL REDEMPTION*.

(a) Except as set forth in subparagraphs (b), (c), (d) and (e) of this Paragraph (5), the Company will not have the option to redeem the Notes prior to February 15, 2024. On or after February 15, 2024, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed to the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant record date to receive interest on the relevant interest payment date:

Period	Redemption Price
Twelve-month period on or after February 15, 2024	103.500%
Twelve-month period on or after February 15, 2025	101.750%
On or after February 15, 2026	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph (5), at any time prior to February 15, 2024, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price equal to 107.00% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the rights of the Holders on the relevant record date to receive interest on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings; *provided that* at least 65% in aggregate principal amount of the Notes originally issued under the Indenture (excluding Notes held by Parent Guarantor, the Company and their respective Subsidiaries) remains outstanding immediately after the occurrence of such redemption and that such redemption occurs within 45 days of the date of the closing of such Equity Offering.

(c) At any time prior to February 15, 2024, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

(d) In connection with any tender offer or other offer (including a Change of Control Offer, an Asset Sale Offer or a Compliance Sale Offer) to purchase for all of the Notes, if Holders of not less than 90% of the aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such tender offer or other offer and the Company, or any third party making such tender offer or other offer in lieu of the Company, purchases all of such Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of such Notes will be deemed to have consented to such tender or other offer and, accordingly, the Company or such third party will have the right upon not less than 10 days and no more than 60 days' prior written notice, given not more than 30 days following the expiration date of such tender offer or other offer, to Holders of the Notes following such purchase date, to redeem all, but not some, Notes that remain outstanding following such purchase at a price equal to the price paid (excluding any early tender premium or similar payment) to each other Holder in such tender offer or other offer, plus, to the extent not included in the tender offer payment or other offer, accrued and unpaid interest, if any, notes so redeemed, to, but excluding such redemption date.

(e) Any redemption set forth in subparagraphs (a), (b), (c) and (d) of this Paragraph (5) may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, at the Company's discretion, the redemption date may be delayed until such time (provided, however, that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations under the Indenture with respect to such redemption may be performed by another Person.

(f) The Notes may also be redeemed in the circumstances described in Sections 3.10 and 3.11 of the Indenture.

(g) Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

(6) *MANDATORY REDEMPTION.* The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) *REPURCHASE AT THE OPTION OF HOLDER.* The Notes may be subject to a Change of Control Offer, Special Put Option, an Asset Sale Offer or a Compliance Sale Offer, as further described in Sections 3.09, 3.12, 3.13, 4.10, 4.11 and 4.16 of the Indenture.

(8) *NOTICE OF REDEMPTION*. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction or discharge of the Indenture. Notes in denominations larger than US$200,000 may be redeemed in part but only in integral multiples of US$1,000 *provided that* the unredeemed part has a minimum denomination of US$200,000, unless all of the Notes held by a Holder are to be redeemed.

(9) *DENOMINATIONS, TRANSFER, EXCHANGE*. The Notes are in registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar, the Transfer Agent and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) *PERSONS DEEMED OWNERS*. The registered Holder may be treated as its owner for all purposes.

(11) *AMENDMENT, SUPPLEMENT AND WAIVER*. The Indenture, the Notes, the Note Guarantees, the Security Documents or the Intercreditor Agreement may be amended as set forth in the Indenture.

(12) *DEFAULTS AND REMEDIES*. The events listed in Section 6.01 of the Indenture shall constitute "*Events of Default*" for the purpose of this Note.

(13) *TRUSTEE DEALINGS WITH COMPANY*. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

(14) *NO RECOURSE AGAINST OTHERS*. A director, officer, employee, incorporator or stockholder of the Company, as such, will not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

(15) *AUTHENTICATION*. This Note will not be valid until authenticated by the manual or electronic signature of the Trustee or an authenticating agent.

(16) *ABBREVIATIONS*. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) *CUSIP NUMBERS*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes, and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption, and reliance may be placed only on the other identification numbers placed thereon.

(18) *GOVERNING LAW.* THE LAWS OF THE STATE OF NEW YORK WILL GOVERN AND BE USED TO CONSTRUE THE INDENTURE AND THIS NOTE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Studio City Company Limited
Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands
Attention: Company Secretary

With a copy to:
Studio City (HK) Limited
38th Floor, The Centrium
60 Wyndham Street
Central, Hong Kong
Facsimile No.: +852 2537 3618
Attention: Company Secretary

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(Insert assignee's legal name)

_____

(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature:_____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Sections 3.12, 4.10, 4.11 or 4.16 of the Indenture, check the appropriate box below:

☐ Section 3.12 ☐ Section 4.10 ☐ Section 4.11 ☐ Section 4.16

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 3.12, Section 4.10, Section 4.11or Section 4.16 of the Indenture, state the amount you elect to have purchased:

US$_____

Date: _____

Your Signature:_____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.:
_____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

FORM OF CERTIFICATE OF TRANSFER

[*Company address block*]

[*Registrar address block*]

Re: 7.00% Senior Secured Notes due 2027 of Studio City Company Limited

Reference is hereby made to the Indenture, dated as of February 16, 2022 (the "*Indenture*"), among Studio City Company Limited, as issuer (the "*Company*"), each Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Transferor*") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of US$_____ in such Note[s] or interests (the "*Transfer*"), to _____ (the "*Transferee*"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Restricted Definitive Note pursuant to Rule 144A**. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Restricted Definitive Note pursuant to Regulation S**. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Restricted Definitive Note and in the Indenture and the Securities Act.

3. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S**. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) ☐ such Transfer is being effected to the Company or a subsidiary thereof;

or

(c) ☐ such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. ☐ Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) ☐ **Check if Transfer is pursuant to Rule 144**. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) ☐ **Check if Transfer is Pursuant to Regulation S**. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) ☐ **Check if Transfer is Pursuant to Other Exemption**. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____

[Insert Name of Transferor]

By: _____

Name:

Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP _____), or

(ii) ☐ Regulation S Global Note (CUSIP _____), or

(iii) ☐ Unrestricted Global Note (CUSIP _____); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

FORM OF CERTIFICATE OF EXCHANGE

[*Company address block*]

[*Registrar address block*]

Re: 7.00% Senior Secured Notes due 2027 of Studio City Company Limited

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of February 16, 2022 (the "*Indenture*"), among Studio City Company Limited, as issuer (the "*Company*"), each Guarantor and Deutsche Bank Trust Company Americas, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "*Owner*") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of US$_____ in such Note[s] or interests (the "*Exchange*"). In connection with the Exchange, the Owner hereby certifies that:

1. **Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the Securities Act of 1933, as amended (the "*Securities Act*"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(c) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(d) ☐ **Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note**. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. **Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes**

(a) ☐ **Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note**. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ **Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note**. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] 144A Global Note, Regulation S Global Note with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*") dated as of _____, among [name of New Guarantor[s]] (the "*New Guarantor*"), Studio City Company Limited, a BVI business company with limited liability incorporated under the laws of British Virgin Islands (the "*Company*") and Deutsche Bank Trust Company Americas, as Trustee (the "*Trustee*").

WITNESSETH:

WHEREAS the Company, the Trustee and each of the parties described above are parties to an Indenture, dated as of February 16, 2022, as amended (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of the Company's 7.00% Senior Secured Notes due 2027;

WHEREAS, pursuant to Section 9.03 of the Indenture, each New Guarantor is required to execute a supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Company, the Trustee and the other parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. Pursuant to, and subject to the provisions of, Article 11 of the Indenture, [each][the] New Guarantor (which term includes each other New Guarantor that hereinafter guarantees the Notes pursuant to the terms of the Indenture) hereby unconditionally and irrevocably guarantees, jointly and severally with each other New Guarantor and all Guarantors, to each Holder and to the Trustee and their successors and assigns to the extent set forth in the Indenture and subject to the provisions thereof (a) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Company under the Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, or interest, premium, if any, on, the Notes and all other monetary obligations of the Company under the Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other obligations of the Company whether for fees, expenses, indemnification or otherwise under the Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). [Each][The] New Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such New Guarantor and that such New Guarantor[s] will remain bound under Article 11 of the Indenture, notwithstanding any extension or renewal of any Guaranteed Obligation.

The Guaranteed Obligations of [each][the] New Guarantor to the Holders of Notes and to the Trustee pursuant to the Indenture as supplemented hereby, are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Note Guarantee.

[*Relevant limitations imposed by local law analogous to Section 11.02 of the Indenture to be inserted, if and as applicable*].

3. Ratification of Indenture: Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and each Holder, by accepting the Notes whether heretofore or hereafter authenticated and delivered (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee, on behalf of such Holder, to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee attorney-in-fact of such Holder for such purpose; *provided*, *however*, that [the][each] New Guarantor and each Guarantor shall be released from all its obligations with respect to this Guarantee in accordance with the terms of the Indenture, including Section 11.08 of the Indenture and upon any defeasance of the Notes in accordance with Article 8 of the Indenture.

4. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

5. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. The recitals of fact contained herein shall be treated as statements of the other parties hereto and not the Trustee.

6. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NAME OF NEW GUARANTOR], as New Guarantor,

By: _____
Name:
Title:

STUDIO CITY COMPANY LIMITED, as Company

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

FORM OF SUPPLEMENTAL INDENTURE FOR SECURITY AGENT AND INTERCREDITOR AGENT

This SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of February 16, 2022, is made by Studio City Company Limited (the "*Company*"), Industrial and Commercial Bank of China (Macau) Limited, as the Security Agent (the "*Security Agent*"), DB Trustees (Hong Kong) Limited, as the Intercreditor Agent (the "*Intercreditor Agent*") and Deutsche Bank Trust Company Americas, as the Trustee ("*Trustee*"), under the Indenture referred to below.

WHEREAS, the Company has heretofore executed and delivered one or more global notes (each a "*Global Note*"), dated as of February 16, 2022 providing for the issuance of an initial aggregate principal amount of US$350,000,000 of 7.00% Senior Secured Notes due 2027, pursuant to the terms of the Indenture dated as February 16, 2022 among the Company, the Parent Guarantor and the Trustee, among others (the "*Indenture*").

WHEREAS, the Indenture provides that under certain circumstances each of the Security Agent and the Intercreditor Agent shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Security Agent shall accede to the Indenture, as security agent, and the Intercreditor Agent shall accede to the Indenture, as intercreditor agent.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Security Agent, the Intercreditor Agent and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used in this Supplemental Indenture and not otherwise defined in this Supplemental Indenture shall have the meanings ascribed to them in the Indenture.

2. AGREEMENT TO ACCEDE. Each of the Security Agent and the Intercreditor Agent hereby agrees to accede, as security agent and intercreditor agent, respectively, to the Indenture on the terms and conditions set forth in this Supplemental Indenture and the Indenture. In particular connection with such accession, each of the Security Agent and the Intercreditor Agent agrees (a) to be bound by all of the covenants, stipulations, promises and agreements set forth in the Indenture that are applicable to the Security Agent or the Intercreditor Agent, as applicable and (b) to perform in accordance with its terms of the Indenture, all the terms of the Indenture required to be performed by the Security Agent or the Intercreditor Agent, as applicable.

3. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

4. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. EFFECT OF HEADINGS. The section headings herein are for convenience only and shall not affect the construction hereof.

6. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity of sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

7. RATIFICATION OF INDENTURE; ACCESSION AGREEMENT PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

8. SUCCESSORS. All covenants and agreements in this Supplemental Indenture by the parties hereto shall bind their successors.

(*Signature page to follow****)***

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to the Indenture be duly executed and attested, as of the date first above written.

STUDIO CITY COMPANY LIMITED, as Company

By: _____
Name:
Title:

STUDIO CITY INVESTMENTS LIMITED

By: _____
Name:
Title:

STUDIO CITY HOLDINGS TWO LIMITED

By: _____
Name:
Title:

STUDIO CITY HOLDINGS THREE LIMITED

By: _____
Name:
Title:

STUDIO CITY HOLDINGS FOUR LIMITED

By: _____
Name:
Title:

STUDIO CITY ENTERTAINMENT LIMITED

By: _____
Name:
Title:

STUDIO CITY SERVICES LIMITED

By: _____
Name:
Title:

STUDIO CITY HOTELS LIMITED

By: _____
Name:
Title:

SCP HOLDINGS LIMITED

By: _____
Name:
Title:

SCIP HOLDINGS LIMITED

By: _____
Name:
Title:

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: _____
Name:
Title:

SCP ONE LIMITED

By: _____
Name:
Title:

SCP TWO LIMITED

By: _____
Name:
Title:

STUDIO CITY DEVELOPMENTS LIMITED

By: _____
Name:
Title:

STUDIO CITY RETAIL SERVICES LIMITED

By: _____
Name:
Title:

STUDIO CITY (HK) TWO LIMITED

By: _____
Name:
Title:

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED, as Security Agent,

By: _____
Name:
Title:

DB TRUSTEES (HONG KONG) LIMITED, as Intercreditor Agent

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

FORM OF SOLVENCY CERTIFICATE

Reference is hereby made to the Indenture, dated as of February 16, 2022, (as amended and supplemented by the applicable Supplemental Indenture and as may be further amended or supplemented from time to time, the "Indenture"), entered between, among others, Studio City Company Limited, as the issuer, Studio City Investments Limited (the "Parent Guarantor") and Deutsche Bank Trust Company Americas, as Trustee, Paying Agent, Transfer Agent and Registrar. Capitalized terms used but not defined herein shall have the meaning given to such terms in the Indenture.

[I][We], [_____], [Chief Financial Officer][the members of the Board of Directors] of the Parent Guarantor, solely in [my][our] capacity as [Chief Financial Officer][the members of the Board of Directors] of the Parent Guarantor and not in an individual capacity, do hereby confirm pursuant to Section 4.23(b)(2) of the Indenture, _____ (the "Grantor") will be Solvent after giving effect to the transaction related to the [amendment, extension, renewal, restatement, supplement, modification, release or replacement] of the [Security Document]. As used in this paragraph, the term "Solvent" means (i) either (a) the present fair market value (or present fair saleable value) of the assets of the Grantor is not less than the total amount required to pay the liabilities of the Grantor on its total existing debts and liabilities (including contingent liabilities that would need to be reflected as liabilities on the balance sheet pursuant to applicable accounting rules) as they become absolute and matured each as calculated in accordance applicable accounting rules relating to the Grantor, or (b) the value of the assets of the Parent Guarantor and its Subsidiaries (on a consolidated basis) is not less than the liabilities of the Parent Guarantor and its Subsidiaries (on a consolidated basis); and (ii) the Grantor is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business.

[Signature Page Follows]

By: _____

Name:

Title: [Chief Financial Officer][The members of the Board of Directors] of the Parent Guarantor

SECURITY DOCUMENTS

Part A Offshore Confirmatory Security

1. A third composite deed of confirmatory security to be entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited and SCP Holdings Limited with respect to:

   (a) the charge over all present and future shares of the Issuer held by the Parent, granted by the Parent dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (b) the charge over all present and future shares of Studio City Holdings Two Limited held by the Issuer, granted by the Issuer dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (c) the charge over all present and future shares in Studio City Holdings Three Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (d) the charge over all present and future shares in Studio City Holdings Four Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (e) the charge over all present and future shares in SCP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (f) the charge over all present and future shares in SCIP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

   (g) the charge over all present and future shares in SCP One Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(h) the charge over all present and future shares in SCP Two Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013 (as amended by a composite deed of confirmatory security dated 1 December 2016, as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(i) the composite deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited and SCP Holdings Limited dated 1 December 2016 (as amended by a second composite deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(j) the second composite deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited and SCP Holdings Limited dated 15 March 2021 (as amended, novated, supplemented, extended, replaced or restated from time to time).

2. A third deed of confirmatory security to be entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited, with respect to:

(a) the debenture entered into (amongst others) by the Issuer, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016, as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited dated 1 December 2016 (as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(c) the second deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited dated 15 March 2021 (as amended, novated, supplemented, extended, replaced or restated from time to time).

3. A third deed of confirmatory security to be entered into by SCH5 and the Common Security Agent with respect to:

(a) the debenture entered into by SCH5 and the Common Security Agent as security agent dated 18 September 2015 (as amended by a deed of confirmatory security dated 1 December 2016, as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the deed of confirmatory security entered into by SCH5 and the Common Security Agent dated 1 December 2016 (as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(c) the second deed of confirmatory security entered into by SCH5 and the Common Security Agent dated 15 March 2021 (as amended, novated, supplemented, extended, replaced or restated from time to time).

4. A third composite account charge deed of confirmatory security to be entered into (among others) by the Issuer, the Parent, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited with respect to:

(a) the charge over certain accounts of the Issuer held in the Hong Kong SAR, granted by the Issuer dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the charge over certain accounts of the Parent held in the Hong Kong SAR, granted by the Parent dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(c) the charge over certain accounts of Studio City Developments Limited held in the Hong Kong SAR, granted by Studio City Developments Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(d) the charge over certain accounts of Studio City Entertainment Limited held in the Hong Kong SAR, granted by Studio City Entertainment Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(e) the charge over certain accounts of Studio City Hotels Limited held in the Hong Kong SAR, granted by Studio City Hotels Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(f) the charge over certain accounts of Studio City Services Limited held in the Hong Kong SAR, granted by Studio City Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(g) the charge over certain accounts of Studio City Hospitality and Services Limited held in the Hong Kong SAR, granted by Studio City Hospitality and Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(h) the charge over certain accounts of Studio City Retail Services Limited held in the Hong Kong SAR, granted by Studio City Retail Services Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(i) the charge over certain accounts of SCIP Holdings Limited held in the Hong Kong SAR, granted by SCIP Holdings Limited dated 26 November 2013 (as amended by a composite account charge deed of confirmatory security dated 1 December 2016, as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(j) the composite account charge deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited dated 1 December 2016 (as amended by a second composite account charge deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(k) the second composite account charge deed of confirmatory security entered into (among others) by the Issuer, the Parent, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited dated 15 March 2021 (as amended, novated, supplemented, extended, replaced or restated from time to time).

5. A third deed of confirmatory security to be entered into (among others) by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City Services Limited with respect to:

(a) the charge over all present and future shares in SCHK2 held by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited and Studio City Retail Services Limited dated 30 July 2018 (as amended and restated by a deed of confirmatory security dated 1 February 2019, as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the deed of confirmatory security entered into (among others) by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City Services Limited dated 1 February 2019 (as amended by a second deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(c) the second deed of confirmatory security entered into (among others) by Studio City Hospitality and Services Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Developments Limited, Studio City Retail Services Limited and Studio City Services Limited dated 15 March 2021.

6. A second deed of confirmatory security to be entered into by SCHK2 and the Common Security Agent with respect to:

(a) the debenture entered into by SCHK2 and the Common Security Agent dated 30 July 2018 (as amended by a deed of confirmatory security dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(b) the deed of confirmatory security to be entered into by SCHK2 and the Common Security Agent dated 15 March 2021 (as amended, novated, supplemented, extended, replaced or restated from time to time).

Part B Confirmations for Onshore Security

1. A third composite confirmation to be entered into (among others) by Studio City Company Limited, Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Holdings Five Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited with respect to the following Macau law security documents:

(a) the mortgage granted by Studio City Developments Limited over its rights under the Amended Land Concession dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the power of attorney granted by Studio City Developments Limited dated 26 November 2013 supplementing the mortgage over its rights under the Amended Land Concession (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(c) the promissory note issued by Studio City Company Limited dated 26 November 2013 and endorsed by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited (the "**Livrança**") (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(d) the covering letter dated 26 November 2013 in relation to the Livrança from Studio City Company Limited and acknowledged by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(e) the pledge over all present and future shares of Studio City Entertainment Limited held by Studio City Holdings Three Limited and Studio City Holdings Four Limited granted by Studio City Holdings Three Limited and Studio City Holdings Four Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(f) the power of attorney granted by Studio City Holdings Three Limited dated 18 September 2015 regarding all its present and future shares in Studio City Entertainment Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(g) the power of attorney granted by Studio City Holdings Four Limited dated 18 September 2015 regarding all its present and future shares in Studio City Entertainment Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(h) the pledge over the share in Studio City Entertainment Limited held by Studio City Holdings Five Limited granted by Studio City Holdings Five Limited dated 18 September 2015 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(i) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Entertainment Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(j) the pledge over all present and future shares in Studio City Hotels Limited held by Studio City Holdings Three Limited and Studio City Holdings Four Limited, granted by Studio City Holdings Three Limited and Studio City Holdings Four Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(k) the power of attorney granted by Studio City Holdings Three Limited dated 18 September 2015 regarding all its present and future shares in Studio City Hotels Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(l) the power of attorney granted by Studio City Holdings Four Limited dated 18 September 2015 regarding all its present and future shares in Studio City Hotels Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(m) the pledge over the share in Studio City Hotels Limited held by Studio City Holdings Five Limited, granted by Studio City Holdings Five Limited dated 18 September 2015 (as amended by a deed of confirmatory security dated 1 December 2016, and a second composite confirmation agreement dated 15 March 2021 and as amended, novated, supplemented, extended, replaced or restated from time to time);

(n) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Hotels Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(o) the pledge over all present and future shares in Studio City Developments Limited held by SCP Holdings Limited, SCP One Limited and SCP Two Limited, granted by SCP Holdings Limited, SCP One Limited and SCP Two Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(p) the power of attorney granted by SCP Holdings Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(q) the power of attorney granted by SCP One Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(r) the power of attorney granted by SCP Two Limited dated 18 September 2015 regarding all its present and future shares in Studio City Developments Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(s) the pledge over the share in Studio City Developments Limited held by Studio City Holdings Five Limited, granted by Studio City Holdings Five Limited dated 18 September 2015 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(t) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 regarding the share held in Studio City Developments Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(u) the pledge over all present and future shares in Studio City Retail Services Limited held by Studio City Services Limited and Studio City Hospitality and Services Limited, granted by Studio City Services Limited and Studio City Hospitality and Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(v) the pledge over all present and future shares in Studio City Hospitality and Services Limited held by Studio City Services Limited, granted by Studio City Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(w) the pledge over all present and future shares of Studio City Services Limited held by Studio City Company Limited and Studio City Holdings Two Limited, granted by Studio City Company Limited and Studio City Holdings Two Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(x) the power of attorney granted by Studio City Holdings Five Limited dated 18 September 2015 to terminate certain preference right agreements pursuant to which Studio City Holdings Five Limited was given preference in the acquisition of certain shares and the assignment of the interest in the Amended Land Concession (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(y) the floating charge over substantially all assets of Studio City Developments Limited, granted by Studio City Developments Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(z) the floating charge over substantially all assets of Studio City Entertainment Limited, granted by Studio City Entertainment Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(aa) the floating charge over substantially all assets of Studio City Services Limited, granted by Studio City Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(bb) the floating charge over substantially all assets of Studio City Hospitality and Services Limited, granted by Studio City Hospitality and Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(cc) the floating charge over substantially all assets of Studio City Hotels Limited, granted by Studio City Hotels Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(dd) the floating charge over substantially all assets of Studio City Retail Services Limited, granted by Studio City Retail Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(ee) the pledge over certain onshore accounts of Studio City Company Limited held in the Macau SAR, granted by Studio City Company Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(ff) the pledge over certain onshore accounts of Studio City Developments Limited held in the Macau SAR, granted by Studio City Developments Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(gg) the pledge over certain onshore accounts of Studio City Entertainment Limited held in the Macau SAR, granted by Studio City Entertainment Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(hh) the pledge over certain onshore accounts of Studio City Hotels Limited held in the Macau SAR, granted by Studio City Hotels Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(ii) the pledge over certain onshore accounts of Studio City Services Limited held in the Macau SAR, granted by Studio City Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(jj) the pledge over certain onshore accounts of Studio City Hospitality and Services Limited held in the Macau SAR, granted by Studio City Hospitality and Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(kk) the pledge over certain onshore accounts of Studio City Retail Services Limited held in the Macau SAR, granted by Studio City Retail Services Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(ll) the pledge over certain onshore accounts of SCIP Holdings Limited held in the Macau SAR, granted by SCIP Holdings Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(mm) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Developments Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(nn) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Entertainment Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(oo) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Hotels Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(pp) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Services Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(qq) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Hospitality and Services Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(rr) the assignment of certain leases and rights to use agreements dated 26 November 2013 and entered into by (among others) Studio City Retail Services Limited (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time).

2. A third composite confirmation to be entered into (among others) by Melco Resorts (Macau) Limited, Studio City Developments Limited, Studio City Hotels Limited, Studio City Company Limited, Studio City Holdings Five Limited and Studio City Entertainment Limited with respect to the following Macau law security documents:

(a) the assignment of the Services and Right to Use Agreement granted by Studio City Entertainment Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time);

(b) the assignment of the Reimbursement Agreement granted by Studio City Entertainment Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time); and

(c) the direct agreement in relation to (i) the Services and Right to Use Agreement; and (ii) the Reimbursement Agreement, granted by Studio City Company Limited, Studio City Entertainment Limited, Studio City Developments Limited, Studio City Hotels Limited, Melco Resorts (Macau) Limited and Studio City Holdings Five Limited dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time).

3. A third confirmation to be entered into (among others) by Melco Resorts (Macau) Limited and Studio City Entertainment Limited with respect to the pledge over accounts granted by Melco Resorts (Macau) Limited and Studio City Entertainment Limited, over (i) accounts of Melco Resorts (Macau) Limited in respect of the Service and Right to Use Agreement and (ii) the Trust Account (as defined in the Service and Right to Use Agreement) dated 26 November 2013 (as amended by a deed of confirmatory security dated 1 December 2016 and by a second composite confirmation agreement dated 15 March 2021, and as amended, novated, supplemented, extended, replaced or restated from time to time).

Exhibit 2.12

SUPPLEMENTAL INDENTURE

This SUPPLEMENTAL INDENTURE (this "*Supplemental Indenture*"), dated as of February 16, 2022, is made by Studio City Company Limited (the "*Company*"), Industrial and Commercial Bank of China (Macau) Limited, as the Security Agent (the "*Security Agent*"), DB Trustees (Hong Kong) Limited, as the Intercreditor Agent (the "*Intercreditor Agent*") and Deutsche Bank Trust Company Americas, as the Trustee ("*Trustee*"), under the Indenture referred to below.

WHEREAS, the Company has heretofore executed and delivered one or more global notes (each a "*Global Note*"), dated as of February 16, 2022 providing for the issuance of an initial aggregate principal amount of US$350,000,000 of 7.00% Senior Secured Notes due 2027, pursuant to the terms of the Indenture dated as February 16, 2022 among the Company, the Parent Guarantor and the Trustee, among others (the "*Indenture*").

WHEREAS, the Indenture provides that under certain circumstances each of the Security Agent and the Intercreditor Agent shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Security Agent shall accede to the Indenture, as security agent, and the Intercreditor Agent shall accede to the Indenture, as intercreditor agent.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Security Agent, the Intercreditor Agent and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used in this Supplemental Indenture and not otherwise defined in this Supplemental Indenture shall have the meanings ascribed to them in the Indenture.

2. AGREEMENT TO ACCEDE. Each of the Security Agent and the Intercreditor Agent hereby agrees to accede, as security agent and intercreditor agent, respectively, to the Indenture on the terms and conditions set forth in this Supplemental Indenture and the Indenture. In particular connection with such accession, each of the Security Agent and the Intercreditor Agent agrees (a) to be bound by all of the covenants, stipulations, promises and agreements set forth in the Indenture that are applicable to the Security Agent or the Intercreditor Agent, as applicable and (b) to perform in accordance with its terms of the Indenture, all the terms of the Indenture required to be performed by the Security Agent or the Intercreditor Agent, as applicable.

3. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

4. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. EFFECT OF HEADINGS. The section headings herein are for convenience only and shall not affect the construction hereof.

6. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity of sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

7. RATIFICATION OF INDENTURE; ACCESSION AGREEMENT PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

8. SUCCESSORS. All covenants and agreements in this Supplemental Indenture by the parties hereto shall bind their successors.

(Signature page to follow)

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to the Indenture be duly executed and attested, as of the date first above written.

STUDIO CITY COMPANY LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY INVESTMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS THREE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOLDINGS FOUR LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: _____
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: _____
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY ENTERTAINMENT LIMITED

By: _____
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

STUDIO CITY HOTELS LIMITED

By: _____
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP HOLDINGS LIMITED

By: _____
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY HOSPITALITY AND SERVICES LIMITED

By: /s/ Inês Nolasco Antunes
Name: Inês Nolasco Antunes
Title: Authorized Signatory

SCP ONE LIMITED

By: _____
Name: Kevin Richard Benning
Title: Authorized Signatory

SCP TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY DEVELOPMENTS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

SCIP HOLDINGS LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY RETAIL SERVICES LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

STUDIO CITY (HK) TWO LIMITED

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Authorized Signatory

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED, as Security Agent,

By: /s/ Mao Chonghe /s/ Zheng Zhiguo

Name: Mao Chonghe Zheng Zhiguo

Title: General Manager Chief Officer

[SIGNATURE PAGE – SUPPLEMENTAL INDENTURE]

DB TRUSTEES (HONG KONG) LIMITED, as
Intercreditor Agent

By: /s/ Leung Fong Io /s/ Melissa Chow

Name: Leung Fong Io Melissa Chow
Title: Authorized Signatory Authorized Signatory

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: /s/ Rodney Gaughan
Name: Rodney Gaughan
Title: Vice President

By: /s/ Chris Niesz
Name: Chris Niesz
Title: Vice President

Exhibit 2.13

Execution Version

WHITE & CASE

Dated 7 February 2022

Amendment and Restatement Agreement

in respect of the Intercreditor Agreement originally dated 1 December 2016
(as amended and restated from time to time)

between

Bank of China Limited, Macau Branch
2016 Credit Facility Agent

Bank of China Limited, Macau Branch
2016 Credit Facility Lender

Industrial and Commercial Bank of China (Macau) Limited
Common Security Agent

DB Trustees (Hong Kong) Limited
Intercreditor Agent

Studio City Investments Limited
as Parent

and

Studio City Company Limited
as the Borrower

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

Table of Contents

This Amendment and Restatement Agreement is dated 7 February 2022 (this" Agreement") and made

Between:

(1) **Bank of China Limited, Macau Branch**, incorporated with limited liability under the laws of the People's Republic of China as agent under the 2016 Credit Facility Agreement (the "**2016 Credit Facility Agent**");

(2) **Bank of China Limited, Macau Branch**, incorporated with limited liability under the laws of the People's Republic of China as a 2016 Credit Facility Lender (the "**2016 Credit Facility Lender**");

(3) **Studio City Investments Limited**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673083), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Parent**");

(4) **Studio City Company Limited** a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673603), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Borrower**");

(5) **The Companies named on the signature pages** as Intra-Group Lenders (the "**Intra-Group Lenders**");

(6) **The Subsidiaries of the Parent named on the signature pages** as Debtors (together with the Parent and the Borrower, the "**Debtors**");

(7) **Studio City Finance Limited**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673307), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Original Bondco**");

(8) **DB Trustees (Hong Kong) Limited** as coordinating intercreditor agent for the Secured Parties (the "**Intercreditor Agent**");

(9) **Industrial and Commercial Bank of China (Macau) Limited**, incorporated with limited liability under the laws of the Macau SAR as security trustee for the Secured Parties (the "**Common Security Agent**"); and

(10) **Industrial and Commercial Bank of China (Macau) Limited**, incorporated with limited liability under the laws of the Macau SAR in its capacity as agent for the Common Security Agent under the Power of Attorney (the "**POA Agent**").

Whereas:

(1) Pursuant to an intercreditor agreement dated on 1 December 2016 (30 November 2016, New York time) entered into between, among others, the Borrower, the Parent and the Common Security Agent (as amended and restated pursuant to this Agreement) (the "**Intercreditor Agreement**"), the parties have agreed that, among other things, certain liabilities and obligations (including in respect of the 2016 Credit Facility Agreement and other Debt Documents) constitute Secured Obligations.

(2) It has been agreed that, among other things, the Intercreditor Agreement be amended and restated as contemplated by this Agreement and each Party consents to the making of those amendments, subject to the terms and conditions of this Agreement.

(3) The Parties wish to enter into this Agreement to record their agreements in relation to the above.

It is agreed as follows:

1. Interpretation

1.1 Definitions

In this Agreement:

"**Amended and Restated Intercreditor Agreement**" means the Intercreditor Agreement, as amended and restated pursuant to the terms and conditions of this Agreement (as on the Effective Date, in the form set out in Schedule 1 (*Amended and Restated Intercreditor Agreement*)).

"**Effective Date**" means the later of:

(a) the date of this Agreement; and

(b) the date on which the Intercreditor Agent confirms in writing to the Borrower that it has received all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) and that each is in form and substance satisfactory to it,

and "**Effective Time**" means the later of (x) the first time at which this Agreement is executed in full by the Parties and dated and (y) the time the confirmation referred to in paragraph (b) above is given.

"**Material Adverse Effect**" means any event or circumstance which (after taking into account all relevant circumstances) has a material adverse effect on:

(a) the business, operations, property or financial condition of the Original Bondco and its Subsidiaries (taken as a whole); or

(b) its ability to perform any of its payment obligations under the Debt Documents; or

(c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of any Transaction Security granted or purporting to be granted pursuant to any of, the Debt Documents or the rights or remedies of any Primary Creditor under any of the Debt Documents.

"**Perfection Requirements**" means the making or the procuring of the appropriate registrations, filing, endorsements, notarisation, stamping and notifications of the Transaction Security Documents or the Transaction Security created thereunder.

"**SCHK2**" means Studio City (HK) Two Limited (新濠影匯(香港)第二有限公司), a limited liability company incorporated in Hong Kong with its registered office at 36/F, The Centrium, 60 Wyndham Street, Central and registration number 2720234.

1.2 Construction

(a) The principles of construction and rules of interpretation set out in the Intercreditor Agreement (including but not limited to clause 1.2 (*Construction*) of the Intercreditor Agreement) shall have effect as if set out in this Agreement.

(b) Unless a contrary indication appears, a term defined in or by reference in the Intercreditor Agreement has the same meaning in this Agreement. Words and expressions defined in this Agreement by reference to the Amended and Restated Intercreditor Agreement shall (at all times prior to the Effective Date) have the meaning attributed to them in the form of the Amended and Restated Intercreditor Agreement set out in Schedule 1 (*Amended and Restated Intercreditor Agreement*).

(c) In this Agreement any reference to a "Clause", a "Schedule" or a "Party" is, unless the context otherwise requires, a reference to a Clause, a Schedule or a Party to this Agreement.

1.3 Designation

The Parent and the Intercreditor Agent designate this Agreement as a Debt Document by execution of this Agreement for the purposes of the definition of "Debt Document" in the Intercreditor Agreement.

2. Amendment to the Intercreditor Agreement

2.1 Amendment to the Intercreditor Agreement

(a) Subject to the terms and conditions of this Agreement and pursuant to the Intercreditor Agreement, each Party consents to the amendments to the Intercreditor Agreement as contemplated by this Agreement.

(b) Each Party agrees, in accordance with clause 31 (*Consents, amendments and override*) of the Intercreditor Agreement, that with immediate and automatic effect on and from the Effective Date, the Intercreditor Agreement shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 1 (*Amended and Restated Intercreditor Agreement*) and all references in the Amended and Restated Intercreditor Agreement to "this Agreement" shall include this Agreement.

3. Representations

3.1 Representations

Each Intra-Group Lender, each Debtor and the Original Bondco makes the representations and warranties set out in this Clause 3.1 to each Primary Creditor (by reference to the facts and circumstances then existing) on the date of this Agreement and on the Effective Date.

(a) Status

(i) It is a limited liability corporation or company duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.

(ii) It is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any person in relation to this Agreement.

(b) Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

(c) Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur.

(d) Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary corporate action to authorise its entry into, performance and delivery of, this Agreement and the transactions contemplated herein.

(e) Validity and admissibility in evidence

All Authorisations required:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Agreement; and

(ii) to make this Agreement admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

(f) Governing law and enforcement

Subject to the Legal Reservations:

(i) the choice of English law as the governing law of this Agreement will be recognised and enforced in its Relevant Jurisdiction; and

(ii) any judgment obtained in relation to this Agreement in England will be recognised and enforced in its Relevant Jurisdictions.

(g) No filing or stamp taxes

Subject to the Legal Reservations, under the laws of its Relevant Jurisdictions it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Agreement or the transactions contemplated herein (save for any stamp, registration, notarial or similar Tax which is referred to in any legal opinion of legal counsel in the Macau SAR delivered to the Intercreditor Agent under this Agreement, which will be made or paid promptly after the date of this Agreement).

(h) Deduction of Tax

It is not required under the laws of its Relevant Jurisdiction or at its address specified in this Agreement or any other Finance Document to make any deduction for or on account of Tax from any payment it may make under this Agreement.

4. Continuity and further assurance

4.1 Continuing obligations

Each Intra-Group Lender, each Debtor and the Original Bondco agrees and acknowledges that the provisions of the Intercreditor Agreement and the other Debt Documents shall, save as amended by this Agreement, continue in full force and effect and extend to the liabilities and obligations of each Intra-Group Lender, each Debtor and the Original Bondco under the Amended and Restated Intercreditor Agreement and the other Debt Documents (as amended from time to time), including as varied, amended, supplemented or extended by this Agreement and apply equally to the obligations of each Intra-Group Lender, each Debtor and the Original Bondco under Clause 5 (*Costs and expenses*) as if set out in full in this Agreement. In particular, nothing in this Agreement shall affect the rights of the Primary Creditors in respect of the occurrence of any Default which is continuing or which arises on or after the date of this Agreement (other than any Default which has occurred or may occur as a result of the entry into of this Agreement or the entry into, and performance of, the transactions contemplated by any of the foregoing).

4.2 Further assurance

Each Intra-Group Lender, each Debtor and the Original Bondco shall, upon the written request of the Intercreditor Agent and at its own expense, do all such acts and things reasonably necessary to give effect to the amendments effected or to be effected pursuant to this Agreement.

5. Costs and expenses

(a) Notwithstanding clause 26 (*Costs and expenses*) of the Intercreditor Agreement, the Parent shall pay (or shall procure that another member of the Group will pay) to the Primary Creditors within five (5) Business Days of demand the amount of all costs and expenses (including legal fees) (together with any applicable Indirect Tax) including without limitation the fees and expenses of a Primary Creditor's legal advisers reasonably incurred in connection with the negotiation, preparation, printing, execution and performance of this Agreement (and the documents listed in Schedule 2 (*Conditions Precedent*)) and the transactions contemplated in this Agreement.

(b) The Parent shall pay and, within five (5) Business Days of demand, indemnify the Primary Creditors against any cost, loss or liability the Primary Creditors incur in relation to all stamp duty, registration and other similar Taxes payable in respect of this Agreement and the documents listed in Schedule 2 (*Conditions Precedent*).

6. Enforcement

6.1 Jurisdiction of English courts

(a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 6.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

6.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law:

(i) each Debtor, each Intra-Group Lender and the Original Bondco:

(A) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

(B) agrees that failure by a process agent to notify the relevant Debtor, Intra-Group Lender or Original Bondco of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Parent (in the case of an agent for service of process for a Debtor), the Intra-Group Lender or the Original Bondco must immediately (and in any event within three (3) days of such event taking place) appoint another agent on terms acceptable to each Creditor Representative and each Hedge Counterparty. Failing this, the relevant Creditor Representative or Hedge Counterparty (as the case may be) may appoint another agent for this purpose.

6.3 Waiver of Jury Trial

EACH OF THE PARTIES TO THIS AGREEMENT AGREES TO WAIVE IRREVOCABLY ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE DOCUMENTS REFERRED TO IN THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN THIS AGREEMENT. This waiver is intended to apply to all Disputes. Each Party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each Party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial fights after consultation with its legal advisers. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

7. Miscellaneous

7.1 Incorporation of terms

The provisions of clauses 1.5 (*Third party rights*), 29 (*Notices*), 30 (*Preservation*) and 34 (*Contractual recognition of bail-in*) of the Intercreditor Agreement and, at and from the Effective Date, the corresponding clauses in the Amended and Restated Intercreditor Agreement shall be deemed incorporated into this Agreement as if set out in full herein and as if references in those clauses to "this Agreement" and "a Debt Document" are references to this Agreement and cross references to specified clauses thereof are references to the equivalent clauses set out or incorporated herein.

8. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. Governing law

This Agreement and any non- contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
Amended and Restated Intercreditor Agreement

WHITE & CASE

Dated 1 December 2016
(November 30, 2016 New York time)
as amended and restated pursuant to
an amendment and restatement deed dated 7 February 2022

Intercreditor Agreement

between
(among others)

Bank of China Limited, Macau Branch
2016 Credit Facility Agent

Bank of China Limited, Macau Branch
2016 Credit Facility Lender

Industrial and Commercial Bank of China (Macau) Limited
Common Security Agent

DB Trustees (Hong Kong) Limited
Intercreditor Agent

Studio City Investments Limited
as Parent

and

Studio City Company Limited
as the Company

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

Table of Contents

This Agreement is originally dated 1 December 2016 (November 30, 2016, New York time), was amended and restated pursuant to an amendment and restatement deed dated 7th February 2022 and is made

Between:

(1) **Bank of China Limited, Macau Branch** as agent under the 2016 Credit Facility Agreement (the "**2016 Credit Facility Agent**");

(2) **Bank of China Limited, Macau Branch** as a 2016 Credit Facility Lender;

(3) **Studio City Investments Limited**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673083), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Parent**");

(4) **Studio City Company Limited** a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673603), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Borrower**");

(5) **The Companies** named on the conformed signing pages as Intra-Group Lenders;

(6) **The Subsidiaries** of the Parent named on the conformed signing pages as Debtors (together with the Parent and the Company, the "**Original Debtors**");

(7) **Studio City (HK) Two Limited** (新濠影匯(香港)第二有限公司) as a Debtor;

(8) **Studio City Finance Limited**, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1673307), whose registered office is at Ocorian Corporate Services (BVI) Limited, Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands (the "**Original Bondco**");

(9) **The Companies** named on the conformed signing pages as the parties to the Existing Subordination Deed (the "**Existing Subordination Parties**") for the purposes of Clause 7 (*Existing Subordination Deed*) only and not in respect of any other provision of this Agreement;

(10) **DB Trustees (Hong Kong) Limited** as coordinating intercreditor agent for the Secured Parties (the "**Intercreditor Agent**");

(11) **Industrial and Commercial Bank of China (Macau) Limited** as security trustee for the Secured Parties (the "**Common Security Agent**"); and

(12) **Industrial and Commercial Bank of China (Macau) Limited** in its capacity as agent for the Common Security Agent under the Power of Attorney (the "**POA Agent**").

It is agreed as follows:

Section 1
Interpretation

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

"**1992 ISDA Master Agreement**" means the Master Agreement (Multicurrency – Cross Border) as published by the International Swaps and Derivatives Association, Inc.

"**2002 ISDA Master Agreement**" means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

"**2016 Amendment and Restatement Agreement**" means the amendment and restatement agreement in relation to the 2016 Credit Facility Agreement made between the Parent, the Company, the 2016 Credit Facility Agent, the 2016 Credit Facility Lender and others dated 23 November 2016.

"**2016 Credit Facility**" means each "Facility" under and as defined in the 2016 Credit Facility Agreement.

"**2016 Credit Facility Acceleration Event**" means an "Acceleration Event" under and as defined in the 2016 Credit Facility Agreement (other than the right to declare any amount payable on demand) or any acceleration provisions being automatically invoked under the 2016 Credit Facility Agreement.

"**2016 Credit Facility Agreement**" means the facilities agreement originally dated 28 January 2013 between (among others) the Borrower as borrower and Industrial and Commercial Bank of China (Macau) Limited as security agent (as amended and amended and restated from time to time), as amended and restated on 1 December 2016 pursuant to the 2016 Amendment and Restatement Agreement and on 15 March 2021 pursuant to an amendment and restatement agreement dated 15 March 2021.

"**2016 Credit Facility Ancillary Facility**" means any ancillary facility made available from time to time in accordance with the 2016 Credit Facility Agreement.

"**2016 Credit Facility Ancillary Lender**" means each 2016 Credit Facility Lender (or Affiliate of a 2016 Credit Facility Lender) which makes available a 2016 Credit Facility Ancillary Facility.

"**2016 Credit Facility Borrower**" means each "Borrower" under and as defined in the 2016 Credit Facility Agreement.

"**2016 Credit Facility Cash Cover**" means "cash cover" under and as defined in the 2016 Credit Facility Agreement.

"**2016 Credit Facility Commitment**" means "Commitment" under and as defined in the 2016 Credit Facility Agreement.

"**2016 Credit Facility Creditors**" means the 2016 Credit Facility Agent, each 2016 Credit Facility Arranger and each 2016 Credit Facility Lender.

"**2016 Credit Facility Documents**" means the "Finance Documents" under and as defined in the 2016 Credit Facility Agreement.

"**2016 Credit Facility Guarantor**" means each "Guarantor" under, and as defined, in the 2016 Credit Facility Agreement and each other person who guarantees all or any of the 2016 Credit Facility Liabilities from time to time.

"**2016 Credit Facility Issuing Bank** " means any "Issuing Bank" under and as defined in the 2016 Credit Facility Agreement from time to time.

"**2016 Credit Facility Lender Discharge Date**" means the first date on which all 2016 Credit Facility Liabilities (other than in respect of the principal amount of the Rolled Loan) have been fully and finally discharged to the satisfaction of the relevant Creditor Representative(s), whether or not as the result of an enforcement, and the 2016 Credit Facility Lenders are under no further obligation to provide financial accommodation to any of the Debtors under the 2016 Credit Facility Documents.

"**2016 Credit Facility Lenders**" means each Lender (as defined in the 2016 Credit Facility Agreement), 2016 Credit Facility Issuing Bank and 2016 Credit Facility Ancillary Lender.

"**2016 Credit Facility Liabilities**" means the Liabilities owed by any Debtor to the 2016 Credit Facility Creditors under or in connection with the 2016 Credit Facility Documents.

"**2022 ICA Amendment and Restatement Agreement** " means the amendment and restatement agreement in relation to this Agreement dated 7 February 2022 between, among others, the Parent, the Borrower, the Original Bondco, the Intercreditor Agent, the Common Security Agent and the POA Agent.

"**2022 ICA Amendment and Restatement Effective Date**" means the "Effective Date" as defined in the 2022 ICA Amendment and Restatement Agreement.

"**Acceleration Event**" means a Credit Facility Acceleration Event or a Pari Passu Debt Acceleration Event.

"**Additional Credit Facility**" means any credit facility (other than any 2016 Credit Facility) made available to the Borrower or (to the extent not prohibited under the terms and conditions of the Credit Facility Documents and Pari Passu Debt Documents) to any other member of the Restricted Group, in each case where:

(a) the agent of the lenders in respect of the credit facility has become a Party as a Creditor Representative;

(b) each arranger of the credit facility has become a Party as a Credit Facility Arranger; and

(c) each lender in respect of the credit facility has become a Party as an Additional Credit Facility Lender,

in respect of that credit facility pursuant to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*).

"**Additional Credit Facility Acceleration Event**" means an "Acceleration Event" under and as defined in an Additional Credit Facility Agreement (other than the right to declare any amount payable on demand) or any acceleration provisions being automatically invoked under such Additional Credit Facility Agreement.

"**Additional Credit Facility Agreement**" means a credit facility agreement setting out the terms of any Additional Credit Facility and which creates or evidences any Additional Credit Facility Liabilities.

"**Additional Credit Facility Ancillary Facility**" means any ancillary facility made available from time to time in accordance with an Additional Credit Facility Agreement.

"**Additional Credit Facility Ancillary Lender**" means each Additional Credit Facility Lender (or Affiliate of an Additional Credit Facility Lender) which makes available an Additional Credit Facility Ancillary Facility.

"**Additional Credit Facility Borrower**" means each "Borrower" under and as defined in an Additional Credit Facility Agreement.

"**Additional Credit Facility Cash Cover**" means "cash cover" under and as defined in an Additional Credit Facility Agreement.

"**Additional Credit Facility Commitment**" means "Commitment" under and as defined in an Additional Credit Facility Agreement.

"**Additional Credit Facility Creditors**" means each Additional Credit Facility Agent, each Additional Credit Facility Arranger and each Additional Credit Facility Lender.

"**Additional Credit Facility Documents**" means the "Finance Documents" under and as defined in any Additional Credit Facility Agreement.

"**Additional Credit Facility Guarantor**" means each "Guarantor" under, and as defined, in an Additional Credit Facility Agreement and each other person who guarantees all or any of the Additional Credit Facility Liabilities from time to time.

"**Additional Credit Facility Issuing Bank**" means any "Issuing Bank" under and as defined in an Additional Credit Facility Agreement from time to time.

"**Additional Credit Facility Lender Discharge Date**" means the first date on which all Additional Credit Facility Liabilities have been fully and finally discharged to the satisfaction of the relevant Creditor Representative(s), whether or not as the result of an enforcement, and the Additional Credit Facility Lenders are under no further obligation to provide financial accommodation to any of the Debtors under the Additional Credit Facility Documents.

"**Additional Credit Facility Lenders**" means each Lender (as defined in an Additional Credit Facility Agreement), Additional Credit Facility Issuing Bank and Additional Credit Facility Ancillary Lender.

"**Additional Credit Facility Liabilities**" means the Liabilities owed by any Debtor to the Additional Credit Facility Creditors under or in connection with the Additional Credit Facility Documents.

"**Additional High Yield Note Refinancing**" means a refinancing of any amount outstanding under or in connection with any Additional High Yield Notes (or any refinancing of any such refinancing), in each case from the proceeds of an issue by a Bondco of high yield notes or other financial indebtedness (each, "**Additional High Yield Note Refinancing Indebtedness**").

"**Additional High Yield Notes**" means (i) any additional High Yield Notes issued in accordance with the terms of the High Yield Note Indenture, as part of the same series as the High Yield Notes issued on 26 November 2012 and (ii) other than in connection with a High Yield Note Refinancing or an Additional High Yield Note Refinancing, any other additional senior unsecured notes issued by any Bondco and which ranks *pari passu* with or junior to the High Yield Notes.

"**Affiliate**" means, in relation to any person (i) for the purposes of the definition of "Sponsor Affiliate", any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person and (ii) in any other case, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company. For purposes of this definition, "**control**" means, in relation to a person, the power, directly or indirectly, to (a) vote 20 per cent. or more of the shares or other securities having ordinary voting power for the election of the board of directors (or persons performing similar functions) of such person or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"**Agreed Security Principles**" means the principles set out in Schedule 6 (*Agreed Security Principles*).

"**Allocated Super Senior Hedging Amount** " means, with respect to a Super Senior Hedge Counterparty, the portion of the Super Senior Hedging Amount allocated to that Super Senior Hedge Counterparty less any portion released by that Super Senior Hedge Counterparty, in each case under Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*).

"**Amended Land Concession**" has the meaning given to that term in the 2016 Credit Facility Agreement.

"**Ancillary Document**" means each document relating to or evidencing the terms of an Ancillary Facility.

"**Ancillary Facility**" means any ancillary facility made available from time to time in accordance with a Credit Facility Agreement.

"**Ancillary Lender**" means each Credit Facility Lender (or Affiliate of a Credit Facility Lender) which makes available an Ancillary Facility.

"**Arranger**" means each Credit Facility Arranger and each Pari Passu Arranger, in each case, which is a Party becomes a Party as an Arranger pursuant to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*) or Clause 25.12 (*Accession of Pari Passu Creditors under New Pari Passu Debt Notes or Pari Passu Facilities*), as the case may be.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Automatic Early Termination**" means the termination or close-out of any hedging transaction prior to the maturity of that hedging transaction which is brought about automatically by the terms of the relevant Hedging Agreement and without any party to the relevant Hedging Agreement taking any action to terminate that hedging transaction.

"**Available Commitment**":

(a) in relation to a Credit Facility Lender, has the meaning given to the term "Available Commitment" in the relevant Credit Facility Agreement;

(b) in relation to a Pari Passu Lender, has the meaning given to the term "Available Commitment" in the relevant Pari Passu Facility Agreement.

"**Bondco**" means (i) the Original Bondco or (ii) any other entity which is not a member of the Group and which issues Additional High Yield Notes or otherwise incurs financial indebtedness in respect of any Additional High Yield Note Refinancing or any High Yield Note Refinancing (in each case, the proceeds of which are on-lent to the Parent pursuant to a Bondco Loan).

"**Bondco Liabilities**" means all present and future liabilities and obligations at any time of the Parent to any Bondco under or in connection with any Bondco Loan Agreement.

"**Bondco Loan**" means each loan from a Bondco to the Parent pursuant to a Bondco Loan Agreement (but excluding any Subordinated Liabilities).

"**Bondco Loan Agreement** " means (i) the loan agreement or note dated or issued (as the case may be) on 26 November 2012 and made between the Original Bondco and the Parent, whereby the proceeds of the issuance of the High Yield Notes issued on or about that date were on-lent pursuant to a Bondco Loan to the Parent and (ii) any other loan agreement, instrument or arrangement (documented or undocumented) made in connection with any Additional High Yield Notes, any Additional High Yield Note Refinancing or any High Yield Note Refinancing between a Bondco and the Parent and pursuant to which the proceeds of such issuance are on-lent by such Bondco to the Parent, in each case as amended from time to time.

"**Borrowing Liabilities**" means, in relation to a member of the Group, the liabilities and obligations (not being Guarantee Liabilities) it may have as a principal debtor to a Creditor (other than to an Arranger or a Creditor Representative) or a Debtor in respect of Liabilities arising under the Debt Documents (whether incurred solely or jointly and including, without limitation, liabilities and obligations as a borrower under the Credit Facility Documents and liabilities and obligations as a borrower or issuer under the Pari Passu Debt Documents).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in the Macau SAR, the Hong Kong SAR, London and New York.

"**Capped Hedge Purchase Amount**" has the meaning given to that term in Clause 6.2 (*Hedge Transfer: Pari Passu Debt Creditors*).

"**Capped Purchase Amount**" has the meaning given to that term in Clause 6.1 (*Option to purchase: Pari Passu Debt Creditors*).

"**Charged Property**" means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Close-Out Netting**" means:

(a) in respect of a Hedging Agreement or a Hedging Ancillary Document based on a 1992 ISDA Master Agreement, any step involved in determining the amount payable in respect of an Early Termination Date (as defined in the 1992 ISDA Master Agreement) under section 6(e) (*Payments on Early Termination*) of the 1992 ISDA Master Agreement before the application of any subsequent Set-off (as defined in the 1992 ISDA Master Agreement);

(b) in respect of a Hedging Agreement or a Hedging Ancillary Document based on a 2002 ISDA Master Agreement, any step involved in determining an Early Termination Amount (as defined in the 2002 ISDA Master Agreement) under section 6(e) (*Payments on Early Termination*) of the 2002 ISDA Master Agreement; and

(c) in respect of a Hedging Agreement or a Hedging Ancillary Document not based on an ISDA Master Agreement, any step involved on a termination of the hedging transactions under that Hedging Agreement pursuant to any provision of that Hedging Agreement which has a similar effect to either provision referenced in paragraph (a) and paragraph (b) above.

"**Commitment**" means a Credit Facility Commitment or a Pari Passu Facility Commitment.

"**Commodity Exchange Act**" shall mean the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

"**Common Assurance**" means any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to any Agreed Security Principles, given to all the Secured Parties in respect of their Liabilities.

"**Common Currency**" means Dollars.

"**Common Currency Amount**" means, in relation to an amount, that amount converted (to the extent not already denominated in the Common Currency) into the Common Currency at the Common Security Agent's Spot Rate of Exchange on the Business Day prior to the relevant calculation.

"**Common Security Agent's Spot Rate of Exchange**" means, in respect of the conversion of one currency (the "**First Currency**") into another currency (the "**Second Currency**") the Common Security Agent's spot rate of exchange for the purchase of the Second Currency with the First Currency in the Hong Kong or Macau foreign exchange market at or about 11:00 a.m. (Hong Kong time) on a particular day, which shall be notified by the Common Security Agent in accordance with paragraph (e) of Clause 21.4 (*Duties of the Common Security Agent*).

"**Common Security Documents**" means the Security Documents, excluding any Transaction Security Document relating to any Credit-Specific Transaction Security.

"**Common Transaction Security**" means any Transaction Security which to the extent legally possible and subject to any Agreed Security Principles:

(a) is created in favour of the Common Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or

(b) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Common Security Agent as trustee for the Secured Parties is created in favour of:

(i) all the Secured Parties in respect of their Liabilities; or

(ii) the Common Security Agent under a parallel debt structure for the benefit of all the Secured Parties,

and which (subject to the terms of this Agreement) ranks in the order of priority contemplated in Clause 2.2 (*Transaction Security*), in each case excluding (for the avoidance of doubt) the Credit-Specific Transaction Security.

"**Common Transaction Security Initial Enforcement Notice**" has the meaning given to such term in paragraph (a) of Clause 15.2 (*Instructions to enforce*).

"**Competitive Sales Process**" means:

(a) any auction or other competitive sales process; and

(b) any enforcement of the Transaction Security carried out by way of auction or other competitive sales process pursuant to requirements of applicable law.

"**Consent**" means any consent, approval, release or waiver or agreement to any amendment.

"**Continuing Documents**" means (i) the Continuing Macau Documents, the Continuing English Share Charges, the Continuing English Powers of Attorneys, the Continuing English Debentures and the Continuing Hong Kong Accounts Charges and (ii) the Services and Right to Use Direct Agreement.

"**Continuing English Debentures**" means (i) the Continuing English Debenture (General) and (ii) the Continuing English Debenture (SCH5).

"**Continuing English Debenture (General)**" means the English-law Transaction Security Document in the form of a debenture that was entered into prior to the date of this Agreement (other than the Continuing English Debenture (SCH5)).

"**Continuing English Debenture (SCH5)**" means the English-law Transaction Security Document in the form of a debenture that was entered into by SCH5 prior to the date of this Agreement.

"**Continuing English Powers of Attorney** " means each English-law security power of attorney that was entered into prior to the date of this Agreement.

"**Continuing English Share Charge**" means each English-law Transaction Security Document in the form of a share charge that was entered into prior to the date of this Agreement.

"**Continuing Hong Kong Accounts Charge**" means each Hong Kong-law Transaction Security Document in the form of an account charge that was entered into prior to the date of the 2016 Amendment and Restatement Agreement.

"**Continuing Macau Accounts Pledge**" means each Macau-law Transaction Security Document in the form of an account pledge that was entered into prior to the date of this Agreement (other than any Continuing Macau Onshore Accounts Pledges) (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Assignments**" means each Macau-law Transaction Security Document in the form of an assignment that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Documents**" means (i) the Continuing Macau Floating Charges, (ii) the Continuing Macau Accounts Pledges, (iii) the Continuing Macau Share Pledges, (iv) the Continuing Macau Mortgage, (v) the Continuing Macau Onshore Accounts Pledges, (vi) the Continuing Macau Assignments, (vii) the Continuing Macau Powers of Attorney, (viii) the Continuing Macau Livrança and (ix) the Continuing Macau Livrança Covering Letter.

"**Continuing Macau Floating Charges**" means each Macau-law Transaction Security Document in the form of a floating charge that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Livrança**" means the Macau-law Transaction Security Document in the form of a promissory note ("**Livrança**") that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Livrança Covering Letter**" means the Macau-law Transaction Security Document in the form of a covering letter to the Livrança that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Mortgage**" means the Macau-law Transaction Security Document in the form of a Mortgage that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Onshore Accounts Pledges**" means each Macau-law Transaction Security Document in the form of an account pledge in respect of onshore accounts that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Powers of Attorney**" means each Macau-law Transaction Security Document in the form of a power of attorney that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Continuing Macau Share Pledges** " means each Macau-law Transaction Security Document in the form of a share pledge that was entered into prior to the date of this Agreement (together with each related confirmation or amendment entered into on or about the date of this Agreement and each further related confirmation or amendment entered into from time to time and designated as such by the Common Security Agent and Company or the relevant Debtor).

"**Credit Facility**" means, subject to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*), any "Facility" under and as defined in a Credit Facility Agreement.

"**Credit Facility Acceleration Event**" means:

(a) a 2016 Credit Facility Acceleration Event; or

(b) an Additional Credit Facility Acceleration Event.

"**Credit Facility Agent**" means each of:

(a) the 2016 Credit Facility Agent; and

(b) an Additional Credit Facility Agent (if any).

"**Credit Facility Agreement**" means each of:

(a) the 2016 Credit Facility Agreement; and

(b) an Additional Credit Facility Agreement (if any).

"**Credit Facility Arranger**" means any arranger of any Credit Facility who becomes a Party in such capacity pursuant to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*).

"**Credit Facility Borrower**" means a "Borrower" under and as defined in the relevant Credit Facility Agreement.

"**Credit Facility Cash Cover**" means:

(a) any 2016 Credit Facility Cash Cover; and

(b) any Additional Credit Facility Cash Cover.

"**Credit Facility Cash Cover Document**" means, in relation to any Credit Facility Cash Cover, any Credit Facility Document that creates or evidences, or is expressed to create or evidence, the Security required to be provided over that Credit Facility Cash Cover by the relevant Credit Facility Agreement.

"**Credit Facility Commitment**" means:

(a) any 2016 Credit Facility Commitment; and

(b) any Additional Credit Facility Commitment.

"**Credit Facility Creditors**" means:

(a) the 2016 Credit Facility Creditors; and

(b) the Additional Credit Facility Creditors (if any).

"**Credit Facility Documents**" means:

(a) the 2016 Credit Facility Documents; and

(b) the Additional Credit Facility Documents (if any).

"**Credit Facility Lender Cash Collateral**" means any cash collateral provided by a Credit Facility Lender to an Issuing Bank pursuant to any term of the relevant Credit Facility Agreement from time to time.

"**Credit Facility Lender Discharge Date**" means the later to occur of:

(a) the 2016 Credit Facility Lender Discharge Date; and

(b) if any Additional Credit Facility Commitments have been established or Additional Credit Facility Liabilities have been incurred, the corresponding Additional Credit Facility Lender Discharge Date.

"**Credit Facility Lender Liabilities Transfer**" means a transfer of the Credit Facility Liabilities described in Clause 6.1 (*Option to purchase: Pari Passu Debt Creditors*).

"**Credit Facility Lenders**" means:

(a) each 2016 Credit Facility Lender; and

(b) each Additional Credit Facility Lender (if any).

"**Credit Facility Liabilities**" means the Liabilities owed by any Debtor to any Credit Facility Creditor under or in connection with any Credit Facility Document.

"**Credit Related Close-Out**" means any Permitted Hedge Close-Out which is not a Non-Credit Related Close-Out.

"**Credit-Specific Transaction Security**" means:

(a) the Transaction Security over any Pari Passu Notes Interest Accrual Account;

(b) the Transaction Security over any Pari Passu Facility Debt Service Reserve Account; and

(c) the Transaction Security over the Rolled Loan Cash Collateral Account.

"**Creditor/Creditor Representative Accession Undertaking**" means:

(a) an undertaking substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*); or

(b) a Transfer Certificate or an Assignment Agreement (each as defined in the relevant Credit Facility Agreement or Pari Passu Facility Agreement), *provided that* it contains an accession to this Agreement which is substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*); or

(c) an Increase Confirmation (as defined in the relevant Credit Facility Agreement or Pari Passu Facility Agreement), *provided that* it contains an accession to this Agreement which is substantially in the form set out in Schedule 2 (*Form of Creditor/Creditor Representative Accession Undertaking*),

as the context may require, or

(d) in the case of an acceding Debtor which is expressed to accede as an Intra Group Lender in the relevant Debtor Accession Deed, that Debtor Accession Deed.

"**Creditor Representative**" means:

(a) in relation to the 2016 Credit Facility Lenders, the 2016 Credit Facility Agent;

(b) in relation to any Additional Credit Facility Lenders, the Additional Credit Facility Agent which has acceded to this Agreement as the Creditor Representative of those Additional Credit Facility Lenders; and

(c) in relation to any other Pari Passu Noteholders or Pari Passu Lenders, the person which has acceded to this Agreement as the Creditor Representative of those Pari Passu Noteholders or Pari Passu Lenders pursuant to Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*).

"**Creditor Representative Amounts**" means fees, costs and expenses of a Creditor Representative payable to a Creditor Representative for its own account pursuant to the relevant Debt Documents or any engagement letter between a Creditor Representative and a Debtor (including any amount payable to a Creditor Representative by way of indemnity, remuneration or reimbursement for expenses incurred), and the costs incurred by a Creditor Representative in connection with any actual or attempted Enforcement Action which is permitted by this Agreement which are recoverable pursuant to the terms of the Debt Documents.

"**Creditors**" means the Primary Creditors, the Intra-Group Lenders, the Subordinated Creditors and each Bondco.

"**Debt Disposal**" means any disposal of any Liabilities or Debtors' Intra-Group Receivables pursuant to paragraphs (d) or (e) of Clause 17.1 (*Facilitation of Distressed Disposals*).

"**Debt Document**" means each of this Agreement, the Hedging Agreements, the Credit Facility Documents, the Pari Passu Debt Documents, the Security Documents, any agreement evidencing the terms of the Intra- Group Liabilities or the Subordinated Liabilities and any other document designated as such by the Intercreditor Agent and the Parent.

"**Debtor**" means each Original Debtor and any person which becomes a Party as a Debtor in accordance with the terms of Clause 25 (*Changes to the Parties*).

"**Debtor Accession Deed**" means:

(a) a deed substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*); or

(b) (only in the case of a member of the Group which is acceding as a borrower, issuer or guarantor under the relevant Credit Facility Agreement or Pari Passu Debt Document) an accession document in the form required by the relevant Credit Facility Agreement or Pari Passu Debt Document (*provided that* it contains an accession to this Agreement which is substantially in the form set out in Schedule 1 (*Form of Debtor Accession Deed*)).

"**Debtor Resignation Request**" means a notice substantially in the form set out in Schedule 3 (*Form of Debtor Resignation Request*).

"**Debtors' Intra-Group Receivables**" means, in relation to a member of the Group, any liabilities and obligations owed to any Debtor (whether actual or contingent and whether incurred solely or jointly) by that member of the Group.

"**Default**" means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Debt Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means:

(a) a Credit Facility Lender which is a "Defaulting Lender" under, and as defined in, the relevant Credit Facility Agreement; and

(b) at any time, a Pari Passu Lender which is a "defaulting lender" under and as defined in the relevant Pari Passu Facility Agreement.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Common Security Agent.

"**Distress Event**" means any of:

(a) an Acceleration Event; or

(b) the enforcement of any Transaction Security.

"**Distressed Disposal**" means a disposal of any Charged Property which is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable;

(b) being effected by enforcement of the Transaction Security; or

(c) being effected, after the occurrence of a Distress Event, by a Debtor or a Security Provider to a person or persons which is, or are, not a member, or members, of the Group.

"**Dollar**", "**USD**" and "**US$**" denote the lawful currency of the United States of America.

"**Enforcement**" means the enforcement or disposal of any Transaction Security, the requesting of a Distressed Disposal and/or the release or disposal of claims and/or Transaction Security on a Distressed Disposal under Clause 17 (*Distressed Disposals*), the giving of instructions as to actions with respect to the Transaction Security and/or the Charged Property following an Insolvency Event under Clause 12.7 (*Instructions*) and the taking of any other actions consequential on (or necessary to effect) any of those actions (but excluding the delivery of a Common Transaction Security Initial Enforcement Notice).

"**Enforcement Action**" means:

(a) in relation to any Liabilities:

(i) the acceleration of any Liabilities or the making of any declaration that any Liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Primary Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, the Debt Documents);

(ii) the making of any declaration that any Liabilities are payable on demand;

(iii) the making of a demand in relation to a Liability that is payable on demand (other than a demand made by an Intra-Group Lender in relation to any Intra-Group Liabilities which are on-demand Liabilities to the extent (A) that the demand is made in the ordinary course of dealings between the relevant Debtor and Intra-Group Lender and (B) that any resulting Payment would be a Permitted Intra-Group Payment);

(iv) the making of any demand against any member of the Group in relation to any Guarantee Liabilities of that member of the Group;

(v) the exercise of any right to require any member of the Group to acquire any Liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any Liability other than in connection with an asset sale offer or a change of control offer (each however defined) as set out in any Credit Facility Agreement or any Pari Passu Debt Document) and excluding any such right which arises as a result of any provision set out in any Pari Passu Facility Agreement in respect of a Pari Passu Facility regulating the making of voluntary debt purchase transactions in relation to that Pari Passu Facility by a member of the Group or any open market purchases of, or any voluntary tender offer or exchange offer for, Pari Passu Notes at a time at which no Default is continuing;

(vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any Liabilities other than the exercise of any such right:

(A) as Close-Out Netting by a Hedge Counterparty or by a Hedging Ancillary Lender;

(B) as Payment Netting by a Hedge Counterparty or by a Hedging Ancillary Lender;

(C) as Inter-Hedging Agreement Netting by a Hedge Counterparty;

(D) as Inter-Hedging Ancillary Document Netting by a Hedging Ancillary Lender; or

(E) which is otherwise expressly permitted under the Credit Facility Documents and the Pari Passu Debt Documents to the extent that the exercise of that right gives effect to a Permitted Payment; and

(vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any Liabilities;

(b) the premature termination or close-out of any hedging transaction under any Hedging Agreement (other than pursuant to a Permitted Automatic Early Termination);

(c) the taking of any steps to enforce or require the enforcement of any Transaction Security (including the crystallisation of any floating charge forming part of the Transaction Security) as a result of an Acceleration Event which was continuing at the time the request for enforcement was made;

(d) the entering into of any composition, compromise, assignment or arrangement with any member of the Group which owes any Liabilities, or has given any Security, guarantee or indemnity or other assurance against loss in respect of the Liabilities (other than any action permitted under Clause 25 (*Changes to the Parties*), any such right which arises as a result of any provision set out in any Pari Passu Facility Agreement in respect of a Pari Passu Facility regulating the making of voluntary debt purchase transactions in relation to that Pari Passu Facility by a member of the Group or any open market purchases of, or voluntary tender offer or exchange offer for, Pari Passu Notes at a time at which no Default is continuing); or

(e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any member of the Group which owes any Liabilities, or has given any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction,

except that each of the following shall not constitute Enforcement Action:

(i) the taking of any action falling within paragraphs (a)(ii), (iii), (iv) and (vii) or (e) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;

(ii) a Primary Creditor bringing legal proceedings against any person solely for the purpose of:

(A) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Debt Document to which it is party;

(B) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or

(C) requesting judicial interpretation of any provision of any Debt Document to which it is party with no claim for damages;

(iii) bringing legal proceedings against any person in connection with any fraud, securities violation or securities or listing regulations;

(iv) allegations of material misstatements or omissions made in connection with the offering materials relating to any Pari Passu Notes or in reports furnished to the Pari Passu Noteholders or any exchange on which the Pari Passu Notes are listed by a member of the Group pursuant to the information and reporting requirements under the Pari Passu Debt Documents;

(v) to the extent entitled by law, the taking of action against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation; and

(vi) unless an Acceleration Event is continuing, the making by a Subordinated Creditor, a Bondco or an Intra-Group Lender of a demand in relation to the Subordinated Liabilities, the Bondco Liabilities or the Intra-Group Liabilities to the extent that:

(A) any resulting Payment would constitute a Permitted Payment; or

(B) that Subordinated Liability, Bondco Liability or Intra-Group Liability of a member of the Group is being released or discharged in consideration for the issue of shares in that member of the Group, *provided* that in the event that the shares of such member of the Group are subject to Transaction Security prior to such issue, then the percentage of shares in such Subsidiary subject to Transaction Security is not diluted.

"**Enforcement Instructions**" means instructions as to Enforcement (including the manner and timing of Enforcement) given by the relevant Instructing Group to the Intercreditor Agent, *provided that* instructions not to undertake Enforcement or an absence of instructions as to Enforcement shall not constitute "Enforcement Instructions".

"**Enforcement Notice**" means a notice of enforcement action delivered by the Intercreditor Agent or the Common Security Agent to any Debtor or any Security Provider after receipt by the Intercreditor Agent of an instruction any Instructing Group stating that an Event of Default has occurred and is continuing and directing the Intercreditor Agent and/or the Common Security Agent to take such enforcement action, and which has not been withdrawn.

"**Enforcement Objective**" has the meaning given to that term in Schedule 7 (*Enforcement Principles*).

"**Enforcement Principles**" means the principles set out in Schedule 7 (*Enforcement Principles*).

"**Enforcement Proceeds** " means any amount paid to or otherwise realised by a Secured Party under or in connection with any Enforcement (or any transaction in lieu thereof) and, following the occurrence of a Distress Event, any other proceeds of, or arising from, any of the Charged Property.

"**Equivalent Provision**" means:

(a) with respect to an Additional Credit Facility Agreement or a Pari Passu Facility Agreement, in relation to a provision or term of a Credit Facility Agreement, any equivalent provision or term in that Additional Credit Facility Agreement or Pari Passu Facility Agreement (as applicable) which is similar in meaning and effect; and

(b) with respect to a Pari Passu Note Indenture, in relation to a provision or term of the Senior Secured 2021 Note Indenture, any equivalent provision or term in the Pari Passu Note Indenture which is similar in meaning and effect.

"**Event of Default**" means any event or circumstance specified as such in a Credit Facility Agreement, a Pari Passu Note Indenture or a Pari Passu Facility Agreement.

"**Exchange Rate Hedge Excess**" means the amount by which the Total Exchange Rate Hedging exceeds the Other Currency Term Outstandings.

"**Exchange Rate Hedging**" means, in relation to a Hedge Counterparty, the aggregate of the notional amounts denominated in a Hedged Currency hedged by the relevant Debtors under each Hedging Agreement which is an exchange rate hedge transaction and to which that Hedge Counterparty is party.

"**Exchange Rate Hedging Proportion**" means, in relation to a Hedge Counterparty and that Hedge Counterparty's Exchange Rate Hedging, the proportion (expressed as a percentage) borne by that Hedge Counterparty's Exchange Rate Hedging to the Total Exchange Rate Hedging.

"**Excluded Swap Obligation**" means, with respect to any member of the Group which is a guarantor of any of the Secured Obligations, (i) any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such member of the Group of, or the grant by such member of the Group of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such member of the Group's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such member of the Group or the grant of such security interest becomes effective with respect to such Swap Obligation or (ii) any other Swap Obligation designated as an "Excluded Swap Obligation" of such member of the Group as specified in any agreement between such member of the Group and Hedge Counterparties applicable to such Swap Obligations. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"**Exposure**" has the meaning given to that term in Clause 20.1 (*Equalisation Definitions*).

"**Fairness Opinion**" has the meaning given to that term in Schedule 7 (*Enforcement Principles*).

"**Fee Letter**" means any letter or letters entered into by reference to this Agreement between a member of the Group and any one or more of the Secured Parties setting out any of the fees payable in relation to any of the Secured Obligations and/or this Agreement, including those fees referred to in Clauses 21.29 (*Common Security Agent's fee*), 22.2 (*POA Agent's fee*) and 23.23 (*Intercreditor Agent's fee*).

"**Final Discharge Date**" means the later to occur of the Super Senior Discharge Date, the Pari Passu Discharge Date and the Rolled Loan Discharge Date.

"**Financial Adviser**" has the meaning given to that term in Schedule 7 (*Enforcement Principles*).

"**Floating Rate Term Outstandings**" means, at any time, the aggregate of the amounts of principal (not including any capitalised or deferred interest) then outstanding under the Pari Passu Debt Documents that does not have a fixed rate of interest and which principal amount outstanding has a maturity of more than 12 months.

"**Golden Share**" means any share in a company or corporation, the memorandum and/or articles of association in respect of which company or corporation designate as such or give the holder of such share any special pre-emptive rights relative to other shareholders.

"**Governmental Authority**" means, as to any person, the government of the Macau SAR, any other national, state, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over such person, or any arbitrator with authority to bind such person at law.

"**Group**" means the Parent and each of its Subsidiaries for the time being.

"**Guarantee Liabilities**" means, in relation to a member of the Group, the liabilities and obligations under the Debt Documents (present or future, actual or contingent and whether incurred solely or jointly) it may have to a Creditor (other than to an Arranger or a Creditor Representative) or Debtor as or as a result of its being a guarantor or surety (including, without limitation, liabilities and obligations arising by way of guarantee, indemnity, contribution or subrogation and in particular any guarantee or indemnity arising under or in respect of the Credit Facility Documents or the Pari Passu Debt Documents).

"**Hedge Counterparty**" means any entity which becomes a Party as a Hedge Counterparty pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

"**Hedge Counterparty Obligations**" means the liabilities and obligations owed by any Hedge Counterparty to the Debtors under or in connection with the Hedging Agreements.

"**Hedge Transfer**" means a transfer to some or all of the Pari Passu Noteholders and the Pari Passu Lenders (or to their nominee or nominees) of (subject to paragraph (c) of Clause 6.2 (*Hedge Transfer: Pari Passu Debt Creditors*)), each Hedging Agreement together with:

(a) all the rights in respect of the Hedging Liabilities owed by the Debtors to each Hedge Counterparty; and

(b) all the Hedge Counterparty Obligations owed by each Hedge Counterparty to the Debtors,

in accordance with Clause 25.7 (*Change of Hedge Counterparty*).

"**Hedged Currency**" means the currency in which any Other Currency Term Outstandings are denominated and which is hedged in respect of exchange rate risk under a Hedging Agreement.

"**Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Company and a Hedge Counterparty for the purpose of hedging interest rate or exchange rate risk relating to a Debt Document that the Parent confirms in writing to the Primary Creditors at the time at which it is entered into is permitted under the terms of the Credit Facility Documents and the Pari Passu Debt Documents (in their form as at the date of execution of the relevant Hedging Agreement) to share in the Transaction Security.

"**Hedging Ancillary Document**" means an Ancillary Document which relates to or evidences the terms of a Hedging Ancillary Facility.

"**Hedging Ancillary Facility**" means an Ancillary Facility which is made available by way of a hedging facility.

"**Hedging Ancillary Lender**" means an Ancillary Lender to the extent that that Ancillary Lender makes available a Hedging Ancillary Facility.

"**Hedging Force Majeure**" means:

(a) in relation to a Hedging Agreement which is based on the 1992 ISDA Master Agreement:

  (i) an Illegality or Tax Event or Tax Event Upon Merger (each as defined in the 1992 ISDA Master Agreement); or

  (ii) an event similar in meaning and effect to a "Force Majeure Event" (as referred to in paragraph (b) below);

(b) in relation to a Hedging Agreement which is based on the 2002 ISDA Master Agreement, an Illegality or Tax Event, Tax Event Upon Merger or a Force Majeure Event (each as defined in the 2002 ISDA Master Agreement); or

(c) in relation to a Hedging Agreement which is not based on an ISDA Master Agreement, any event similar in meaning and effect to an event described in paragraphs (a) or (b) above.

"**Hedging Liabilities**" means the Liabilities owed by any Debtor to the Hedge Counterparties under or in connection with the Hedging Agreements.

"**Hedging Purchase Amount**" means, in respect of a hedging transaction under a Hedging Agreement, the amount that would be payable to (expressed as a positive number) or by (expressed as a negative number) the relevant Hedge Counterparty on the relevant date if:

(a) in the case of a Hedging Agreement which is based on an ISDA Master Agreement:

(i) that date was an Early Termination Date (as defined in the relevant ISDA Master Agreement); and

(ii) the relevant Debtor was the Defaulting Party (under and as defined in the relevant ISDA Master Agreement); or

(b) in the case of a Hedging Agreement which is not based on an ISDA Master Agreement:

(i) that date was the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement; and

(ii) the relevant Debtor was in a position which is similar in meaning and effect to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

in each case as certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

"**High Yield Note Document**" means each High Yield Note Indenture, each Bondco Loan Agreement and each other document or instrument which relates to any High Yield Notes or, as the case may be, High Yield Note Refinancing Indebtedness.

"**High Yield Note Guarantees**" means the guarantees provided by any Debtor:

(a) to the High Yield Note Trustee in respect of the High Yield Notes issued prior to the original date of the 2016 Credit Facility Agreement; or

(b) in respect of any Additional High Yield Note, Additional High Yield Note Refinancing Indebtedness or High Yield Note Refinancing Indebtedness.

"**High Yield Note Indenture**" means the indenture dated 26 November 2012 made between (among others) the Original Bondco and the High Yield Note Trustee or any equivalent High Yield Note Document in respect of any High Yield Note Refinancing Indebtedness issued by way of debt securities (in each case, as amended or supplemented from time to time).

"**High Yield Note Refinancing**" means a refinancing of any amount outstanding under or in connection with the High Yield Notes issued prior to the date of this Agreement (or any refinancing of any such refinancing), in each case from the proceeds of an issue by a Bondco of high yield notes or other financial indebtedness (each, "**High Yield Note Refinancing Indebtedness**").

"**High Yield Note Trustee**" means DB Trustees (Hong Kong) Limited (or its permitted successor or assign) as trustee for the High Yield Noteholders on the terms set out in the High Yield Note Indenture or its equivalent under any other High Yield Note Document.

"**High Yield Noteholders**" means the holders of the High Yield Notes or High Yield Note Refinancing Indebtedness from time to time issued by way of debt securities.

"**High Yield Notes**" means the US$825,000,000 8.500% senior notes due 2020 issued by the Original Bondco and subject to the terms of the High Yield Note Indenture or any financial indebtedness incurred by way of High Yield Note Refinancing.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Hong Kong dollar**", "**HKD**" and "**HK$**" denote the lawful currency of the Hong Kong SAR.

"**Hong Kong SAR**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Indirect Tax**" means and goods and services tax, consumption tax, value added tax or any other tax of a similar nature.

"**Insolvency Event**" means, in relation to any member of the Group:

(a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that member of the Group, a moratorium is declared in relation to any indebtedness of that member of the Group or an administrator is appointed to that member of the Group;

(b) any composition, compromise, assignment or arrangement is made with any of its creditors;

(c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that member of the Group or any of its assets; or

(d) any analogous procedure or step is taken in any jurisdiction,

provided that paragraphs (a) to (d) above shall not apply to:

(i) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised; or

(ii) any voluntary action, proceedings, step or procedure which relates to or constitutes any action, proceedings, step or procedure taken in connection with a transaction regulated but not prohibited by section 13 (*Merger, consolidation, or sale of assets*) of schedule 10 (*Covenants*) pursuant to clause 23.1 (*Notes covenants*) of the 2016 Credit Facility Agreement, section 5.01 (*Merger, Consolidation, or Sale of Assets*) of the Senior Secured 2021 Note Indenture or under an Equivalent Provision of any Additional Credit Facility Agreement or other Pari Passu Debt Document.

"**Instructing Group**" means:

(a) subject to paragraph (b) below, the Majority Super Senior Creditors and the Majority Pari Passu Creditors; and

(b) (i) in relation to instructions as to Enforcement of the Common Transaction Security, the group of Primary Creditors entitled to give instructions as to Enforcement of the Common Transaction Security in accordance with which the Common Security Agent is obliged to act under Clause 15.2 (*Instructions to enforce*);

(ii) in relation to instructions as to Enforcement of any Credit-Specific Transaction Security (other than the Transaction Security over the Rolled Loan Cash Collateral Account), the group of Primary Creditors entitled to give instructions as to Enforcement of that Credit-Specific Transaction Security in accordance with which the Common Security Agent is obliged to act under Clause 15.2 (*Instructions to enforce*); and

(iii) in relation to instructions as to Enforcement of the Transaction Security over the Rolled Loan Cash Collateral Account, the Rolled Loan Facility Lender.

"**Intercreditor Amendment**" means any amendment or waiver which is subject to Clause 31 (*Consents, amendments and override*).

"**Interest Rate Hedge Excess**" means the amount by which the Total Interest Rate Hedging exceeds the Floating Rate Term Outstandings.

"**Interest Rate Hedging** " means, in relation to a Hedge Counterparty, the aggregate of the notional amounts hedged by the relevant Debtors under each Hedging Agreement which is an interest rate hedge transaction and to which that Hedge Counterparty is party.

"**Interest Rate Hedging Proportion**" means, in relation to a Hedge Counterparty and that Hedge Counterparty's Interest Rate Hedging, the proportion (expressed as a percentage) borne by that Hedge Counterparty's Interest Rate Hedging to the Total Interest Rate Hedging.

"**Inter-Hedging Agreement Netting**" means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Hedge Counterparty against liabilities owed to a Debtor by that Hedge Counterparty under a Hedging Agreement in respect of Hedging Liabilities owed to that Hedge Counterparty by that Debtor under another Hedging Agreement.

"**Inter-Hedging Ancillary Document Netting**" means the exercise of any right of set-off, account combination, close-out netting or payment netting (whether arising out of a cross agreement netting agreement or otherwise) by a Hedging Ancillary Lender against liabilities owed to a Debtor by that Hedging Ancillary Lender under a Hedging Ancillary Document in respect of Credit Facility Liabilities owed to that Hedging Ancillary Lender by that Debtor under another Hedging Ancillary Document.

"**Intra-Group Lenders**" means each member of the Group (including the Parent) which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Group (but excluding any accrued business expenses or trade payables that would not constitute Intra-Group Liabilities if such member of the Group were an Intra-Group Lender) and which is named on the signing pages as an Intra-Group Lender or which becomes a Party as an Intra- Group Lender in accordance with the terms of Clause 25 (*Changes to the Parties*) and which in each case has not ceased to be an Intra-Group Lender in accordance with this Agreement.

"**Intra-Group Liabilities**" means the Liabilities owed by any member of the Group to any of the Intra-Group Lenders (but excluding any Liabilities owed by a member of the Group to any of the Intra-Group Lenders in respect of accrued business expenses and trade payables incurred in the ordinary course of trading, *provided* that in the case of any amount (i) such amount does not exceed USD1,000,000 and (ii) such amount does not fall due for payment more than 180 days after the date of the relevant supply to which it relates or is not outstanding for more than 180 days).

"**ISDA Master Agreement**" means a 1992 ISDA Master Agreement or a 2002 ISDA Master Agreement.

"**Issuing Bank**" means:

(a) any 2016 Credit Facility Issuing Bank; and

(b) any Additional Credit Facility Issuing Bank.

"**Legal Opinion**" means any legal opinion delivered to a Credit Facility Agent or a Creditor Representative under or in connection with:

(a) the conditions precedent referred to in clause 5.1 (*Amendments to the Facilities Agreement*) of the 2016 Amendment and Restatement Agreement or clause 27 (*Changes to the Obligors*) of the 2016 Credit Facility Agreement; or

(b) under an Equivalent Provision or in accordance with the requirements of any Additional Credit Facility Agreement or Pari Passu Debt Document.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under statutes of limitation;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"**Letter of Credit**" means any "Letter of Credit" under and as defined in a Credit Facility Agreement from time to time.

"**Liabilities**" means all present and future liabilities and obligations at any time of any member of the Group to any Creditor under or in connection with the Debt Documents (or, in the case of the Subordinated Liabilities or Intra-Group Liabilities, whether documented or not including, without limitation, under or in connection with the relevant Debt Documents), both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any Debtor of a Payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"**Liabilities Acquisition**" means, in relation to a person and to any Liabilities, a transaction where that person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

the rights in respect of those Liabilities.

"**Liabilities Sale**" means a Debt Disposal pursuant to paragraph (e) of Clause 17.1 (*Facilitation of Distressed Disposals*).

"**Livrança**" means the promissory note dated 26 November 2013 issued by the Borrower, endorsed by each of the Guarantors and payable to the Common Security Agent.

"**Livrança Covering Letter**" means the letter from the Borrower and each of the Guarantors to the Common Security Agent dated 26 November 2013 in relation to the Livrança.

"**Macau SAR**" means the Macau Special Administrative Region of the People's Republic of China.

"**Majority Pari Passu Creditors**" means, at any time, those Pari Passu Lenders, Pari Passu Noteholders and Pari Passu Hedge Counterparties whose Pari Passu Credit Participations at that time aggregate more than 50 per cent. of the total Pari Passu Credit Participations at that time, *provided* that, in respect of the Pari Passu Credit Participations relating to a particular Pari Passu Facility Agreement or Pari Passu Note Indenture, if the consent of the proportion of such Pari Passu Debt Creditors required under and in accordance with the Pari Passu Debt Documents relating to that Pari Passu Facility Agreement or Pari Passu Note Indenture in respect of the relevant decision or request for consent is obtained in relation to a particular decision or request for consent (and if the relevant Pari Passu Debt Documents do not specify a voting threshold for a particular matter, the threshold will be a simple majority of the outstanding principal amount under those Pari Passu Debt Documents (excluding any Pari Passu Liabilities owned by a member of the Group or a Sponsor Affiliate)), all of the Pari Passu Lenders or Pari Passu Noteholders (as applicable) in respect of that Pari Passu Facility Agreement or Pari Passu Note Indenture (as applicable) shall be deemed to have given their consent to that decision or request for consent.

"**Majority Super Senior Creditors**" means, at any time, those Super Senior Creditors whose Super Senior Credit Participations at that time aggregate more than 50 per cent. of the total Super Senior Credit Participations at that time.

"**MCO Cotai**" means MCO Cotai Investments Limited (formerly known as MCE Cotai Investments Limited), an exempted company incorporated with limited liability under the laws of the Cayman Islands (with registered number 254216) whose registered address is at Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands.

"**Melco Resorts**" means Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), an exempted company incorporated with limited liability under the laws of the Cayman Islands (with registered number 143119) with registered address: Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KYI-9005, Cayman Islands.

"**Melco Resorts Macau**" means Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited and previously as Melco Crown Gaming (Macau) Limited, Melco PBL Gaming (Macau) Limited and PBL Entertainment (Macau) Limited), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under number 24325 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**Mortgage**" means the mortgage executed by way of a deed dated 26 November 2013 of the interest of Propco under the Amended Land Concession prior but applying to the latter's amendment dated 23 September 2015.

"**New Cotai, LLC**" a limited liability company formed in Delaware, United States of America (with registered number 4114248), c/o Willow Tree Consulting Group, LLC, of 2700 Patriot Boulevard, Suite 250, Glenview, Illinois 60026, United States of America.

"**New Sponsor**" means any person to whom Silverpoint or Oaktree assigns or transfers all or part of its indirect beneficial interest in the shares or other equity interests of SCIH in accordance with the Shareholders' Agreement.

"**Non-Credit Related Close-Out**" means a Permitted Hedge Close-Out described in any of paragraphs (a)(i), (a)(ii), (a)(iii) or (a)(iv) of Clause 5.9 (*Permitted Enforcement: Hedge Counterparties*).

"**Non-Distressed Disposal**" has the meaning given to that term in Clause 16 (*Non-Distressed Disposals*).

"**Oaktree**" means Oaktree Capital Management LLC and any successor to the investment management business thereof.

"**Other Currency Term Outstandings**" means, at any time, the aggregate of the amounts of principal (not including any capitalised or deferred interest) then outstanding under the Pari Passu Debt Documents that is not denominated in Hong Kong dollars or Dollars and which principal amount outstanding has a maturity of more than 12 months.

"**Other Liabilities**" means, in relation to a member of the Group, any trading and other liabilities and obligations (not being Borrowing Liabilities or Guarantee Liabilities) it may have to a Bondco, Subordinated Creditor, Intra-Group Lender or Debtor.

"**Pari Passu Arranger**" means any arranger of a credit facility which creates or evidences any Pari Passu Debt Liabilities which becomes a Party in such capacity pursuant to Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Credit Participation**" means:

(a) in relation to a Pari Passu Hedge Counterparty, its aggregate Pari Passu Hedge Credit Participation;

(b) in relation to a Pari Passu Lender, its aggregate Pari Passu Facility Commitments and (without double counting) the aggregate outstanding principal amount of any Pari Passu Debt Liabilities in respect of which it is the creditor, if any; and

(c) in relation to a Pari Passu Noteholder, the aggregate of the outstanding principal amount of any Pari Passu Notes held by it (as determined in accordance with the terms of the relevant Pari Passu Note Indenture).

"**Pari Passu Creditors**" means the Pari Passu Debt Creditors and the Pari Passu Hedge Counterparties.

"**Pari Passu Debt Acceleration Event**" means:

(a) the Creditor Representative of any Pari Passu Noteholder(s) (or the requisite Pari Passu Noteholders under any Pari Passu Note Indenture) exercising any of its or their rights or any acceleration provisions being automatically invoked in each case under any acceleration provisions of the relevant Pari Passu Note Indenture (including any Equivalent Provision corresponding to section 6.02 of the Senior Secured 2021 Note Indenture); or

(b) the Creditor Representative of any Pari Passu Lender(s) (or, if applicable, any of the Pari Passu Lenders) exercising any of its (or their) rights or any acceleration provisions being automatically invoked in each case under any acceleration provisions of the relevant Pari Passu Facility Agreement,

other than the right to declare any amount payable on demand.

"**Pari Passu Debt Creditors**" means each Creditor Representative in relation to any Pari Passu Debt Liabilities, each Pari Passu Arranger, each Pari Passu Noteholder and each Pari Passu Lender.

"**Pari Passu Debt Discharge Date**" means the 2022 ICA Amendment and Restatement Effective Date, *provided* that in the event any Pari Passu Debt Liabilities arise or any Pari Passu Facility Commitments are established from time to time on or after the 2022 ICA Amendment and Restatement Effective Date, the Pari Passu Debt Discharge Date shall (in each case and on and from that time (only) and without prejudice to any actions or conduct of the Parties taken or observed prior to that time) be deemed not to have occurred and shall mean the first date on which all Pari Passu Debt Liabilities have subsequent to such time been fully and finally discharged to the satisfaction of the Creditor Representative(s) in relation to any Pari Passu Debt Liabilities in each case in accordance with the terms of the applicable Pari Passu Debt Document, whether or not as the result of an enforcement, and the Pari Passu Debt Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Pari Passu Debt Documents, *provided* further that the principle established by the foregoing shall apply on a continuous basis notwithstanding any intervening occurrence(s) of the Pari Passu Debt Discharge Date.

"**Pari Passu Debt Document** " means each document or instrument entered into between any member of the Group and a Pari Passu Debt Creditor setting out the terms of any credit facility, notes, indenture or debt security which creates or evidences any liabilities (for the avoidance of doubt, excluding any Credit Facility Liabilities) intended to rank *pari passu* with the Secured Obligations and share in the Common Transaction Security in accordance with the terms and conditions of this Agreement (including (i) the Common Security Documents, (ii) in the case of any Pari Passu Debt Liabilities issued by way of debt securities, any indentures, notes, guarantees and Transaction Security Documents relating to any Pari Passu Notes Interest Accrual Account, in each case applicable to such Pari Passu Debt Liabilities and (iii) in the case of any Pari Passu Debt Liabilities incurred pursuant to any facility or loan arrangements, such documents corresponding to the documents constituting the Credit Facility Documents applicable to such Pari Passu Debt Liabilities).

"**Pari Passu Debt Liabilities**" means the Liabilities owed by the Debtors to the Pari Passu Debt Creditors under or in connection with the Pari Passu Debt Documents (for the avoidance of doubt, excluding any Credit Facility Liabilities).

"**Pari Passu Discharge Date**" means the 2022 ICA Amendment and Restatement Effective Date, *provided* that in the event any Pari Passu Liabilities arise or any Pari Passu Facility Commitments are established from time to time on or after the 2022 ICA Amendment and Restatement Effective Date, the Pari Passu Discharge Date shall (in each case and on and from that time (only) and without prejudice to any actions or conduct of the Parties taken or observed prior to that time) be deemed not to have occurred and shall mean the first date on which all Pari Passu Liabilities have subsequent to such time been fully and finally discharged to the satisfaction of the relevant Creditor Representative(s) (in the case of the Pari Passu Debt Liabilities) and each Pari Passu Hedge Counterparty (in the case of its Pari Passu Hedging Liabilities), whether or not as the result of an enforcement, and the Pari Passu Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents, *provided* further that the principle established by the foregoing shall apply on a continuous basis notwithstanding any intervening occurrence(s) of the Pari Passu Discharge Date.

"**Pari Passu Facility**" means any credit facility made available to a Pari Passu Note Issuer or (to the extent not prohibited under the terms and conditions of the Pari Passu Debt Documents) to any other member of the Restricted Group, in each case where:

(a) the agent of the lenders in respect of the credit facility has become a Party as a Creditor Representative;

(b) each arranger of the credit facility has become a party as a Pari Passu Arranger; and

(c) each lender in respect of the credit facility has become a Party as a Pari Passu Lender,

in respect of that credit facility pursuant to Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Facility Agreement**" means a facility agreement setting out the terms of any Pari Passu Facility and which creates or evidences any Pari Passu Debt Liabilities.

"**Pari Passu Facility Commitment**" means any "Commitment" under and as defined in a Pari Passu Facility Agreement.

"**Pari Passu Facility Debt Service Reserve Account**" means, in relation to any Pari Passu Facility, any account in the name of Company established in connection with the Pari Passu Debt Documents relating to such Pari Passu Facility that may only be credited from time to time with such amounts as may be necessary for such account to operate as an interest accrual account or debt service reserve account in respect of the Pari Passu Debt Liabilities relating to such Pari Passu Facility and which account has been designated as such by the Parent and the relevant Creditor Representative and such designation has been acknowledged by the Intercreditor Agent.

"**Pari Passu Hedge Counterparty**" means each Hedge Counterparty to the extent it is owed Pari Passu Hedging Liabilities.

"**Pari Passu Hedge Credit Participation**" means, in relation to a Pari Passu Hedge Counterparty, the aggregate of:

(a) in respect of any hedging transaction of that Pari Passu Hedge Counterparty under any Hedging Agreement to the extent it constitutes a Pari Passu Hedging Liability that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Agreement, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Pari Passu Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement) and to the extent it is a Pari Passu Hedging Liability; and

(b) after the Pari Passu Debt Discharge Date only, in respect of any hedging transaction of that Pari Passu Hedge Counterparty under any Hedging Agreement to the extent it constitutes a Pari Passu Hedging Liability that has, as of the date the calculation is made, not been terminated or closed out:

(i) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Pari Passu Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

"**Pari Passu Hedging Liabilities**" means the Hedging Liabilities to the extent they are not Super Senior Hedging Liabilities.

"**Pari Passu Lender**" means each "Lender" under and as defined in the relevant Pari Passu Facility Agreement that has become a Party as a Pari Passu Lender in respect of that Pari Passu Facility Agreement pursuant to Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Liabilities**" means the Pari Passu Debt Liabilities and the Pari Passu Hedging Liabilities.

"**Pari Passu Note Indenture**" means any note indenture setting out the terms of any debt security which creates or evidences any Pari Passu Debt Liabilities.

"**Pari Passu Note Issuer**" means the Company or the Parent.

"**Pari Passu Note Trustee**" means each note trustee in respect of any Pari Passu Notes that has acceded to this Agreement as a Creditor Representative for the relevant Pari Passu Noteholders pursuant to Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*).

"**Pari Passu Noteholder**" means each holder from time to time of any Pari Passu Notes in respect of which a person has acceded to this Agreement as Pari Passu Note Trustee.

"**Pari Passu Notes**" means any senior secured notes issued or to be issued from time to time by a Pari Passu Note Issuer under a Pari Passu Note Indenture.

"**Pari Passu Notes Interest Accrual Account**" means, in relation to any Pari Passu Notes, any account in the name of Company established in connection with the Pari Passu Debt Documents relating to such Pari Passu Notes that may only be credited from time to time with such amounts as may be necessary for such account to operate as an interest accrual account in respect of the Pari Passu Debt Liabilities relating to such Pari Passu Notes and which account has been designated as such by the Parent and the relevant Creditor Representative and such designation has been acknowledged by the Intercreditor Agent.

"**Party**" means a party to this Agreement.

"**Payment**" means, in respect of any Liabilities (or any other liabilities or obligations), a payment, prepayment, repayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

"**Payment Netting**" means:

(a) in respect of a Hedging Agreement or a Hedging Ancillary Document based on an ISDA Master Agreement, netting under section 2(c) of the relevant ISDA Master Agreement; and

(b) in respect of a Hedging Agreement or a Hedging Ancillary Document not based on an ISDA Master Agreement, netting pursuant to any provision of that Hedging Agreement or a Hedging Ancillary Document which has a similar effect to the provision referenced in paragraph (a) above.

"**Permitted Automatic Early Termination**" means an Automatic Early Termination of a hedging transaction under a Hedging Agreement, the provision of which is permitted under Clause 5.12 (*Terms of Hedging Agreements*).

"**Permitted Bondco Payment**" means the Payments permitted by Clause 11.3 (*Permitted Payments: Bondco Liabilities*).

"**Permitted Credit Facility Payments**" means the Payments permitted by Clause 3.1 (*Payment of Credit Facility Liabilities*).

"**Permitted Hedge Close-Out**" means, in relation to a hedging transaction under a Hedging Agreement, a termination or close-out of that hedging transaction which is permitted pursuant to Clause 5.9 (*Permitted Enforcement: Hedge Counterparties*).

"**Permitted Hedge Payments**" means the Payments permitted by Clause 5.3 (*Permitted Payments: Hedging Liabilities*).

"**Permitted Intra-Group Payments**" means the Payments permitted by Clause 8.2 (*Permitted Payments: Intra-Group Liabilities*).

"**Permitted Pari Passu Debt Payments**" means the Payments permitted by Clause 4.1 (*Payment of Pari Passu Debt Liabilities*).

"**Permitted Payment**" means a Permitted Hedge Payment, a Permitted Intra-Group Payment, a Permitted Pari Passu Debt Payment, a Permitted Credit Facility Payment, a Permitted Bondco Payment or a Permitted Subordinated Creditor Payment.

"**Permitted Subordinated Creditor Payments**" means the Payments permitted by Clause 10.2 (*Permitted Payments: Subordinated Liabilities*).

"**Power of Attorney**" means the power of attorney granted by Propco on 26 November 2013 in favour of the POA Agent supplementing the Mortgage and any replacement power of attorney entered into by any successor POA Agent.

"**Primary Creditors**" means the Super Senior Creditors and the Pari Passu Creditors.

"**Propco**" means Studio City Developments Limited (formerly known as MSC Desenvolvimentos, Limitada and previously as East Asia - Televisão por Satélite Limitada), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under number 14311 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**Property**" of a member of the Group or of a Debtor or a Security Provider means:

(a) any asset of that member of the Group or of that Debtor or that Security Provider;

(b) any Subsidiary of that member of the Group or of that Debtor; and

(c) any asset of any such Subsidiary.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, any entity that has total assets exceeding US$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Recoveries**" has the meaning given to that term in Clause 19.1 (*Order of application*).

"**Reimbursement Agreement**" means the reimbursement agreement dated 15 June 2012 and entered into between SCE and Melco Resorts Macau (as may be amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part, from time to time, including pursuant to the Services and Right to Use Direct Agreement).

"**Relevant Ancillary Lender**" means, in respect of any Credit Facility Cash Cover, the Ancillary Lender (if any) for which that Credit Facility Cash Cover is provided.

"**Relevant Issuing Bank**" means, in respect of any Credit Facility Cash Cover, the Issuing Bank (if any) for which that Credit Facility Cash Cover is provided.

"**Relevant Jurisdiction**" means, in relation to a Debtor:

(a) its jurisdiction of incorporation;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"**Relevant Liabilities**" means:

(a) in the case of a Creditor:

(i) the Liabilities owed to Creditors ranking (in accordance with the terms of this Agreement) *pari passu* with or in priority to that Creditor (as the case may be); and

(ii) all present and future liabilities and obligations, actual and contingent, of the Debtors to the Common Security Agent and/or the Intercreditor Agent; and

(b) in the case of a Debtor, the Liabilities owed to the Creditors together with all present and future liabilities and obligations, actual and contingent, of the Debtors to the Common Security Agent and/or the Intercreditor Agent.

"**Required Pari Passu Creditors**" means, subject to paragraph (e) of Clause 1.2 (*Construction*):

(a) each Creditor Representative acting on behalf of any Pari Passu Lenders or Pari Passu Noteholders; and

(b) at any time, those Pari Passu Hedge Counterparties whose Pari Passu Hedge Credit Participations at that time aggregate more than 50 per cent. of the total Pari Passu Hedge Credit Participations at that time.

"**Restricted Group**" means the Parent and each Restricted Subsidiary.

"**Restricted Subsidiary**" means a Subsidiary of the Parent other than an Unrestricted Subsidiary.

"**Rolled Loan**" has the meaning given to the term "Facility A Loan" in the original form of the 2016 Credit Facility Agreement.

"**Rolled Loan Cash Collateral**" has the meaning given to the term "Facility A Cash Collateral" in the 2016 Credit Facility Agreement.

"**Rolled Loan Cash Collateral Account**" has the meaning given to the term "Facility A Cash Collateral Account" in the 2016 Credit Facility Agreement.

"**Rolled Loan Discharge Date**" means the first date on which all Liabilities in respect of the Rolled Loan have been fully and finally discharged to the satisfaction of the 2016 Credit Facility Agent, whether or not as the result of an enforcement.

"**Rolled Loan Facility Lender**" means the "Lender" under and as defined in the 2016 Credit Facility Agreement of the Rolled Loan from time to time.

"**Rolled Loan Release Date**" means the first date on which:

(a) all of the Secured Obligations other than in respect of the Rolled Loan have been fully and finally discharged to the satisfaction of the relevant Creditor Representative(s), whether or not as the result of an enforcement, and the Secured Parties are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents;

(b) all of the Recoveries that have been received or recovered have been applied in accordance with Clause 19 (*Application of proceeds*) and the Intercreditor Agent (acting reasonably) does not anticipate any further Recoveries (other than in respect of the Transaction Security over the Rolled Loan Cash Collateral Account) being received or recovered;

(c) all of the Transaction Security established pursuant to the Continuing Macau Documents have been released in accordance with the terms of the Debt Documents or enforced in full or the consent of the Secured Parties required under the terms of the Debt Documents to consent to the release of the Transaction Security established pursuant to the Continuing Macau Documents has been obtained for the Rolled Loan Release Date to otherwise have occurred;

(d) the circumstances described in paragraph (c)(ii) or paragraph (c)(iii) of Clause 15.2 (*Instructions to enforce*) have occurred; or

(e) the Company is required to repay the Rolled Loan in accordance with clause 8.1 (*Illegality*) of the 2016 Credit Facility Agreement.

"**SCE**" means Studio City Entertainment Limited (formerly known as MSC Diversões, Limitada and previously as New Cotai Entertainment (Macau) Limited), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry number 27610 SO, with registered office at Avenida da Praia Grande, no. 594, 15/Floor "A", Macau.

"**SCH5**" means Studio City Holdings Five Limited, a BVI business company incorporated under the laws of the British Virgin Islands (registered number 1789892), whose registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

"**SCIH**" means Studio City International Holdings Limited, an exempted company registered by way of continuation with limited liability under the laws of Cayman Islands (company number 343696), whose registered office is at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

"**Secured Obligations**" means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under (or in connection with) the Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"**Secured Obligations Documents**" means this Agreement, each Fee Letter, each Credit Facility Document, each Pari Passu Debt Document and each Hedging Agreement.

"**Secured Parties**" means the Common Security Agent, any Receiver or Delegate, the Intercreditor Agent and each of the Primary Creditors from time to time but, in the case of each Primary Creditor, only if it (or, in the case of a Pari Passu Noteholder, its Creditor Representative) is a Party or has acceded to this Agreement in the appropriate capacity pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Documents**" means:

(a) each of the Transaction Security Documents;

(b) any other document entered into at any time by any of the Debtors or any Security Provider creating any guarantee, indemnity, Security or other assurance against financial loss in favour of any of the Secured Parties as security for any of the Secured Obligations; and

(c) any Security granted under any covenant for further assurance in any of the documents referred to in paragraphs (a) and (b) above.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Common Security Agent as trustee for all or any of the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Debtor or Security Provider to pay amounts in respect of the Liabilities to the Common Security Agent as trustee for all or any of the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Debtor or a Security Provider in favour of the Common Security Agent as trustee for all or any of the Secured Parties;

(c) the Common Security Agent's interest in any trust fund created pursuant to Clause 13 (*Turnover of receipts*); and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Common Security Agent is required by the terms of the Debt Documents to hold as trustee on trust for all or any of the Secured Parties.

"**Security Provider**" means, at any time while any of its assets are subject to the Transaction Security:

(a) each of SCH5 and Melco Resorts Macau Limited; and

(b) any other person that is not a member of the Group that creates or grants any Security in favour of any of the Secured Parties as security for any of the Secured Obligations over any of its assets,

which in each case has not ceased to be a Security Provider in accordance with this Agreement.

"**Senior Secured 2021 Note Guarantees**" means the "Note Guarantees" as defined in the Senior Secured 2021 Note Indenture.

"**Senior Secured 2021 Note Indenture**" means the indenture dated November 30, 2016 governing certain senior secured notes that were due 2021 and made between, among others, the Deutsche Bank Trust Company Americas as trustee, paying agent, registrar and transfer agent the Company as issuer and the Parent and certain Subsidiaries of the Company as guarantors and acceded to by the Intercreditor Agent and the Common Security Agent on or about the date of this Agreement.

"**Senior Secured 2021 Notes**" means the senior secured notes that were issued by the Company pursuant to the Senior Secured 2021 Note Indenture.

"**Services and Right to Use Agreement**" means the services and right to use agreement dated 11 May 2007 and originally made between SCE, New Cotai Entertainment, LLC and Melco Resorts Macau (as may be amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part, from time to time, including pursuant to a supplemental agreement dated 15 June 2012 made between SCE, Melco Resorts Macau and New Cotai Entertainment, LLC).

"**Services and Right to Use Direct Agreement** " means the direct agreement dated 26 November 2013 and entered into between, among others, SCE, Melco Resorts Macau and the Common Security Agent in relation to the Services and Right to Use Agreement and the Reimbursement Agreement (as may be amended, restated, modified, supplemented, extended, replaced (whether upon or after termination or otherwise or whether with the original or other relevant parties) or renewed, in whole or in part, from time to time).

"**Silverpoint**" means Silver Point Capital, L.P. and any successor to the investment management business thereof.

"**Shareholders' Agreement**" means the shareholders' agreement dated 27 July 2011 and made between MCO Cotai, New Cotai, LLC and others (as amended from time to time).

"**Sponsor Affiliate**" means:

(a) in the case of Melco Resorts, Melco Resorts and its Subsidiaries (other than any member of the Group);

(b) in the case of Silverpoint, Silverpoint, each of its Affiliates (other than any member of the Group), any trust of which Silverpoint or any of such Affiliates is a trustee, any partnership of which Silverpoint or any of such Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, Silverpoint or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by Silverpoint or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate;

(c) in the case of Oaktree, Oaktree, each of its Affiliates (other than any member of the Group), any trust of which Oaktree or any of such Affiliates is a trustee, any partnership of which Oaktree or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, Oaktree or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by Oaktree or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate; and

(d) in the case of a New Sponsor, the New Sponsor, each of its Affiliates (other than any member of the Group), any trust of which the New Sponsor or any of such Affiliates is a trustee, any partnership of which the New Sponsor or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, the New Sponsor or any of such Affiliates, *provided that* any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by the New Sponsor or any of such Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Sponsor Affiliate.

"**Subordinated Creditors**" means any direct or indirect shareholder (or affiliate who is not a member of the Group) of the Parent (and their respective transferees and successors) which has made a loan or financial accommodation to the Parent or any other member of the Group, which is a Party or has acceded to this Agreement in the appropriate capacity pursuant to Clause 25.3 (*Accession and change of Subordinated Creditor*) and which in each case has not ceased to be a Subordinated Creditor in accordance with this Agreement.

"**Subordinated Liabilities**" means the Liabilities (for the avoidance of doubt, excluding the Bondco Liabilities) owed to the Subordinated Creditors by the Parent or any other member of the Group under each document or instrument setting out the terms of any credit facility, loan, notes, indenture or debt security or, as the case may be, any undocumented arrangement (whether by way of book entry or otherwise) establishing the same.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which (or, in the case of any company or corporation in which SCH5 owns a Golden Share, more than half the issued share capital of which, excluding for these purposes that Golden Share from such issued share capital) is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Super Senior Credit Participation**" means, in relation to a Credit Facility Lender or a Super Senior Hedge Counterparty, the aggregate of:

(a) its aggregate Credit Facility Commitments, if any;

(b) in respect of any hedging transaction of that Super Senior Hedge Counterparty under any Hedging Agreement that has, as of the date the calculation is made, been terminated or closed out in accordance with the terms of this Agreement, the amount, if any, payable to it under any Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (and before taking into account any interest accrued on that amount since the date of termination or close-out) to the extent that amount is unpaid (that amount to be certified by the relevant Super Senior Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement) and to the extent it is a Super Senior Hedging Liability; and

(c) after the Credit Facility Lender Discharge Date only, in respect of any hedging transaction of that Super Senior Hedge Counterparty under any Hedging Agreement to the extent it constitutes a Super Senior Hedging Liability that has, as of the date the calculation is made, not been terminated or closed out:

    (i) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

    (ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case, to be certified by the relevant Super Senior Hedge Counterparty and as calculated in accordance with the relevant Hedging Agreement.

"**Super Senior Creditors**" means the Credit Facility Creditors and the Super Senior Hedge Counterparties.

"**Super Senior Discharge Date**" means the first date on which all Super Senior Liabilities (other than in respect of the principal amount of the Rolled Loan) have been fully and finally discharged to the satisfaction of each Credit Facility Agent (in the case of the relevant Credit Facility Liabilities) and each Super Senior Hedge Counterparty (in the case of its Super Senior Hedging Liabilities), whether or not as the result of an enforcement, and the Super Senior Creditors are under no further obligation to provide financial accommodation to any of the Debtors under the Debt Documents.

"**Super Senior Hedge Counterparty**" means each Hedge Counterparty to the extent it is owed Super Senior Hedging Liabilities.

"**Super Senior Hedging Liabilities**" means Hedging Liabilities owed to any Hedge Counterparty in a Common Currency Amount not exceeding such Hedge Counterparty's Allocated Super Senior Hedging Amount.

"**Super Senior Hedging Amount**" means USD5,000,000.

"**Super Senior Hedging Certificate**" means a certificate substantially in the form set out in Schedule 8 (*Form of Super Senior Hedging Certificate*).

"**Super Senior Liabilities**" means the Credit Facility Liabilities and the Super Senior Hedging Liabilities.

"**Swap Obligation**" shall mean, with respect to any person, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1(a)(47) of the Commodity Exchange Act.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Total Exchange Rate Hedging**" means, at any time, the aggregate of each Hedge Counterparty's Exchange Rate Hedging at that time.

"**Total Interest Rate Hedging**" means, at any time, the aggregate of each Hedge Counterparty's Interest Rate Hedging at that time.

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

"**Transaction Security Documents**" means:

(a) the Services and Right to Use Direct Agreement;

(b) each of the documents listed as being a Transaction Security Document in Schedule 4 (*Transaction Security Documents*); and

(c) any other document entered into by any Debtor or Security Provider creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Debtors under any of the Debt Documents,

in each case, as amended, supplemented and/or confirmed from time to time.

"**Unrestricted Subsidiary** " means a Subsidiary of the Parent which has been designated an "Unrestricted Subsidiary" for the purpose of (and in accordance with) all of the Credit Facility Documents and Pari Passu Debt Documents.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) any "**Ancillary Lender**", "**Arranger**", "**Bondco**", "**Borrower**", "**Common Security Agent**", "**Credit Facility Agent**", "**Credit Facility Arranger**", "**Credit Facility Borrower**", "**Credit Facility Creditor**", "**Credit Facility Guarantor**", "**Credit Facility Lender**", "**Creditor**", "**Creditor Representative**", "**Debtor**", "**Existing Subordination Party**", "**Hedge Counterparty**", "**Hedging Ancillary Lender**", "**High Yield Note Trustee**", "**High Yield Noteholder**", "**Intercreditor Agent**", "**Intra-Group Lender**", "**Issuing Bank**", "**Pari Passu Arranger**", "**Pari Passu Note Trustee**", "**Pari Passu Noteholder**", "**Pari Passu Creditor**", "**Pari Passu Debt Creditor**", "**Pari Passu Hedge Counterparty**", "**Pari Passu Lender**", "**Pari Passu Note Issuer**", "**Pari Passu Note Trustee**", "**Pari Passu Noteholder**", "**Pari Passu Note Issuer**", "**Parent**", "**Party**", "**POA Agent**", "**Primary Creditor**", "**Rolled Loan Facility Lender**", "**Secured Party**", "**Security Provider**", "**Senior Secured Note Trustee**", "**Senior Secured Noteholder**", "**Subordinated Creditor**", "**Super Senior Creditor**" or "**Super Senior Hedge Counterparty**" shall be construed to be a reference to it in its capacity as such and not in any other capacity;

(ii) any "**Ancillary Lender**", "**Arranger**", "**Creditor**", "**Creditor Representative**", "**Debtor**", "**Hedge Counterparty**", "**Issuing Bank**", "**Party**" or "**Subordinated Creditor**" or the "**Common Security Agent**", the "**Intercreditor Agent**" or the "**POA Agent**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Debt Documents and, in the cases of the Common Security Agent and the Intercreditor Agent, any person for the time being appointed as Common Security Agent, Common Security Agents or Intercreditor Agent (as applicable) in accordance with this Agreement;

(iii) "**assets**" includes present and future properties, revenues and rights of every description;

(iv) a "**Debt Document**" or any other agreement or instrument is (other than a reference to a "**Debt Document**" or any other agreement or instrument in "**original form**") a reference to that Debt Document, or other agreement or instrument, as amended, novated, supplemented, extended or restated as permitted by this Agreement;

(v) "**enforcing**" (or any derivation) the Transaction Security includes:

(A) the appointment of an administrator, receiver, administrative receiver, liquidator, compulsory manager or supervising or overseeing party (or any analogous officer in any jurisdiction) of a Debtor or Security Provider by the Common Security Agent; and

(B) the making of a demand under Clause 21.2 (*Parallel debt*) by the Security Agent;

(vi) a "**group of Creditors**" includes all the Creditors and a "**group of Primary Creditors**" includes all the Primary Creditors;

(vii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(viii) the "**original form**" of a "**Debt Document**" or any other agreement or instrument is a reference to that Debt Document, agreement or instrument as originally entered into (save that the "**original form**" of the 2016 Credit Facility Agreement is a reference to the form of the 2016 Credit Facility Agreement as amended and restated by the 2016 Amendment and Restatement Agreement);

(ix) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(x) "**proceeds**" of a Distressed Disposal or of a Debt Disposal includes proceeds in cash;

(xi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(xii) a provision of law is a reference to that provision as amended or re-enacted; and

(xiii) a time of day is a reference to Hong Kong time.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) A Default (including an Event of Default) is "**continuing**" if it has not been remedied or waived in accordance with the relevant Debt Document. An Acceleration Event is "**continuing**" if the notice in relation to such Acceleration Event has not been withdrawn, cancelled or otherwise ceased to have effect.

(d) A Pari Passu Lender or Pari Passu Noteholder providing "**cash cover**" for a Letter of Credit means a Pari Passu Lender or Pari Passu Noteholder paying an amount in the currency of the Letter of Credit to an interest-bearing account in the name of the Pari Passu Lender or Pari Passu Noteholder and the following conditions being met:

(i) the account is with the relevant Issuing Bank;

(ii) until no amount is or may be outstanding under that Letter of Credit withdrawals from the account may only be made to pay the relevant Issuing Bank amounts due and payable to it under the relevant Credit Facility Documents; and

(iii) the Pari Passu Lender or Pari Passu Noteholder has executed a security document over the account, in form and substance satisfactory to the relevant Issuing Bank with which that account is held, creating a first ranking security interest over that account.

(e) References to a Creditor Representative acting on behalf of the Pari Passu Debt Creditors of which it is the Creditor Representative means such Creditor Representative acting on behalf of the Pari Passu Debt Creditors of which it is the Creditor Representative with the consent of the proportion of such Pari Passu Debt Creditors required under and in accordance with the applicable Pari Passu Debt Documents (*provided that* if the relevant Pari Passu Debt Documents do not specify a voting threshold for a particular matter, the threshold will be a simple majority of the outstanding principal amount under those Pari Passu Debt Documents (excluding any Pari Passu Liabilities owned by a member of the Group or a Sponsor Affiliate)). A Creditor Representative will be entitled to seek instructions from the Pari Passu Debt Creditors of which it is the Creditor Representative to the extent required by the applicable Pari Passu Debt Documents, as the case may be, as to any action to be taken by it under this Agreement.

(f) In determining whether any Liabilities have been fully and finally discharged, the relevant Creditor Representative (and, if applicable, the Intercreditor Agent or Common Security Agent) shall disregard contingent liabilities (such as the risk of clawback from a preference claim) except to the extent that it believes (after taking such legal advice as it consider appropriate and acting at the direction of the relevant Creditors) that there is a reasonable likelihood that those contingent liabilities will become actual liabilities or (with respect to the risk of clawback) if customary comfort documents are delivered to the relevant Creditor Representative (and, if applicable, the Intercreditor Agent or Common Security Agent) in form and substance satisfactory to it (acting at the direction of the relevant Creditors).

(g) (i) Any matter expressed to require the consent or approval of the 2016 Credit Facility Lenders (or any specified majority thereof) or the 2016 Credit Facility Agent shall only require such consent or approval prior to the 2016 Credit Facility Lender Discharge Date (or, if later, the Rolled Loan Discharge Date) and shall be deemed not to require the consent of any 2016 Credit Facility Lender which has been repaid or prepaid in full in accordance with the 2016 Credit Facility Agreement.

(ii) Any matter expressed to require the consent or approval of the Additional Credit Facility Lenders (or any specified majority thereof) or the Additional Credit Facility Agent in respect of an Additional Credit Facility shall only require such consent or approval on or after such time as that Additional Credit Facility has been made available and prior to the date that would be the Additional Credit Facility Lender Discharge Date if such term were defined only by reference to the Additional Credit Facility Liabilities and Additional Credit Facility Documents relating to that Additional Credit Facility and shall be deemed not to require the consent of any Additional Credit Facility Lender in respect of that Additional Credit Facility which has been repaid, prepaid or replaced in full in accordance with the relevant Additional Credit Facility Agreement.

(h) Any matter expressed to require the consent or approval of any Pari Passu Lenders (or any specified majority thereof) or of the Creditor Representative for any Pari Passu Lenders (acting on the instructions of such Pari Passu Lenders) in respect of a Pari Passu Facility shall only require such consent or approval on or after such time as that Pari Passu Facility has been made available and prior to the date that would be the Pari Passu Debt Discharge Date if such term were defined only by reference to the Pari Passu Debt Liabilities and Pari Passu Debt Documents relating to that Pari Passu Facility and shall be deemed not to require the consent of any Pari Passu Lender in respect of that Pari Passu Facility which has been repaid, prepaid or replaced in full in accordance with the relevant Pari Passu Debt Documents.

(i) Any matter expressed to require the consent or approval of any Pari Passu Noteholder (or any specified majority thereof) or of the Creditor Representative for any Pari Passu Noteholders (acting on the instructions of such Pari Passu Noteholders) in respect of any Pari Passu Notes shall only require such consent or approval on or after such time as such Pari Passu Notes have been issued and prior to the date that would be the Pari Passu Debt Discharge Date if such term were defined only by reference to the Pari Passu Debt Liabilities and Pari Passu Debt Documents relating to those Pari Passu Notes and shall be deemed not to require the consent of any Pari Passu Noteholder in respect of those Pari Passu Notes which have been redeemed, defeased or otherwise discharged in full in accordance with the relevant Pari Passu Debt Documents.

(j) Any consent to be given under this Agreement shall mean such consent is to be given in writing, which for the purposes of this Agreement will be deemed to include any instructions, waivers or consents provided through any applicable clearance system in accordance with the terms of the relevant Debt Document.

(k) References to any matter being "**permitted**" under one or more Debt Documents shall include references to such matters not being prohibited or have otherwise been approved under such Debt Documents.

(l) Secured Parties may only benefit from Recoveries to the extent that the Liabilities of such Secured Parties have the benefit of the guarantees or security under which such Recoveries are received and *provided* that, in all cases, the rights of such Secured Parties shall in any event be subject to the priorities set out in Clause 19 (*Application of proceeds*). This shall not prevent a Secured Party benefiting from such Recoveries where it was not possible as a result of the Agreed Security Principles for the Secured Party to obtain the relevant guarantees or security or affect, in any way, the operation of any other document that is not a Debt Document.

(m) In respect of the Services and Right to Use Direct Agreement:

(i) Pursuant to the 2016 Amendment and Restatement Agreement, the definitions of certain words and expressions set out in the 2016 Credit Facility Agreement, the principles of construction and interpretation in clause 1.2 (*Construction*) of the 2016 Credit Facility Agreement and certain clauses and provisions of the 2016 Credit Facility Agreement were amended, restated and/or modified (in the 2016 Credit Facility Agreement and/or by entry into and restatement in this Agreement), notwithstanding that such words and expressions, principles of construction and interpretation and clauses and provisions may have been referred to (and the definitions of such words and expressions and principles of construction and interpretation imported into or stated to apply) in the Services and Right to Use Direct Agreement. Notwithstanding such amendments, restatements and modifications, for the purposes of the Services and Right to Use Direct Agreement (A) such words and expressions shall have the meanings given to them in the original form of the 2016 Credit Facility Agreement (or as subsequently amended from time to time), including to the extent that any such word or expression is defined in the original form of the 2016 Credit Facility Agreement by way of cross reference to a definition or construction provision in this Agreement, (B) such principles of construction and interpretation shall apply as set out in clause 1.2 (*Construction*) in the original form of the 2016 Credit Facility Agreement (or as subsequently amended from time to time) and (C) such restated clauses and provisions shall continue to apply wherever (and in whichever Secured Obligations Document(s)) they have been restated.

(ii) Further, the Services and Right to Use Direct Agreement continues to apply to the Financial Indebtedness outstanding under the 2016 Credit Facility Agreement from time to time and (for the avoidance of doubt) all other Financial Indebtedness that constitutes Secured Obligations (as defined in this Agreement from time to time), notwithstanding that such other Financial Indebtedness may be documented under a Secured Obligations Document other than the 2016 Credit Facility Agreement, and such other Financial Indebtedness is, for the purposes of the Services and Right to Use Direct Agreement (only) and for so long as it is outstanding, deemed to have been incurred and be outstanding under the 2016 Credit Facility Agreement and that the creditors in respect of such Financial Indebtedness are creditors in respect of that Financial Indebtedness under the 2016 Credit Facility Agreement.

(iii) Without limitation or prejudice to paragraphs (i) and (ii) above, to reflect the intention of the relevant Parties as set out in paragraphs (i) and (ii) above, such Parties agree to the further arrangements set out in Schedule 5 (*Continuing Documents*).

(iv) Without prejudice to paragraph (iii) above, the Services and Right to Use Direct Agreement shall be read and construed for all purposes to give effect to paragraphs (i) and (ii) above such that, to the extent any words, expressions or references are not expressly referred to in the further arrangements set out in Schedule 5 (*Continuing Documents*):

(A) all other words, expressions and references that could reasonably be considered to affect the Secured Parties shall be read and construed as the Intercreditor Agent and the Borrower (each acting reasonably and having consulted with each Creditor Representative) consider necessary or desirable to give effect to the above and to the principle that the terms of the Services and Right to Use Direct Agreement apply to this Agreement, all Secured Obligations, all Secured Parties and all Secured Obligations Documents contemplated under or in this Agreement (including, without limitation, pursuant to Clause 2.6 (*Additional and/or refinancing debt*));

(B) in the case that the Services and Right to Use Direct Agreement refers to a requirement of a provision of the 2016 Credit Facility Agreement and that requirement has been or is (from time to time) amended, varied or deleted and not restated in another Secured Obligations Document (including, without limitation, (x) the reference in clause 28.1.2 (*Override*) of the Services and Right to Use Direct Agreement to paragraph 4.2 (*Reimbursement Agreement*) of schedule 7 (*Accounts*) of the 2016 Credit Facility Agreement and (y) the reference in clause 28.1.3 (*Override*) of the Services and Right to Use Direct Agreement to paragraph 26 of part I of schedule 9 (*Events of Default*) of the 2016 Credit Facility Agreement), that requirement shall be treated as having been satisfied for the purposes of the Services and Right to Use Direct Agreement; and

(C) in the case that the Services and Right to Use Direct Agreement refers to a provision of the 2016 Credit Facility Agreement that has been or is, from time to time, restated in the 2016 Credit Facility Agreement or another Secured Obligations Document (including this Agreement), the Services and Right to Use Direct Agreement shall be treated as referring to that restated provision.

(n) In respect of each Continuing Document (other than the Services and Right to Use Direct Agreement):

(i) Pursuant to the 2016 Amendment and Restatement Agreement, the definitions of certain words and expressions set out in the 2016 Credit Facility Agreement, the principles of construction and interpretation in clause 1.2 (*Construction*) of the 2016 Credit Facility Agreement and certain clauses and provisions of the 2016 Credit Facility Agreement were amended, restated and/or modified (in the 2016 Credit Facility Agreement and/or by entry into and restatement in this Agreement), notwithstanding that such words and expressions, principles of construction and interpretation and clauses and provisions may have been referred to (and the definitions of such words and expressions and principles of construction and interpretation imported into or stated to apply) in one or more of the Continuing Documents. Notwithstanding such amendments, restatements and modifications, for the purposes of each Continuing Document (other than the Services and Right to Use Direct Agreement) (A) such words and expressions shall have the meanings given to them in the original form of the 2016 Credit Facility Agreement (or as subsequently amended from time to time in accordance with this Agreement), including to the extent that any such word or expression is defined in the original form of the 2016 Credit Facility Agreement by way of cross reference to a definition or construction provision in this Agreement, (B) such principles of construction and interpretation shall apply as set out in clause 1.2 (*Construction*) of the original form of the 2016 Credit Facility Agreement (or as subsequently amended from time to time in accordance with this Agreement) and (C) such restated clauses and provisions shall continue to apply wherever (and in whichever separate Secured Obligations Document(s)) they have been restated.

(ii) The Parties that are party to each such Continuing Document hereby acknowledge their agreement that (A) such Continuing Document continues to apply to the Financial Indebtedness outstanding under the 2016 Credit Facility Agreement from time to time and (for the avoidance of doubt) all other Financial Indebtedness that constitutes Secured Obligations (as defined in this Agreement from time to time), notwithstanding that such other Financial Indebtedness may be documented under a Secured Obligations Document other than the 2016 Credit Facility Agreement and (B) such other Financial Indebtedness shall be, for the purposes of that Continuing Document (only, and without prejudice to the other provisions of this Agreement) and for so long as it is outstanding, treated as having been incurred and outstanding under the 2016 Credit Facility Agreement and that the creditors in respect of such Financial Indebtedness are creditors in respect of that Financial Indebtedness under the 2016 Credit Facility Agreement.

(iii) Without limitation or prejudice to paragraphs (i) and (ii) above, to reflect the intention of the relevant Parties as set out in paragraphs (i) and (ii) above, such Parties agree to the further arrangements set out in Schedule 5 (*Continuing Documents*).

(o) References in this Agreement to "**the date hereof**", "**the date of this Agreement**" and any other like expressions shall mean 1 December 2016 (November 30, 2016, New York time).

1.3 The Common Security Agent and Intercreditor Agent

(a) Any reference in a Debt Document to the Common Security Agent providing approval or consent or making a request or direction or determination, or to an item or a person being acceptable to, satisfactory to, to the satisfaction or approved by or specified by the Common Security Agent, or requiring certain steps or actions to be taken, or the Common Security Agent exercising its discretion to permit or waive any action, or the Common Security Agent disagreeing with any calculation, are to be construed, unless otherwise specified, as references to the Common Security Agent taking such action or refraining from acting on the instructions of the Intercreditor Agent or, if applicable, the Instructing Group or any other Creditors or group of Creditors, and where the Common Security Agent is referred to in a Debt Document as acting "reasonably" or in a "reasonable" manner or as coming to an opinion or determination that is "reasonable" (or any similar or analogous wording is used), unless it is not required to do so, this shall mean that the Common Security Agent, as applicable, shall, where it has in fact sought such instructions, be acting or coming to an opinion or determination on the instructions of the Intercreditor Agent or, if applicable, the Instructing Group or any other Creditors or group of Creditors acting reasonably and that the Common Security Agent shall be under no obligation to determine the reasonableness of such instructions from the Intercreditor Agent or, if applicable, the Instructing Group or any other Creditors or group of Creditors or whether in giving such instructions the Intercreditor Agent or, if applicable, the Instructing Group or any other Creditors or group of Creditors are acting in a reasonable manner.

(b) Any reference in a Debt Document to the Intercreditor Agent providing approval or consent or making a request or direction or determination, or to an item or a person being acceptable to, satisfactory to, to the satisfaction or approved by or specified by the Intercreditor Agent, or requiring certain steps or actions to be taken, or the Intercreditor Agent exercising its discretion to permit or waive any action, or the Intercreditor Agent disagreeing with any calculation, are to be construed, unless otherwise specified, as references to the Intercreditor Agent taking such action or refraining from acting on the instructions of the Instructing Group or any other Creditors or group of Creditors (as applicable), and where the Intercreditor Agent is referred to in a Debt Document as acting "reasonably" or in a "reasonable" manner or as coming to an opinion or determination that is "reasonable" (or any similar or analogous wording is used), unless it is not required to do so, this shall mean that the Intercreditor Agent, as applicable, shall, where it has in fact sought such instructions, be acting or coming to an opinion or determination on the instructions of the Instructing Group or any other Creditors or group of Creditors (as applicable) acting reasonably and that the Intercreditor Agent shall be under no obligation to determine the reasonableness of such instructions from the Instructing Group or any other Creditors or group of Creditors (as applicable) or whether in giving such instructions the Intercreditor Agent or, if applicable, the Instructing Group or any other Creditors or group of Creditors (as applicable) are acting in a reasonable manner.

1.4 Mergers

(a) Any entity into which the Common Security Agent may be merged or converted or with which the Common Security Agent may be consolidated, or which results from any merger, conversion or consolidation to with the Common Security Agent shall be a party, or any succeeding entity, including Affiliates, to which the Common Security Agent shall sell or otherwise transfer:

(i) all or substantially all of its assets; or

(ii) all or substantially all of its corporate trust business,

shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws become the successor Common Security Agent under this Agreement without the execution or filing of any paper or any further act or formality on the part of the Parties and after the said effective date all references in this Agreement to the Common Security Agent shall be deemed to be references to such successor entity.

(b) Any entity into which the Intercreditor Agent may be merged or converted or with which the Intercreditor Agent may be consolidated, or which results from any merger, conversion or consolidation to with the Intercreditor Agent shall be a party, or any succeeding entity, including Affiliates, to which the Intercreditor Agent shall sell or otherwise transfer:

(i) all or substantially all of its assets; or

(ii) all or substantially all of its corporate trust business,

shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws become the successor Intercreditor Agent under this Agreement without the execution or filing of any paper or any further act or formality on the part of the Parties and after the said effective date all references in this Agreement to the Intercreditor Agent shall be deemed to be references to such successor entity.

1.5 Third party rights

(a) Unless expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Receiver, Delegate, any other person described in paragraph (d) of Clause 7 (*Existing Subordination Deed*), any other person described in paragraph (b) of Clause 21.11 (*Exclusion of liability*) or other person described in paragraph (b) of Clause 23.10 (*Exclusion of liability*) may, subject to this Clause 1.5 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

(d) The Third Parties Act shall apply to this Agreement in respect of any Pari Passu Noteholder. For the purposes of paragraph (b) above and this paragraph (d), upon any person becoming a Pari Passu Noteholder, such person shall be deemed to be a Party to this Agreement and shall be bound by the provisions of this Agreement and be deemed to receive the benefits of this Agreement, and be subject to the terms and conditions hereof, as if such person were a Party hereto.

Section 2
Ranking and Primary Creditors

2. Ranking and priority

2.1 Primary Creditor Liabilities

Each of the Parties agrees that the Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities owed by the Debtors to the Primary Creditors shall rank in right and priority of payment *pari passu* and without any preference between them.

2.2 Transaction Security

Each of the Parties agrees that the Transaction Security shall rank and secure the Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities (subject to the terms of this Agreement) *pari passu* and without any preference between them (but only to the extent that such Transaction Security is expressed to secure those Liabilities).

2.3 Subordinated and Intra-Group Liabilities

(a) Each of the Parties agrees that the Subordinated Liabilities and the Intra-Group Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Primary Creditors.

(b) This Agreement does not purport to rank any of the Subordinated Liabilities or the Intra-Group Liabilities as between themselves.

2.4 Creditor Representative Amounts

Subject to Clause 19 (*Application of proceeds*) where applicable, nothing in this Agreement will prevent payment by the Parent or any Debtor of the Creditor Representative Amounts or the receipt and retention of such Creditor Representative Amounts by the relevant Creditor Representative(s).

2.5 Anti-layering

(a) This Clause 2.5 shall apply from time to time upon the incurrence of any Pari Passu Debt Liabilities.

(b) Notwithstanding anything in any Debt Document to the contrary, until the Pari Passu Debt Discharge Date, no Debtor shall, without the approval of the Required Pari Passu Creditors, issue or allow to remain outstanding any Liabilities that:

(i) are secured or expressed to be secured by Common Transaction Security on a basis (i) junior to any of the Super Senior Liabilities but (ii) senior to any of the Pari Passu Debt Liabilities;

(ii) are expressed to rank so that they are subordinated to any of the Super Senior Liabilities but are senior to any of the Pari Passu Debt Liabilities; or

(iii) are contractually subordinated in right of payment to any of the Super Senior Liabilities and senior in right of payment to the Pari Passu Debt Liabilities,

in each case, unless such ranking or subordination arises as a matter of law.

2.6 Additional and/or refinancing debt

(a) The Creditors acknowledge that the Debtors (or any of them) may wish to:

(i) incur additional Borrowing Liabilities and/or Guarantee Liabilities in respect of such additional Borrowing Liabilities; or

(ii) refinance Borrowing Liabilities and/or Guarantee Liabilities in respect of such additional Borrowing Liabilities,

which, in any such case, are intended to rank *pari passu* with or in priority to any existing Liabilities (but not in priority to the Super Senior Liabilities) and/or share *pari passu* with or in priority to any existing Liabilities (but not in priority to the Super Senior Liabilities) in any existing Common Transaction Security and/or to rank behind any existing Liabilities and/or to share in any existing Common Transaction Security behind such existing Liabilities.

(b) Subject to Clause 2.5 (*Anti-layering*), without limiting the generality of any other applicable provision of this Agreement including Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*), the Creditors confirm that if and to the extent a financing or refinancing referred to in paragraph (a) above and such ranking and such Security is not prohibited by the terms of the Debt Documents at such time, they will (at the cost of the Debtors) co-operate with the Debtors with a view to enabling such financing or refinancing and such sharing in the Common Transaction Security to take place. In particular, but without limitation, each of the Secured Parties hereby irrevocably authorises and directs each of their Creditor Representatives, the Intercreditor Agent and the Common Security Agent (as applicable) to execute any amendment to this Agreement and such other Debt Documents required to reflect such arrangements to the extent such financing, refinancing and/or sharing is not prohibited by such Debt Documents.

3. Credit Facility Creditors and Credit Facility Liabilities

3.1 Payment of Credit Facility Liabilities

(a) Subject to paragraph (b) below and Clause 3.2 (*Rolled Loan – restrictions*), and without prejudice to any restrictions contained in the Pari Passu Debt Documents (other than this Agreement), the Debtors may make Payments of the Credit Facility Liabilities at any time in accordance with, and subject to the provisions of, the relevant Credit Facility Documents.

(b) Subject to paragraph (b) of Clause 12.3 (*Set-off*) and Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*), following the occurrence of an Acceleration Event which is continuing no member of the Group may make Payments of (or in satisfaction of) the Credit Facility Liabilities (save in the case of Liabilities constituting Creditor Representative Amounts) except from Enforcement Proceeds distributed in accordance with Clause 19 (*Application of proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets, (unless, at any time at which the Intercreditor Agent or Common Security Agent is required to act in accordance with Enforcement Instructions issued by the Majority Super Senior Creditors pursuant to Clause 15.2 (*Instructions to enforce*), the Majority Super Senior Creditors give notice to the Intercreditor Agent that the restrictions in each of paragraph (b) of Clause 3.1 (*Payment of Credit Facility Liabilities*), paragraph (b) of Clause 4.1 (*Payment of Pari Passu Debt Liabilities*) and the proviso to Clause 5.2 (*Restriction on Payments: Hedging Liabilities*) will cease to apply), *provided* that in the case where the only Acceleration Event that is continuing is a Credit Facility Acceleration Event, one or more members of the Group may make Payments to effect the Credit Facility Lender Discharge Date (in which case and conditional upon such event occurring, that Credit Facility Acceleration Event shall be deemed to have ceased to occur for the purposes of this paragraph (b), notwithstanding that a principal amount of the Rolled Loan may be outstanding at such time).

3.2 Rolled Loan – restrictions

(a) The provisions of this Clause 3.2 shall override anything in this Agreement or the other Debt Documents to the contrary. No amendment or waiver may be made that has the effect of changing or which relates to this Clause 3.2 without the consent of each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders in respect of which it is the Creditor Representative, the Pari Passu Lenders, the Intercreditor Agent, the Additional Credit Facility Lenders and the Rolled Loan Facility Lender.

(b) Each Debtor and the Rolled Loan Facility Lender agrees for the benefit of the Secured Parties that, unless and until the Rolled Loan Release Date has occurred:

(i) in the case of each Debtor, it shall not (and it shall procure that no member of the Group and none of their other Affiliates will) make Payments (or encourage any other person to make Payments) of (or in satisfaction of) or exercise any set off against the Liabilities in respect of the principal amount of the Rolled Loan (other than Payment of the Rolled Loan at its maturity as set out in the 2016 Credit Facility Agreement (the "**Permitted Rolled Loan Payment**")) and, in the case of the Rolled Loan Facility Lender, it shall not accept any such Payments (or encourage any person to make such Payments or accept such Payments on its behalf) of (or in satisfaction of) or exercise any set off in respect of the Liabilities in respect of the principal amount of the Rolled Loan owed to it (other than the Permitted Rolled Loan Payment), in each case except from Enforcement Proceeds distributed in accordance with Clause 19 (*Application of proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets;

(ii) in the case of the Company, it shall not make or take any steps to make any withdrawal from the Rolled Loan Cash Collateral Account other than to directly facilitate the making of the Permitted Rolled Loan Payment or to reimburse itself after having made the Permitted Rolled Loan Payment;

(iii) in the case of each Debtor, it shall not (and it shall procure that no member of the Group and none of their other Affiliates will) purchase or offer to purchase any interest in the Rolled Loan;

(iv) in the case of the Rolled Loan Facility Lender, it shall not knowingly transfer or assign all or any interest in the Rolled Loan to a Sponsor Affiliate;

(v) it shall not amend the terms of the 2016 Credit Facility Documents with respect to the Rolled Loan if the amendment would be an amendment to the amount or terms of repayment or prepayment (mandatory or otherwise) of all or part of the Rolled Loan, if the amendment would be an amendment to any date of repayment or prepayment (mandatory or otherwise) of the Rolled Loan so as to provide for the earlier repayment or prepayment of all or part of the Rolled Loan or to establish any right of the Rolled Loan Facility Lender to demand the prepayment of the Rolled Loan in addition to any rights contained in the original form of the 2016 Credit Facility Agreement (or to waive or amend the conditionality contained in the original form of the 2016 Credit Facility Agreement with respect to such rights in a manner that would be adverse to the interests of the Additional Credit Facility Lenders and/or the Pari Passu Creditors); and

(vi) in the case of the Rolled Loan Facility Lender, it shall not take any Enforcement Action in respect of the principal amount of the Rolled Loan or any Transaction Security in respect of the Rolled Loan Cash Collateral Account (i) other than after the occurrence of an Insolvency Event in relation to the Company in which case it reserves its rights to be able to exercise any right it may otherwise have to (x) accelerate the Rolled Loan or declare the Rolled Loan prematurely due and payable or payable on demand or (y) claim and prove in the liquidation of the Company for the principal amount of the Rolled Loan or (ii) in the case of a failure by the Company to make the Permitted Rolled Loan Payment in accordance with the terms of the 2016 Credit Facility Agreement and *provided* that no Common Transaction Initial Enforcement Notice has been delivered pursuant to Clause 15.2 (*Instructions to enforce*), unless and until the date falling six (6) months after the date of such failure has occurred.

(c) In the case of a Payment made and purported to have effect in breach of the provisions of paragraph (b)(i) above, such purported effect shall be void and deemed not to have occurred and shall instead be deemed an advance by the relevant payer (or, if such payer is not a Party, an advance by the Company) of a loan in an amount equal to the amount of such Payment to the Rolled Loan Facility Lender, such loan being immediately repayable by the Rolled Loan Facility Lender and the Rolled Loan Facility Lender undertakes for the benefit of the other Secured Parties to repay such loan as soon as reasonably practicable.

(d) In the case of a purported set off in respect of the Liabilities in respect of the principal amount of the Rolled Loan that would be in breach of paragraph (b)(i) above, such purported set off shall be void and deemed not to have occurred.

(e) In the case of a purported transfer or assignment or purchase of any other interest in the Rolled Loan that would be in breach of paragraph (b)(iii) above, such purported transfer or assignment or purchase shall be void and deemed not to have occurred.

(f) In the case of a transfer or assignment or purchase of any other interest in the Rolled Loan by a Sponsor Affiliate on or before the Rolled Loan Release Date, to the extent that such Sponsor Affiliate is a Party or becomes a Party, that Sponsor Affiliate agrees to promptly on request by the Intercreditor Agent transfer all of its interests in the Rolled Loan to a person nominated by the Intercreditor Agent (acting on the instructions of any Secured Party that is not a member of the Group or a Sponsor Affiliate (and, in the case of the receipt of instructions from more than one such Secured Party, on the basis of the first instructions received)) for one Hong Kong dollar (HK$1) and on such other terms as the Intercreditor Agent (acting on the instructions of any Secured Party that is not a member of the Group or a Sponsor Affiliate) may stipulate (and, in the case of the receipt of instructions from more than one such Secured Party, on the basis of the first instructions received).

(g) The Intercreditor Agent shall not authorise any withdrawal from the Rolled Loan Cash Collateral Account on or before the Rolled Loan Release Date.

(h) In the case of a failure by the Company to make the Permitted Rolled Loan Payment in accordance with the terms of the 2016 Credit Facility Agreement, the provisions of Clause 6.1 (*Option to purchase: Pari Passu Debt Creditors*) shall apply *mutatis mutandis* as if such failure were a Distress Event, that provision applied only to the Rolled Loan Facility Lender's rights, benefits and obligations in respect of the Rolled Loan and paragraph (c) of Clause 6.1 (*Option to purchase: Pari Passu Debt Creditors*) did not apply.

(i) No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of this Clause 3.2 even if its obligation to make that Payment is restricted at any time by the terms of this Clause 3.2.

3.3 Security: Credit Facility Creditors

(a) Other than as set out in this Clause 3.3 or in respect of the Common Transaction Security, no Debtor shall (and each Debtor shall procure that no member of the Group will) grant to any of the Credit Facility Creditors the benefit of any Security in respect of that Credit Facility Creditor's Secured Obligations or otherwise permit such Security to subsist.

(b) Other than as set out in Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*) and without prejudice to paragraph (c) below, the Credit Facility Creditors may take, accept or receive the benefit of any Security in respect of the Credit Facility Liabilities from any member of the Group in addition to the Common Transaction Security that (except for any Security permitted under Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*)) to the extent legally possible and subject to any Agreed Security Principles is, at the same time, also offered either:

(i) to the Common Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or

(ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Common Security Agent as trustee for the Secured Parties:

(A) to the other Secured Parties in respect of their Liabilities; or

(B) to the Common Security Agent under a parallel debt structure for the benefit of the other Secured Parties,

and ranks in the same order of priority as that contemplated in Clause 2.2 (*Transaction Security*), *provided* that all amounts received or recovered by any Secured Party with respect to such Security are immediately payable to the Common Security Agent to be held in accordance with this Agreement and applied in accordance with Clause 19 (*Application of proceeds*).

(c) The Rolled Loan Facility Lender may take, accept or receive the benefit of Security over the Rolled Loan Cash Collateral Account.

3.4 Guarantees: Credit Facility Creditors

(a) Other than as set out in this Clause 3.4, no Debtor shall (and each Debtor shall procure that no member of the Group will) incur or allow to remain outstanding any guarantee, indemnity or other assurance against loss in respect of a Credit Facility Creditor's Secured Obligations.

(b) Other than as set out in Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*), the Credit Facility Creditors may take, accept or receive the benefit of any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Credit Facility Liabilities:

(i) (A) in the original form of the 2016 Credit Facility Agreement; or

(B) in case of Additional Credit Facility Creditors, in an Additional Credit Facility Agreement, to the extent set out in an Equivalent Provision; or

(ii) in this Agreement; or

(iii) in the original form of Mandate Documents (as defined in the 2016 Credit Facility Agreement) (or any equivalent provision in any mandate documents, commitment and fee letters entered into in connection with any additional Credit Facility made available under any Credit Facility Agreement after the date of this Agreement and which is similar in meaning and effect); or

(iv) in the original form of the Rolled Loan Cash Collateral; or

(v) in any fee letter in respect of fees payable to any Credit Facility Agent or any Credit Facility Arranger; or

(vi) in any Common Assurance; or

(vii) otherwise, if (except for any guarantee, indemnity or other assurance against loss permitted under Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*)) and to the extent legally possible and subject to any Agreed Security Principles, at the same time it is also offered to the other Secured Parties in respect of their Liabilities and ranks in the same order of priority as that contemplated in Clause 2 (*Ranking and priority*) and all amounts received or recovered by any Secured Party with respect to such guarantee, indemnity or other assurance against loss on or after an Acceleration Event which is continuing are immediately payable to the Common Security Agent to be held in accordance with this Agreement and applied in accordance with Clause 19 (*Application of proceeds*).

3.5 Security: Ancillary Lenders and Issuing Banks

No Ancillary Lender or Issuing Bank will, unless the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained, take, accept or receive from any member of the Group the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities owed to it other than:

(a) the Common Transaction Security;

(b) each guarantee, indemnity or other assurance against loss contained in:

(i) (A) the original form of the 2016 Credit Facility Agreement; or

(B) in case of Additional Credit Facility Creditors, in an Additional Credit Facility Agreement, to the extent set out in an Equivalent Provision;

(ii) this Agreement; or

(iii) any Common Assurance;

(c) indemnities and assurances against loss contained in the Ancillary Documents no greater in extent than any of those referred to in paragraph (b) above;

(d) any Credit Facility Cash Cover permitted under the relevant Credit Facility Documents relating to any Ancillary Facility or for any Letter of Credit issued by an Issuing Bank;

(e) the indemnities contained in an ISDA Master Agreement (in the case of a Hedging Ancillary Document which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Hedging Ancillary Document which is not based on an ISDA Master Agreement); or

(f) any Security, guarantee, indemnity or other assurance against loss giving effect to, or arising as a result of the effect of, any netting or set-off arrangement relating to the Ancillary Facilities for the purpose of netting debit and credit balances arising under the Ancillary Facilities.

3.6 Restriction on Enforcement: Ancillary Lenders and Issuing Banks

Subject to Clause 3.7 (*Permitted Enforcement: Ancillary Lenders and Issuing Banks*), so long as any of the Super Senior Liabilities (other than any Liabilities owed to the Ancillary Lenders or Issuing Banks) are or may be outstanding, none of the Ancillary Lenders nor the Issuing Banks shall be entitled to take any Enforcement Action in respect of any of the Liabilities owed to it.

3.7 Permitted Enforcement: Ancillary Lenders and Issuing Banks

(a) Each Ancillary Lender and Issuing Bank may take Enforcement Action which would be available to it but for Clause 3.6 (*Restriction on Enforcement: Ancillary Lenders and Issuing Banks*) if:

(i) at the same time as, or prior to, that action, Enforcement Action has been taken in respect of any of the Credit Facility Liabilities (excluding the Liabilities owing to Ancillary Lenders and the Issuing Banks), in which case the Ancillary Lenders and the Issuing Banks may take the same Enforcement Action as has been taken in respect of those Credit Facility Liabilities;

(ii) on or prior to the Credit Facility Lender Discharge Date, that action is contemplated by the relevant Credit Facility Agreement or Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*);

(iii) after the Credit Facility Lender Discharge Date, that action is contemplated by the relevant Credit Facility Agreement or Clause 3.5 (*Security: Ancillary Lenders and Issuing Banks*);

(iv) that Enforcement Action is taken in respect of Credit Facility Cash Cover which has been provided in accordance with the relevant Credit Facility Agreement;

(v) at the same time as or prior to, that action, the consent of the Majority Super Senior Creditors is obtained; or

(vi) an Insolvency Event has occurred in relation to any member of the Group, in which case after the occurrence of that Insolvency Event, each Ancillary Lender and each Issuing Bank shall be entitled (if it has not already done so) to exercise any right it may otherwise have in respect of that member of the Group to:

(A) accelerate any of that member of the Group's Credit Facility Liabilities or declare them prematurely due and payable on demand;

(B) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Credit Facility Liabilities;

(C) exercise any right of set-off or take or receive any Payment in respect of any Credit Facility Liabilities of that member of the Group; or

(D) claim and prove in the liquidation of that member of the Group for the Credit Facility Liabilities owing to it.

3.8 Amendments and waivers: Credit Facility Agreement

(a) The 2016 Credit Facility Lenders agree for the benefit of the other Secured Parties that they shall not, prior to the later of the Additional Credit Facility Lender Discharge Date and the Pari Passu Discharge Date, amend (i) the terms of paragraphs (k) or (l) of clause 1.2 (*Construction*) of the original form of the 2016 Credit Facility Agreement, (ii) the definitions of "Secured Obligations", "Secured Obligations Documents", "Secured Parties", "Security Agent", "Services and Right to Use Direct Agreement", "Account", "Completion Support Release Date", "Continuing Documents", "Debt Service Accrual Account", "Debt Service Reserve Account", "Direct Agreement", "Equity", "Excess Cashflow", "First Utilisation", "Gaming Area", "Group Insured", "Hedging Agreement", "Hedging Liabilities", "High Yield Note Disbursement Agreement", "High Yield Note Interest Reserve Account", "High Yield Net Proceeds Account", "Insurance Policy", "Major Project Documents", "Permitted Distribution", "Pledge of Enterprise", "Repayment Instalment", "Representative", "Specific Contracts", "Subordinated Creditor", "Subordinated Debt", "Subordination Deed" and "Term Loan Facility" each as set out in the original form of the 2016 Credit Facility Agreement or (iii) the proviso to the definition of any of the following defined terms: "Agent", "Event of Default", "Facility", "Finance Document", "Finance Party" or "Lender" each as set out in the original form of the 2016 Credit Facility Agreement, in each case unless:

(i) the amendment or waiver is of a minor, technical or administrative nature or corrects a manifest error and is not prejudicial to the Additional Credit Facility Lenders or Pari Passu Creditors (taken as a whole); or

(ii) the prior consent of the "Majority Lenders" (under and as defined in any Additional Credit Facility Agreement) and the Required Pari Passu Creditors is obtained.

(b) The 2016 Credit Facility Lenders further agree for the benefit of the other Secured Parties that they shall not, prior to the later of the Additional Credit Facility Lender Discharge Date and the Pari Passu Discharge Date, otherwise amend clause 1.2 (*Construction*) of the 2016 Credit Facility Agreement in a manner that could reasonably be considered to be (i) inconsistent with the arrangements contemplated in paragraphs (m) or (n) of Clause 1.2 (*Construction*) or Clause 32 (*Services and Right to Use Direct Agreement*) or (ii) materially prejudicial to the interests of the Secured Parties (taken as a whole) in respect of clauses 11 (*Secured Parties' Enforcement Action*) to 19 (*Statement of Secured Obligations*) (inclusive) of the Services and Right to Use Direct Agreement.

4. Pari Passu Debt Creditors and Pari Passu Debt Liabilities

4.1 Payment of Pari Passu Debt Liabilities

(a) Subject to paragraph (b) below, and without prejudice to any restrictions contained in the Credit Facility Documents (other than this Agreement), the Debtors may make Payments of the Pari Passu Debt Liabilities at any time in accordance with, and subject to the provisions of, the Pari Passu Debt Documents.

(b) Following the occurrence of an Acceleration Event which is continuing (until the occurrence of the later of the Super Senior Discharge Date and the Rolled Loan Discharge Date), no member of the Group may make Payments of (or in satisfaction of) the Pari Passu Debt Liabilities (save in the case of Liabilities constituting Creditor Representative Amounts) except from Enforcement Proceeds distributed in accordance with Clause 19 (*Application of proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets, (unless, at any time at which the Common Security Agent is required to act in accordance with Enforcement Instructions issued by the Majority Super Senior Creditors pursuant to Clause 15.2 (*Instructions to enforce*), the Majority Super Senior Creditors give notice to the Intercreditor Agent that the restrictions in each of paragraph (b) of Clause 3.1 (*Payment of Credit Facility Liabilities*), paragraph (b) of Clause 4.1 (*Payment of Pari Passu Debt Liabilities*) and the proviso to Clause 5.2 (*Restriction on Payments: Hedging Liabilities*) will cease to apply), *provided* that any amount standing to the credit of a Pari Passu Facility Debt Service Reserve Account or a Pari Passu Notes Interest Accrual Account as at the date of the Acceleration Event may be applied in payment of interest and other scheduled debt servicing in accordance with the terms of the applicable Pari Passu Debt Document(s).

4.2 Security: Pari Passu Debt Creditors

(a) Other than as set out in this Clause 4.2 or in respect of the Common Transaction Security, no Debtor shall (and each Debtor shall procure that no member of the Group will) grant to any of the Pari Passu Debt Creditors the benefit of any Security in respect of that Pari Passu Debt Creditor's Secured Obligations or otherwise permit such Security to subsist.

(b) Without prejudice to paragraphs (c) and (d) below, the Pari Passu Debt Creditors may take, accept or receive the benefit of any Security in respect of the Pari Passu Debt Liabilities from any member of the Group in addition to the Common Transaction Security that to the extent legally possible and subject to any Agreed Security Principles is, at the same time, also offered either:

(i) to the Common Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or

(ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Common Security Agent as trustee for the Secured Parties:

(A) to the other Secured Parties in respect of their Liabilities; or

(B) to the Common Security Agent under a parallel debt structure for the benefit of the other Secured Parties,

and (subject to the terms of this Agreement) ranks in the same order of priority as that contemplated in Clause 2.2 (*Transaction Security*), *provided* that all amounts received or recovered by any Secured Party with respect to such Security are immediately payable to the Common Security Agent to be held in accordance with this Agreement and applied in accordance with Clause 19 (*Application of proceeds*).

(c) The Pari Passu Debt Creditors in respect of a series of Pari Passu Notes may take, accept or receive the benefit of Security over the Pari Passu Notes Interest Accrual Account relating to such series of Pari Passu Notes.

(d) The Pari Passu Debt Creditors in respect of a Pari Passu Facility may take, accept or receive the benefit of Security over the Pari Passu Facility Debt Service Reserve Account relating to such Pari Passu Facility.

4.3 Guarantees: Pari Passu Debt Creditors

(a) Other than as set out in this Clause 4.3, no Debtor shall (and each Debtor shall procure that no member of the Group will) incur or allow to remain outstanding any guarantee, indemnity or other assurance against loss in respect of a Pari Passu Debt Creditor's Secured Obligations.

(b) The Pari Passu Debt Creditors may take, accept or receive the benefit of any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Pari Passu Debt Liabilities:

(i) in any Equivalent Provision in a Pari Passu Note Indenture or Pari Passu Facility Agreement corresponding to the Senior Secured 2021 Note Indenture, the Senior Secured 2021 Notes and the Senior Secured 2021 Note Guarantees or the Credit Facility Agreements (as applicable); or

(ii) in this Agreement; or

(iii) in any Transaction Security Agreement in respect of any Credit-Specific Transaction Security applicable to such Pari Passu Debt Liabilities, to the extent such guarantee, indemnity or other assurance against loss is substantially equivalent to any guarantee, indemnity or other assurance against loss in any Transaction Security Agreement in respect of any Credit-Specific Transaction Security that was entered into prior to the 2022 ICA Amendment and Restatement Effective Date; or

(iv) in any Common Assurance; or

(v) otherwise, if and to the extent legally possible and subject to any Agreed Security Principles at the same time it also offered to the other Secured Parties in respect of their respective Liabilities and (subject to the terms of this Agreement) ranks in the same order of priority as that contemplated in Clause 2 (*Ranking and priority*) and all amounts received or recovered by any Secured Party with respect to such guarantee, indemnity or other assurance against loss on or after an Acceleration Event which is continuing are immediately payable to the Common Security Agent to be held in accordance with this Agreement and applied in accordance with Clause 19 (*Application of proceeds*).

5. Hedge Counterparties and Hedging Liabilities

5.1 Identity of Hedge Counterparties

(a) Subject to paragraph (b) below, no entity providing hedging arrangements to any Debtor shall be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities and obligations arising in relation to those hedging arrangements nor shall those liabilities and obligations be treated as Hedging Liabilities unless that entity is or becomes a Party as a Hedge Counterparty.

(b) Paragraph (a) above shall not apply to a Hedging Ancillary Lender.

5.2 Restriction on Payments: Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will, make any Payment of the Hedging Liabilities at any time unless:

(a) that Payment is permitted under Clause 5.3 (*Permitted Payments: Hedging Liabilities*); or

(b) the taking or receipt of that Payment is permitted under paragraph (b) of Clause 5.9 (*Permitted Enforcement: Hedge Counterparties*),

provided that (unless, at any time at which the Common Security Agent is required to act in accordance with Enforcement Instructions issued by the Majority Super Senior Creditors pursuant to Clause 15.2 (*Instructions to enforce*), the Majority Super Senior Creditors give notice to the Security Agent that the restrictions in each of paragraph (b) of Clause 3.1 (*Payment of Credit Facility Liabilities*), paragraph (b) of Clause 4.1 (*Payment of Pari Passu Debt Liabilities*) and this proviso will cease to apply), following the occurrence of an Acceleration Event which is continuing (until the occurrence of the later of the Super Senior Discharge Date and the Rolled Loan Discharge Date), no member of the Group may make Payments of the Hedging Liabilities except from Enforcement Proceeds distributed in accordance with Clause 19 (*Application of proceeds*), other than any distribution or dividend out of any Debtor's unsecured assets (*pro rata* to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets.

5.3 Permitted Payments: Hedging Liabilities

(a) Subject to paragraph (b) below, the Debtors may make Payments to any Hedge Counterparty in respect of the Hedging Liabilities then due to that Hedge Counterparty under any Hedging Agreement in accordance with the terms of that Hedging Agreement:

(i) if the Payment is a scheduled Payment arising under the relevant Hedging Agreement;

(ii) to the extent that the relevant Debtor's obligation to make the Payment arises as a result of the operation of:

(A) any of sections 2(d) (*Deduction or Withholding for Tax*), 2(e) (*Default Interest; Other Amounts*), 8(a) (*Payment in the Contractual Currency*), 8(b) (*Judgments*) and 11 (*Expenses*) of the 1992 ISDA Master Agreement (if the Hedging Agreement is based on a 1992 ISDA Master Agreement);

(B) any of sections 2(d) (*Deduction or Withholding for Tax*), 8(a) (*Payment in the Contractual Currency*), 8(b) (*Judgments*), 9(h)(i) (*Prior to Early Termination*) and 11 (*Expenses*) of the 2002 ISDA Master Agreement (if the Hedging Agreement is based on a 2002 ISDA Master Agreement); or

(C) any provision of a Hedging Agreement which is similar in meaning and effect to any provision listed in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement);

(iii) to the extent that the relevant Debtor's obligation to make the Payment arises from a Non-Credit Related Close-Out;

(iv) to the extent that:

(A) the relevant Debtor's obligation to make the Payment arises from:

(1) a Credit Related Close-Out in relation to that Hedging Agreement; or

(2) a Permitted Automatic Early Termination under that Hedging Agreement which arises as a result of an event relating to a Debtor; and

(B) no Event of Default is continuing at the time of that Payment or would result from that Payment;

(v) to the extent that no Event of Default is continuing or would result from that Payment and the relevant Debtor's obligation to make the Payment arises as a result of a close-out or termination arising as a result of:

(A) section 5(a)(vii) (*Bankruptcy*) of the 1992 ISDA Master Agreement (if the relevant Hedging Agreement is based on a 1992 ISDA Master Agreement) and the Event of Default (as defined in the relevant Hedging Agreement) has occurred with respect to the relevant Hedge Counterparty;

(B) section 5(a)(vii) (*Bankruptcy*) of the 2002 ISDA Master Agreement (if the relevant Hedging Agreement is based on a 2002 ISDA Master Agreement) and the Event of Default (as defined in the relevant Hedging Agreement) has occurred with respect to the relevant Hedge Counterparty;

(C) any provision of a Hedging Agreement which is similar in meaning and effect to any provision listed in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement) and the equivalent event of default has occurred with respect to the relevant Hedge Counterparty; or

(D) the relevant Debtor terminating or closing-out the relevant Hedging Agreement as a result of a Hedging Force Majeure and the Termination Event (as defined in the relevant Hedging Agreement in the case of a Hedging Agreement based on an ISDA Master Agreement) or the equivalent termination event (in the case of a Hedging Agreement not based on an ISDA Master Agreement) has occurred with respect to the relevant Hedge Counterparty; or

(vi) if the Majority Super Senior Creditors and the Required Pari Passu Creditors give prior consent to the Payment being made.

(b) No Payment may be made to a Hedge Counterparty under paragraph (a) above if any scheduled Payment due from that Hedge Counterparty to a Debtor under a Hedging Agreement to which they are both party is due and unpaid unless the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained. For the avoidance of doubt, this provision shall not affect any Payment which is due from a Hedge Counterparty to a Debtor pursuant to a Hedging Agreement to which that Hedge Counterparty and Debtor are both party and which is being terminated or closed out.

(c) Failure by a Debtor to make a Payment to a Hedge Counterparty which results solely from the operation of paragraph (b) above shall, without prejudice to Clause 5.4 (*Payment obligations continue*), not result in a default (however described) in respect of that Debtor under that Hedging Agreement.

5.4 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 5.2 (*Restriction on Payment: Hedging Liabilities*) and 5.3 (*Permitted Payments: Hedging Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

5.5 No acquisition of Hedging Liabilities

The Debtors shall not, and shall procure that no other member of the Group will:

(a) enter into any Liabilities Acquisition; or

(b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Hedging Liabilities, unless the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained.

5.6 Amendments and waivers: Hedging Agreements

(a) Subject to paragraph (b) below, the Hedge Counterparties may not, at any time, amend or waive any term of the Hedging Agreements.

(b) A Hedge Counterparty may amend or waive any term of a Hedging Agreement in accordance with the terms of that Hedging Agreement if the amendment or waiver (i) does not breach another term of this Agreement and (ii) would not result in a breach of any Credit Facility Agreement or any Pari Passu Debt Document.

5.7 Security: Hedge Counterparties

The Hedge Counterparties may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Hedging Liabilities other than:

(a) the Common Transaction Security;

(b) any guarantee, indemnity or other assurance against loss contained in:

(i) the original form of Clause 5.15 (*Hedge Counterparties' guarantee and indemnity*) and Schedule 9 (*Hedge Counterparties' guarantee and indemnity*);

(ii) this Agreement (other than Clause 5.15 (*Hedge Counterparties' guarantee and indemnity*) and Schedule 9 (*Hedge Counterparties' guarantee and indemnity*));

(iii) any Common Assurance; or

(iv) the relevant Hedging Agreement no greater in extent than any of those referred to in paragraphs (i) to (iii) above;

(c) as otherwise contemplated by Clauses 3.3 (*Security: Credit Facility Creditors*), 3.4 (*Guarantees: Credit Facility Creditors*), 4.2 (*Security: Pari Passu Debt Creditors*); and 4.3 (*Guarantees: Pari Passu Debt Creditors*); and

(d) the indemnities contained in the ISDA Master Agreements (in the case of a Hedging Agreement which is based on an ISDA Master Agreement) or any indemnities which are similar in meaning and effect to those indemnities (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement).

5.8 Restriction on Enforcement: Hedge Counterparties

Subject to Clause 5.9 (*Permitted Enforcement: Hedge Counterparties*) and Clause 5.10 (*Required Enforcement: Hedge Counterparties*) and without prejudice to each Hedge Counterparty's rights under Clauses 15.3 (*Enforcement Instructions*) and 15.5 (*Manner of Enforcement*), the Hedge Counterparties shall not take any Enforcement Action in respect of any of the Hedging Liabilities or any of the hedging transactions under any of the Hedging Agreements at any time.

5.9 Permitted Enforcement: Hedge Counterparties

(a) To the extent it is able to do so under the relevant Hedging Agreement, a Hedge Counterparty may terminate or close-out in whole or in part any hedging transaction under that Hedging Agreement prior to its stated maturity:

Non-Credit Related Close-Outs

(i) if, prior to a Distress Event, the Parent has confirmed in writing to that Hedge Counterparty that that termination or close-out would not result in a breach of any term of a Credit Facility Document or Pari Passu Debt Document;

(ii) if a Hedging Force Majeure has occurred in respect of that Hedging Agreement;

(iii) to the extent necessary to comply with paragraph (c) of Clause 5.13 (*Total Interest Rate Hedging and Total Exchange Rate Hedging*);

(iv) to ensure that the Common Currency Amount of a Hedge Counterparty's Hedging Liabilities does not exceed its Allocated Super Senior Hedging Amount;

Credit Related Close-Outs

(i) if a Distress Event has occurred;

(ii) if an Event of Default has occurred under clause 24.5 (*Insolvency*) or clause 24.6 (*Insolvency proceedings*) of the 2016 Credit Facility Agreement, any Equivalent Provision of an Additional Credit Facility Agreement or a Pari Passu Facility Agreement, or any Equivalent Provision of a Pari Passu Note Indenture corresponding to paragraphs (a)(7) and (a)(8) of section 6.01 (*Events of Default*) of the Senior Secured 2021 Note Indenture in relation to a Debtor which is party to that Hedging Agreement; or

(iii) if the Majority Super Senior Creditors and the Required Pari Passu Creditors give prior consent to that termination or close-out being made.

(b) After the occurrence of an Insolvency Event in relation to any member of the Group, each Hedge Counterparty shall be entitled to exercise any right it may otherwise have in respect of that member of the Group to:

(i) prematurely close-out or terminate any Hedging Liabilities of that member of the Group;

(ii) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Hedging Liabilities;

(iii) exercise any right of set-off or take or receive any Payment in respect of any Hedging Liabilities of that member of the Group; or

(iv) claim and prove in the liquidation of that member of the Group for the Hedging Liabilities owing to it.

5.10 Required Enforcement: Hedge Counterparties

(a) Subject to paragraph (b) below, a Hedge Counterparty shall promptly terminate or close-out in full any hedging transaction under all or any of the Hedging Agreements to which it is party prior to their stated maturity, following:

(i) the occurrence of an Acceleration Event which is continuing and delivery to it of a notice from the Intercreditor Agent that that Acceleration Event has occurred and is continuing; and

(ii) delivery to it of a subsequent notice from the Intercreditor Agent (acting on the instructions of the Instructing Group) instructing it to do so.

(b) Paragraph (a) above shall not apply to the extent that that Acceleration Event occurred as a result of an arrangement made between any Debtor and any Primary Creditor with the purpose of bringing about that Acceleration Event.

5.11 Treatment of payments due to Debtors on termination of Hedging Transactions

(a) If, on termination of any hedging transaction under any Hedging Agreement occurring after a Distress Event, a settlement amount or other amount (following the application of any Close-Out Netting, Payment Netting or Inter-Hedging Agreement Netting in respect of that Hedging Agreement) falls due from a Hedge Counterparty to the relevant Debtor then that amount shall be paid by that Hedge Counterparty to the Common Security Agent, treated as the proceeds of enforcement of the Transaction Security and applied in accordance with the terms of this Agreement.

(b) The payment of that amount by the Hedge Counterparty to the Common Security Agent in accordance with paragraph (a) above shall discharge the Hedge Counterparty's obligation to pay that amount to that Debtor.

5.12 Terms of Hedging Agreements

The Hedge Counterparties (to the extent party to the Hedging Agreement in question) and the Debtors party to the Hedging Agreements shall ensure that, at all times:

(a) each Hedging Agreement documents only hedging arrangements entered into for the purpose of hedging the types of liabilities described in the definition of "**Hedging Agreement** " and that no other hedging arrangements are carried out under or pursuant to a Hedging Agreement;

(b) each Hedging Agreement is based either:

(i) on an ISDA Master Agreement; or

(ii) on another framework agreement which is similar in effect to an ISDA Master Agreement;

(c) in the event of a termination of the hedging transaction entered into under a Hedging Agreement, whether as a result of:

(i) a Termination Event or an Event of Default, each as defined in the relevant Hedging Agreement (in the case of a Hedging Agreement which is based on an ISDA Master Agreement); or

(ii) an event similar in meaning and effect to either of those described in paragraph (i) above (in the case of a Hedging Agreement which is not based on an ISDA Master Agreement),

that Hedging Agreement will:

(A) if it is based on a 1992 ISDA Master Agreement, provide for payments under the "Second Method" and will make no material amendment to section 6(e) (*Payments on Early Termination*) of the ISDA Master Agreement;

(B) if it is based on a 2002 ISDA Master Agreement, make no material amendment to section 6(e) (*Payments on Early Termination*) of the ISDA Master Agreement; or

(C) if it is not based on an ISDA Master Agreement, provide for any other method the effect of which is that the party to which that event is referable will be entitled to receive payment under the relevant termination provisions if the net replacement value of all terminated transactions entered into under that Hedging Agreement is in its favour;

(d) each Hedging Agreement will not provide for Automatic Early Termination other than to the extent that:

(i) the provision of Automatic Early Termination is consistent with practice in the relevant derivatives market, taking into account the legal status and jurisdiction of incorporation of the parties to that Hedging Agreement; and

(ii) that Automatic Early Termination is:

(A) as provided for in section 6(a) (*Right to Terminate following Event of Default*) of the 1992 ISDA Master Agreement (if the Hedging Agreement is based on a 1992 ISDA Master Agreement);

(B) as provided for in section 6(a) (*Right to Terminate Following Event of Default*) of the 2002 ISDA Master Agreement (if the Hedging Agreement is based on a 2002 ISDA Master Agreement); or

(C) similar in effect to that described in paragraphs (A) or (B) above (if the Hedging Agreement is not based on an ISDA Master Agreement);

(e) each Hedging Agreement will provide that the relevant Hedge Counterparty will be entitled to designate an Early Termination Date or otherwise be able to terminate each transaction under such Hedging Agreement if so required pursuant to Clause 5.10 (*Required Enforcement: Hedge Counterparties*); and

(f) each Hedging Agreement will permit the relevant Hedge Counterparty and each relevant Debtor to take such action as may be necessary to comply with Clause 5.13 (*Total Interest Rate Hedging and Total Exchange Rate Hedging*).

5.13 Total Interest Rate Hedging and Total Exchange Rate Hedging

(a) The Parent shall procure that, at all times:

(i) the Total Interest Rate Hedging does not exceed the Floating Rate Term Outstandings; and

(ii) the Total Exchange Rate Hedging does not exceed the Other Currency Term Outstandings.

(b) Subject to paragraph (a) above, if:

(i) the Total Interest Rate Hedging is less than the Floating Rate Term Outstandings, a Debtor may (but, subject to any express requirement in a Pari Passu Debt Document shall be under no obligation to) enter into additional hedging arrangements to increase the Total Interest Rate Hedging; or

(ii) the Total Exchange Rate Hedging is less than the Other Currency Term Outstandings, a Debtor may (but, subject to any express requirement in a Pari Passu Debt Document, shall be under no obligation to) enter into additional hedging arrangements to increase the Total Exchange Rate Hedging.

(c) If any reduction in the Floating Rate Term Outstandings or the Other Currency Term Outstandings results in:

(i) an Interest Rate Hedge Excess then, on the same day (or as soon as reasonably practicable thereafter) as that reduction becomes effective in accordance with the terms of the relevant Debt Document, the relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) shall, reduce each Hedge Counterparty's Interest Rate Hedging by that Hedge Counterparty's Interest Rate Hedging Proportion of that Interest Rate Hedge Excess by terminating or closing out any relevant hedging transaction(s) in full or in part, as may be necessary; or

(ii) an Exchange Rate Hedge Excess then, on the same day (or as soon as reasonably practicable thereafter) as that reduction becomes effective in accordance with the terms of the relevant Debt Document, the relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) shall, reduce each Hedge Counterparty's Exchange Rate Hedging by that Hedge Counterparty's Exchange Rate Hedging Proportion of that Exchange Rate Hedge Excess by terminating or closing out any relevant hedging transaction(s) in full or in part, as may be necessary.

(d) The relevant Debtor(s) shall, and the Parent shall procure that the relevant Debtor(s) will, pay to that Hedge Counterparty (in accordance with the relevant Hedging Agreement) an amount equal to the sum of all payments (if any) that become due from each relevant Debtor to a Hedge Counterparty under the relevant Hedging Agreement(s) as a result of any action described in paragraph (c) above.

(e) Each Hedge Counterparty shall co-operate in any process described in paragraph (d) above and shall pay (in accordance with the relevant Hedging Agreement(s)) any amount that becomes due from it under the relevant Hedging Agreement(s) to a Debtor as a result of any action described in paragraph (c) above.

5.14 Allocation of Super Senior Hedging Liabilities

(a) The Parent may from time to time allocate (or reallocate or effect the release of any previous allocation of) the Super Senior Hedging Amount in whole or in part to one or more Hedge Counterparties subject to this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*).

(b) Any allocation or reallocation or release of any previous allocation of the Super Senior Hedging Amount (whether in whole or in part) by the Parent shall only take effect on receipt by the Intercreditor Agent (which receipt shall be acknowledged promptly) of a Super Senior Hedging Certificate which complies with the conditions set out in this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*).

(c) The Intercreditor Agent shall only be required to recognise and give effect to any allocation, reallocation or release of the Super Senior Hedging Amount requested by the Parent pursuant to any Super Senior Hedging Certificate to the extent such Super Senior Hedging Certificate:

(i) complies in form and substance with the form of Super Senior Hedging Certificate set out in Schedule 8 (*Form of Super Senior Hedging Certificate*);

(ii) has been duly executed by: (A) the Parent; (B) the Hedge Counterparty to whom any portion of the available Super Senior Hedging Amount is to be allocated and (C) if applicable, any Hedge Counterparty who is to release any portion of any Super Senior Hedging Amount previously allocated to it in accordance with this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*);

(iii) identifies the portion of the Super Senior Hedging Amount (by reference to an amount in the Common Currency) that is to be allocated to the proposed new Super Senior Hedge Counterparty and/or released by an existing Super Senior Hedge Counterparty;

(iv) identifies the relevant Hedging Agreement pursuant to which the relevant Hedging Liabilities arise; and

(v) complies with paragraph (d) below and does not otherwise purport to allocate any part of the Super Senior Hedging Amount which is not available for allocation or which has previously been allocated and not released to any other Hedge Counterparty pursuant to this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*).

(d) No Allocated Super Senior Hedging Amount may, whether on an individual basis or when aggregated with all previously Allocated Super Senior Hedging Amounts (to the extent not released pursuant to this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*)), exceed the lower of:

(i) the Super Senior Hedging Amount; and

(ii) any hedging limit specified in any Credit Facility Agreement or any Pari Passu Debt Document entered into after the date of this Agreement and notified in writing to the Intercreditor Agent by the relevant Creditor Representative to the extent that such limit is not lower than the aggregate of all Allocated Super Senior Hedging Amounts existing as at the date of notification.

(e) The Intercreditor Agent shall not accept or give effect to any Super Senior Hedging Certificate to the extent it allocates or purports to allocate any part of the Super Senior Hedging Amount in breach of paragraph (d) above.

(f) An Allocated Super Senior Hedging Amount may not be:

(i) changed without the prior written consent of the relevant Hedge Counterparty to whom such Allocated Super Senior Hedging Amount has been allocated pursuant to this Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*); or

(ii) allocated to another Hedge Counterparty or to any other Hedging Liabilities or Hedging Agreement other than through delivery of a Super Senior Hedging Certificate duly executed by the Parent and each Hedge Counterparty who agrees to release or reallocate any part of the Allocated Super Senior Hedging Amount.

(g) The Intercreditor Agent shall maintain a register for the recording of the names and addresses of the Hedge Counterparties and the Allocated Super Senior Hedging Amounts of each such Hedge Counterparty (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Parent, the Intercreditor Agent, the Common Security Agent and the Hedge Counterparties shall treat each person whose name is recorded in the Register as a Super Senior Hedge Counterparty for the purposes of this Agreement to the extent of its Super Senior Hedging Liabilities. The Register shall be available for inspection by the Parent and any Hedge Counterparty, at all reasonable times and on reasonable notice to the Intercreditor Agent.

5.15 Hedge Counterparties' guarantee and indemnity

Each Debtor agrees that it will be bound by the obligations set out in Schedule 9 (*Hedge Counterparties' guarantee and indemnity*).

5.16 Notice and acknowledgement of Common Transaction Security

Each Hedge Counterparty, by its accession to this Agreement as a Hedge Counterparty, acknowledges receipt of notice of assignment pursuant to the applicable Transaction Security Documents in respect of the Common Transaction Security of the proceeds owing by that Hedge Counterparty to any Debtor pursuant to the Hedging Agreement(s) to which that Hedge Counterparty is a party.

6. Option to purchase and Hedge Transfer

6.1 Option to purchase: Pari Passu Debt Creditors

(a) Any of the Pari Passu Noteholders and Pari Passu Lenders may, after a Distress Event, by giving not less than ten days' prior notice in writing to the Intercreditor Agent, require the transfer to them (or to a nominee or nominees), in accordance with Clause 25.5 (*Change of Credit Facility Lender or Pari Passu Lender under an Existing Credit Facility or Pari Passu Facility*), of all, but not part, of the rights, benefits and obligations in respect of the Credit Facility Liabilities (including, for the avoidance of doubt, all Liabilities relating to the Rolled Loan) (such Pari Passu Noteholders and Pari Passu Lenders so requiring, the "**Purchasing Secured Creditors**") if:

(i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the relevant Credit Facility Agreement;

(ii) any conditions relating to such a transfer contained in the relevant Credit Facility Agreement are complied with, other than:

(A) any requirement to obtain the consent of, or consult with, any Debtor or other member of the Group relating to such transfer, which consent or consultation shall not be required; and

(B) any requirement that the Purchasing Secured Creditors (or their nominee or nominees) as Credit Facility Lenders must satisfy the requirements of paragraph (a)(ii) of clause 25.2 (*Conditions of assignment or transfer*) of the original form of the relevant Credit Facility Agreement or must not be a "Defaulting Lender" (as defined in the original form of the relevant Credit Facility Agreement), which conditions shall not be required to be satisfied; and

(C) (x) any requirement that the Purchasing Secured Creditors provide cash cover for any Letter of Credit then outstanding in excess of the amount equal to 105 per cent. of the sum of such Letter of Credit then outstanding and the aggregate facing and similar fees that would accrue thereon through the stated maturity of such Letter of Credit (assuming no drawings thereon before stated maturity), which requirement in respect of such excess shall not be required to be satisfied and (y) to the extent the Purchasing Secured Creditors provide cash cover (in the amount set forth in the relevant Credit Facility Agreement, subject to the limit in (x) above) for any Letter of Credit then outstanding, the consent of the relevant Issuing Bank relating to such transfer, which consent shall not be required; and

(D) any condition more onerous than those contained in clause 25.1 (*Assignments and transfers by the Lenders*) of the original form of the relevant Credit Facility Agreement;

(iii) each Credit Facility Agent, on behalf of the relevant Credit Facility Lenders, is paid an amount by the Purchasing Secured Creditors equal to the aggregate of:

(A) any amounts provided as cash cover by the Purchasing Secured Creditors for any relevant Letter of Credit (as envisaged in paragraph (ii)(C) above);

(B) all of the relevant Credit Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the relevant Credit Facility Documents if such Credit Facility Liabilities were being prepaid by the relevant Debtors on the date of that payment (including, for the avoidance of doubt, any amounts that would have been payable under clause 13.4 (*Break Costs*) of the original form of the relevant Credit Facility Agreement); and

(C) all costs and expenses (including legal fees) incurred by that Credit Facility Agent and/or the relevant Credit Facility Lenders as a consequence of giving effect to that transfer,

together, and subject to paragraph (b) below, the "**Capped Purchase Amount**";

(iv) as a result of that transfer the Credit Facility Lenders have no further actual or contingent liability to any Debtor under the relevant Credit Facility Documents;

(v) an indemnity is provided from the Purchasing Secured Creditors (or from another third party acceptable to all the Credit Facility Lenders) in a form satisfactory to each Credit Facility Lender in respect of all losses which may be sustained or incurred by any Credit Facility Lender as a consequence of any sum received or recovered by any Credit Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Credit Facility Lender for any reason; and

(vi) the transfer is made without recourse to, or representation or warranty from, the Credit Facility Lenders, except that each Credit Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer, it has taken all necessary action to authorise the making by it of that transfer and that it is transferring all of its rights, benefits and obligations in respect of its Credit Facility Liabilities.

(b) Each Credit Facility Agent shall, within five Business Days of request, provide in reasonable detail a written statement setting out all amounts comprising the portion of the Capped Purchase Amount relating to Credit Facility Liabilities owed to the Credit Facility Lenders in respect of whom it is a Creditor Representative, *provided* that (i) such written statement is provided within five Business Days of request and (ii) such amounts are reasonable and in the absence of manifest error, the amounts set out in such written statement shall, in aggregate, constitute such portion of the Capped Purchase Amount. In the event the criteria set out in either subparagraph (i) or sub-paragraph (ii) of this paragraph are not fulfilled, such portion of the Capped Purchase Amount shall comprise the aggregate of the principal amount of all outstanding loans under the relevant Credit Facility Agreement (including cash cover for outstanding Letters of Credit issued thereunder) and all interest and fees which will have accrued on such loans and Letters of Credit up to and including the date of payment of such portion of the Capped Purchase Amount to the relevant Credit Facility Agent, each as calculated by the Purchasing Secured Creditors.

(c) Subject to paragraph (c) of Clause 6.2 (*Hedge Transfer: Pari Passu Debt Creditors*), the Purchasing Secured Creditors may only require a Credit Facility Lender Liabilities Transfer if, at the same time, they require a Hedge Transfer in accordance with Clause 6.2 (*Hedge Transfer: Pari Passu Debt Creditors*) and if, for any reason, a Hedge Transfer cannot be made in accordance with Clause 6.2 (*Hedge Transfer*: *Pari Passu Debt Creditors*), no Credit Facility Lender Liabilities Transfer may be required to be made.

(d) The Creditor Representatives in respect of the relevant Credit Facilities shall, at the request of the Purchasing Secured Creditors, notify the Pari Passu Noteholders and Pari Passu Lenders of:

(i) the sum of the amounts described in paragraphs (a)(iii)(B) and (C) above; and

(ii) the amount of each Letter of Credit for which cash cover is to be provided by all the Purchasing Secured Creditors.

(e) If more than one Purchasing Secured Creditor wishes to exercise the option to purchase the Credit Facility Liabilities in accordance with paragraph (a) above, each such Purchasing Secured Creditor shall:

(i) acquire the Credit Facility Liabilities *pro rata*, in the proportion that its Pari Passu Credit Participation bears to the aggregate Pari Passu Credit Participations of all the Purchasing Secured Creditors at the time of such purchase; and

(ii) inform the relevant Creditor Representative(s) in accordance with the terms of the relevant Pari Passu Debt Documents, who will determine (consulting with each other as required) the appropriate share of the Credit Facility Liabilities to be acquired by each such Purchasing Secured Creditor and who shall inform each such Purchasing Secured Creditor accordingly,

and the relevant Creditor Representative(s) (as applicable) shall promptly inform the relevant Credit Facility Agent(s) and the Hedging Counterparties of the Purchasing Secured Creditors intention to exercise the option to purchase the Credit Facility Liabilities.

6.2 Hedge Transfer: Pari Passu Debt Creditors

(a) Any of the Pari Passu Noteholders and Pari Passu Lenders may, after a Distress Event, by giving not less than ten days' prior notice in writing to the Intercreditor Agent, require a Hedge Transfer (such Pari Passu Noteholders and Pari Passu Lenders so requiring, the "**Hedge Transfer Lenders**"):

(i) if either:

(A) the Hedge Transfer Lenders are also Purchasing Secured Creditors and the Purchasing Secured Creditors require, at the same time, a Credit Facility Lender Liabilities Transfer; or

(B) the Hedge Transfer Lenders require that Hedge Transfer at any time on or after the Credit Facility Lender Discharge Date; and

(ii) if:

(A) that transfer is lawful and otherwise permitted by the terms of the Hedging Agreements in which case no Debtor or other member of the Group shall be entitled to withhold its consent to that transfer;

(B) any conditions (other than the consent of, or any consultation with, any Debtor or other member of the Group) relating to that transfer contained in the Hedging Agreements are complied with;

(C) each Hedge Counterparty is paid (in the case of a positive number) or pays (in the case of a negative number) an amount equal to the aggregate of (i) the Hedging Purchase Amount in respect of the hedging transactions under the relevant Hedging Agreement at that time and (ii) all costs and expenses (including legal fees) incurred as a consequence of giving effect to that transfer (together, subject to paragraph (b) below, the "**Capped Hedge Purchase Amount**");

(D) as a result of that transfer, the Hedge Counterparties have no further actual or contingent liability to any Debtor under the Hedging Agreements;

(E) an indemnity is provided from the Hedge Transfer Lenders who are receiving (or for which a nominee is receiving) that transfer (or from another third party acceptable to the relevant Hedge Counterparty) in a form satisfactory to the relevant Hedge Counterparty in respect of all losses which may be sustained or incurred by that Hedge Counterparty in consequence of any sum received or recovered by that Hedge Counterparty being required (or it being alleged that it is required) to be paid back by or clawed back from the Hedge Counterparty for any reason; and

(F) that transfer is made without recourse to, or representation or warranty from, the relevant Hedge Counterparty, except that the relevant Hedge Counterparty shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer, it has taken all necessary action to authorise the making by it of that transfer and that it is transferring all of its rights, benefits and obligations in respect of each Hedging Agreement, each Hedging Liability and each Hedge Counterparty Obligation.

(b) The relevant Hedge Counterparty shall, within two Business Days of a written request, provide in reasonable detail a written statement setting out all amounts comprising the Capped Hedge Purchase Amount. Provided that (i) such written statement is provided within two Business Days' of request and (ii) such amounts are reasonable and in the absence of manifest error, the amounts set out in such written statement shall, in aggregate, constitute the Capped Hedge Purchase Amount. In the event the criteria set out in either sub-paragraph (i) or sub-paragraph (ii) are not fulfilled, the Capped Hedge Purchase Amount shall be an amount calculated by the Hedge Transfer Lenders (and, to assist in that calculation, the Debtors will promptly provide all reasonable assistance required by the Hedge Transfer Lenders including, without limitation, copies of all Hedging Agreements)

(c) The Hedge Transfer Lenders and any Hedge Counterparty may agree (in respect of the Hedging Agreements (or one or more of them) to which that Hedge Counterparty is a party) that a Hedge Transfer required by the Hedge Transfer Lenders pursuant to paragraph (a) above shall not apply to that Hedging Agreement(s) or to the Hedging Liabilities and Hedge Counterparty Obligations under that Hedging Agreement(s).

(d) If more than one Hedge Transfer Lender exercises the option to Hedge Transfer in accordance with this Clause 6.2, each such Hedge Transfer Lender shall:

(i) carry out the Hedge Transfer pro rata, in the proportion that its Senior Credit Participation bears to the aggregate Senior Credit Participations of all the Hedge Transfer Lenders; and

(ii) inform the relevant Creditor Representative(s) in accordance with the terms of the relevant Pari Passu Debt Documents, who will determine (consulting with each other as required) the appropriate share of the Hedge Transfer to be acquired by each such Hedge Transfer Lender and who shall inform each such Hedge Transfer Lender accordingly,

and the relevant Creditor Representative(s) (as applicable) shall promptly inform the relevant Hedging Counterparties accordingly.

Section3
Other Creditors

7. Existing Subordination Deed

(a) The Company and the Common Security Agent refer to the Subordination Deed dated 26 November 2013 between certain of the Debtors, the parties listed therein as subordinated creditors and the Common Security Agent as security agent (together, the "**Existing Subordination Parties**") (the "**Existing Subordination Deed**"). The Company (as the Borrower under the Existing Subordination Deed) and the Common Security Agent (as Security Agent under the Existing Subordination Deed) hereby agree that, as at the date of this Agreement, the Existing Subordination Deed is terminated and is replaced by this Agreement, all of the rights of each Existing Subordination Party under the Existing Subordination Deed are waived in full and the Existing Subordination Parties are released from further obligations towards one another under the Existing Subordination Deed.

(b) The Company and the Common Security Agent refer to the Assignment of Subordinated Debt dated 26 November 2013 between Studio City Holdings Limited and the Common Security Agent as security agent (the "**Existing Assignment of Subordination**"). The Secured Parties hereby authorise and instruct the Common Security Agent to and the Common Security Agent (as Security Agent under the Existing Assignment of Subordination) hereby agrees that, as at the date of this Agreement, the Existing Assignment of Subordination is terminated, all of the rights of the Common Security Agent (as Security Agent under the Existing Assignment of Subordination) are waived in full and the Common Security Agent and Studio City Holdings Limited are released from further obligations towards one another under the Existing Assignment of Subordination.

(c) Studio City Holdings Limited may rely on this Clause 7 subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(d) Clauses 1 (*Definitions and interpretation*) and 36 (*Governing law*) shall apply to this Clause 7.

8. Intra-Group Lenders and Intra-Group Liabilities

8.1 Restriction on Payment: Intra-Group Liabilities

Prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will, make any Payments of the Intra-Group Liabilities at any time unless:

(a) that Payment is permitted under Clause 8.2 (*Permitted Payments: Intra-Group Liabilities*); or

(b) the taking or receipt of that Payment is permitted under paragraph (c) of Clause 8.7 (*Permitted Enforcement: Intra-Group Lenders*).

8.2 Permitted Payments: Intra-Group Liabilities

(a) Subject to paragraph (b) below, the Debtors may make Payments in respect of the Intra-Group Liabilities (whether of principal, interest or otherwise) from time to time when due.

(b) Payments in respect of the Intra-Group Liabilities may not be made pursuant to paragraph (a) above if, at the time of the Payment, an Acceleration Event has occurred and is continuing unless:

(i) the Majority Super Senior Creditors and the Required Pari Passu Creditors consent to that Payment being made; or

(ii) that Payment is made to facilitate the making of a Permitted Credit Facility Payment, a Permitted Hedge Payment or a Permitted Pari Passu Debt Payment.

8.3 Payment obligations continue

No Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 8.1 (*Restriction on Payment: Intra-Group Liabilities*) and 8.2 (*Permitted Payments: Intra-Group Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

8.4 Acquisition of Intra-Group Liabilities

(a) Subject to paragraph (b) below, each Debtor may, and may permit any other member of the Group to:

(i) enter into any Liabilities Acquisition; or

(ii) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any Intra-Group Liabilities at any time.

(b) Subject to paragraph (c) below, no action described in paragraph (a) above may take place in respect of any Intra-Group Liabilities if:

(i) that action would result in a breach of a Credit Facility Agreement, a Pari Passu Note Indenture or a Pari Passu Facility Agreement; or

(ii) at the time of that action, an Acceleration Event has occurred and is continuing.

(c) The restrictions in paragraph (b) above shall not apply if:

(i) the Majority Super Senior Creditors and the Required Pari Passu Creditors consent to that action; or

(ii) that action is taken to facilitate the making of a Permitted Credit Facility Payment, a Permitted Hedge Payment or a Permitted Pari Passu Debt Payment.

8.5 Security: Intra-Group Lenders

Prior to the Final Discharge Date, the Intra-Group Lenders may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss in respect of the Intra-Group Liabilities unless the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained.

8.6 Restriction on Enforcement: Intra-Group Lenders

Subject to Clause 8.7 (*Permitted Enforcement: Intra-Group Lenders*), none of the Intra-Group Lenders shall be entitled to take any Enforcement Action in respect of any of the Intra-Group Liabilities at any time prior to the Final Discharge Date unless otherwise directed by the Intercreditor Agent or the Common Security Agent pursuant to Clause 15.6 (*Exercise of voting rights*) or 18 (*Further assurance – disposals and releases*), save in the case of making any demand for any payment, set off, account combination or payment netting that would be a Permitted Payment.

8.7 Permitted Enforcement: Intra-Group Lenders

After the occurrence of an Insolvency Event in relation to any member of the Group, each Intra-Group Lender may (unless otherwise directed by the Intercreditor Agent or the Common Security Agent or unless the Intercreditor Agent or the Common Security Agent has taken, or has given notice that it intends to take, action on behalf of that Intra-Group Lender in accordance with Clause 12.5 (*Filing of claims*)), exercise any right it may otherwise have against that member of the Group to:

(a) accelerate any of that member of the Group's Intra-Group Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Intra-Group Liabilities;

(c) exercise any right of set-off or take or receive any Payment in respect of any Intra-Group Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Intra-Group Liabilities owing to it.

8.8 Representations: Intra-Group Lenders

Each Intra-Group Lender which is not a Debtor represents and warrants to the Primary Creditors, the Intercreditor Agent and the Common Security Agent that:

(a) it is a limited liability corporation or company duly incorporated or organised, as the case may be, and validly existing under the laws of its jurisdiction of incorporation or organisation, as the case may be;

(b) subject to the Legal Reservations, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations; and

(c) the entry into and performance by it of this Agreement and the transactions contemplated herein, do not and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument binding on it that could be materially adverse to the interests of the Secured Parties (taken as a whole).

9. [Reserved]

10. Subordinated Liabilities

10.1 Restriction on Payment: Subordinated Liabilities

Prior to the Final Discharge Date, neither the Parent nor any other Debtor shall, and the Parent shall procure that no other member of the Group will, make any Payment of the Subordinated Liabilities at any time unless:

(a) that Payment is permitted under Clause 10.2 (*Permitted Payments: Subordinated Liabilities*); or

(b) the taking or receipt of that Payment is permitted under Clause 10.8 (*Permitted Enforcement: Subordinated Creditors*).

10.2 Permitted Payments: Subordinated Liabilities

(a) The Parent may make Payments in respect of the Subordinated Liabilities then due if:

(i) the Payment is expressly permitted or not prohibited (as applicable) by each Credit Facility Agreement, each Pari Passu Facility Agreement (if any) and each Pari Passu Note Indenture (if any); or

(ii) the Majority Super Senior Creditors and the Required Pari Passu Creditors each consent to that Payment being made.

(b) Nothing in this Agreement shall prohibit or restrict any roll-up or capitalisation of any amount in respect of any Subordinated Liabilities or the issue of any payment in kind instruments in satisfaction of any amount in respect of any Subordinated Liabilities or any forgiveness, write-off or capitalisation of any Subordinated Liabilities or the release or other discharge of any such Subordinated Liabilities.

10.3 Payment obligations continue

Neither the Parent nor any other Debtor shall be released from the liability to make any Payment (including of default interest, which shall continue to accrue) under any Debt Document by the operation of Clauses 10.1 (*Restriction on Payment: Subordinated Liabilities*) and 10.2 (*Permitted Payments: Subordinated Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms of any of those Clauses.

10.4 No acquisition of Subordinated Liabilities

Prior to the Final Discharge Date, the Debtors shall not, and shall procure that no other member of the Group will:

(a) enter into any Liabilities Acquisition; or

(b) beneficially own all or any part of the share capital of a company that is party to a Liabilities Acquisition,

in respect of any of the Subordinated Liabilities, unless the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained.

10.5 Amendments and waivers: Subordinated Creditors

Prior to the Final Discharge Date, the Subordinated Creditors may not amend, waive or agree the terms of any of the documents or instruments pursuant to which the Subordinated Liabilities are constituted unless:

(a) such amendment or waiver is expressly permitted or not prohibited (as applicable) by each Credit Facility Agreement, each Pari Passu Facility Agreement (if any) and each Pari Passu Note Indenture (if any);

(b) the prior consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors is obtained; or

(c) that amendment, waiver or agreement is of a minor or administrative nature and is not prejudicial to any of the Secured Parties.

10.6 Security: Subordinated Creditors

The Subordinated Creditors may not take, accept or receive the benefit of any Security, guarantee, indemnity or other assurance against loss from any member of the Group in respect of any of the Subordinated Liabilities prior to the Final Discharge Date.

10.7 Restriction on Enforcement: Subordinated Creditors

Subject to Clause 10.8 (*Permitted Enforcement: Subordinated Creditors*), no Subordinated Creditor shall be entitled to take any Enforcement Action in respect of any of the Subordinated Liabilities at any time prior to the Final Discharge Date, unless otherwise directed by the Intercreditor Agent or the Common Security Agent pursuant to Clause 15.6 (*Exercise of voting rights*) or 18 (*Further assurance – disposals and releases*), save in the case of making any demand for any payment, set off, account combination or payment netting that would be a Permitted Payment.

10.8 Permitted Enforcement: Subordinated Creditors

After the occurrence of an Insolvency Event in relation to any member of the Group, each Subordinated Creditor may (unless otherwise directed by the Intercreditor Agent or the Common Security Agent or unless the Intercreditor Agent or the Common Security Agent has taken, or has given notice that it intends to take, action on behalf of that Subordinated Creditor in accordance with Clause 12.5 (*Filing of claims*)) exercise any right it may otherwise have in respect of that member of the Group to:

(a) accelerate any of that member of the Group's Subordinated Liabilities or declare them prematurely due and payable or payable on demand;

(b) make a demand under any guarantee, indemnity or other assurance against loss given by that member of the Group in respect of any Subordinated Liabilities;

(c) exercise any right of set-off or take or receive any Payment in respect of any Subordinated Liabilities of that member of the Group; or

(d) claim and prove in the liquidation of that member of the Group for the Subordinated Liabilities owing to it.

10.9 Representations: Subordinated Creditors

Each Subordinated Creditor represents and warrants to the Primary Creditors, the Intercreditor Agent and the Common Security Agent that:

(a) it is a limited liability corporation or company duly incorporated or organised, as the case may be, and validly existing under the laws of its jurisdiction of incorporation or organisation, as the case may be;

(b) subject to the Legal Reservations, the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations; and

(c) the entry into and performance by it of this Agreement and the transactions contemplated herein, do not and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument binding on it that could be materially adverse to the interests of the Secured Parties (taken as a whole).

11. Bondco Liabilities

11.1 Bondco Loan Agreements

The Parent shall not enter into any Bondco Loan Agreement with any person that is not a Party to this Agreement (or does not become a Party to this Agreement substantially concurrently with its entry into any Bondco Loan Agreement) as a Bondco at any time prior to the Final Discharge Date to the extent that, at the time of its entry into that Bondco Loan Agreement, any Credit Facility Agreement, any Pari Passu Facility Agreement or any Pari Passu Note Indenture in respect of which any Liabilities or commitments are outstanding contains any restriction on any of the Payments to be made by the Parent under that Bondco Loan Agreement.

11.2 Restriction on Payment: Bondco Liabilities

Prior to the Final Discharge Date, neither the Parent nor any other Debtor shall, and the Parent shall procure that no other member of the Group will, make any Payment of Bondco Liabilities in respect of the principal amount of any Bondco Loan and no Bondco shall accept any such Payments unless that Payment is permitted under Clause 11.3 (*Permitted Payments: Bondco Liabilities*).

11.3 Permitted Payments: Bondco Liabilities

The Parent, any other Debtor or any other member of the Group may make Payments in respect of the principal amount of any Bondco Loan and Bondco may accept any such Payments if:

(a) at the time such Payment would be made, that Payment is expressly permitted or not prohibited (as applicable) by each Credit Facility Agreement, each Pari Passu Facility Agreement (if any) and each Pari Passu Note Indenture (if any); or

(b) the Majority Super Senior Creditors and the Required Pari Passu Creditors each consent to that Payment being made.

11.4 Payment obligations continue

Neither the Parent nor any other Debtor shall be released from the liability to make any Payment under any Bondco Loan Agreement by the operation of Clause 11.2 (*Restriction on Payment: Bondco Liabilities*) even if its obligation to make that Payment is restricted at any time by the terms that Clause.

Section4
Insolvency,turnover and Enforcement

12. Effect of Insolvency Event

12.1 Credit Facility Cash Cover

This Clause 12 is subject to Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*) and Clause 24.5 (*Turnover obligations*).

12.2 Distributions

(a) After the occurrence of an Insolvency Event in relation to any member of the Group, any Party entitled to receive a distribution out of the assets of that member of the Group (in the case of a Primary Creditor, only to the extent that such amount constitutes Enforcement Proceeds) in respect of Liabilities owed to that Party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Common Security Agent (or to such other person as the Common Security Agent shall direct) until the Liabilities owing to the Secured Parties have been paid in full.

(b) The Common Security Agent shall apply distributions made to it under paragraph (a) above in accordance with Clause 19 (*Application of proceeds*).

12.3 Set-off

(a) Subject to paragraph (b) below, to the extent that any member of the Group's Liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor which benefited from that set-off shall (in the case of a Primary Creditor, only to the extent that such amount constitutes Enforcement Proceeds) pay an amount equal to the amount of the Liabilities owed to it which are discharged by that set-off to the Common Security Agent for application in accordance with Clause 19 (*Application of proceeds*).

(b) Paragraph (a) above shall not apply to:

(i) any Close-Out Netting by a Hedge Counterparty or a Hedging Ancillary Lender;

(ii) any Payment Netting by a Hedge Counterparty or a Hedging Ancillary Lender;

(iii) any Inter-Hedging Agreement Netting by a Hedge Counterparty; and

(iv) any Inter-Hedging Ancillary Document Netting by a Hedging Ancillary Lender.

12.4 Non-Cash Distributions

If the Common Security Agent or any other Secured Party receives a distribution in a form other than cash in respect of any of the Liabilities, the Liabilities will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Liabilities, including pursuant to any composition or creditors' agreement.

12.5 Filing of claims

On or after the occurrence of an Insolvency Event in relation to any member of the Group, each Creditor irrevocably authorises the Intercreditor Agent and the Common Security Agent (as applicable), on its behalf, to:

(a) take any Enforcement Action (in accordance with the terms of this Agreement) against that member of the Group;

(b) demand, sue, prove and give receipt for any or all of that member of the Group's Liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that member of the Group's Liabilities; and

(d) file claims, take proceedings and do all other things the Intercreditor Agent or the Common Security Agent considers reasonably necessary to recover that member of the Group's Liabilities.

12.6 Further assurance – Insolvency Event

Each Creditor will:

(a) do all things that the Intercreditor Agent or the Common Security Agent requests in order to give effect to this Clause 12; and

(b) if the Intercreditor Agent or the Common Security Agent is not entitled to take any of the actions contemplated by this Clause 12 or if the Intercreditor Agent or the Common Security Agent requests that a Creditor take that action, undertake that action itself in accordance with the instructions of the Intercreditor Agent or the Common Security Agent or grant a power of attorney to the Intercreditor Agent or the Common Security Agent (on such terms as the Intercreditor Agent or the Common Security Agent may reasonably require) to enable the Intercreditor Agent or the Common Security Agent to take such action (as applicable).

12.7 Instructions

(a) For the purposes of Clause 12.2 (*Distributions*), Clause 12.5 (*Filing of claims*) and Clause 12.6 (*Further assurance – Insolvency Event*) the Common Security Agent shall act:

(i) on the instructions of the Intercreditor Agent (acting on the instructions of the Instructing Group or relevant Secured Parties, as applicable) or the Instructing Group; or

(ii) in the absence of any such instructions, as the Common Security Agent sees fit.

(b) For the purposes of Clause 12.5 (*Filing of claims*) and Clause 12.6 (*Further assurance – Insolvency Event*) the Intercreditor Agent shall act:

(i) on the instructions of the Instructing Group; or

(ii) in the absence of any such instructions, as the Intercreditor Agent sees fit.

13. Turnover of receipts

13.1 Credit Facility Cash Cover

This Clause 13 is subject to Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*) and Clause 24.5 (*Turnover obligations*).

13.2 Turnover by the Primary Creditors

Subject to Clause 13.4 (*Exclusions*) and to Clause 13.5 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date any Primary Creditor receives or recovers any Enforcement Proceeds or any Pari Passu Creditor receives or recovers any amount in respect of any Guarantee Liabilities (whether before or after an Insolvency Event) in each case except in accordance with Clause 19 (*Application of proceeds*), that Primary Creditor will:

(a) in relation to receipts and recoveries not received or recovered by way of set-off:

(i) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Common Security Agent and promptly pay or distribute that amount to the Common Security Agent for application in accordance with the terms of this Agreement; and

(ii) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Common Security Agent for application in accordance with the terms of this Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Common Security Agent for application in accordance with the terms of this Agreement.

13.3 Turnover by the other Creditors

Subject to Clause 13.4 (*Exclusions*) and to Clause 13.5 (*Permitted assurance and receipts*), if at any time prior to the Final Discharge Date, any Creditor other than a Primary Creditor receives or recovers:

(a) any Payment or distribution of, or on account of or in relation to, any of the Liabilities which is neither:

(i) a Permitted Payment; nor

(ii) made in accordance with Clause 19 (*Application of proceeds*);

(b) other than where paragraph (a) of Clause 12.3 (*Set-off*) applies, any amount by way of set-off in respect of any of the Liabilities owed to it which does not give effect to a Permitted Payment;

(c) notwithstanding paragraphs (a) and (b) above, and other than where paragraph (a) of Clause 12.3 (*Set-off*) applies, any amount:

(i) on account of, or in relation to, any of the Liabilities:

(A) after the occurrence of a Distress Event; or

(B) as a result of any other litigation or proceedings against a member of the Group (other than after the occurrence of an Insolvency Event in respect of that member of the Group); or

(ii) by way of set-off in respect of any of the Liabilities owed to it after the occurrence of a Distress Event,

other than, in each case, any amount received or recovered in accordance with Clause 19 (*Application of proceeds*);

(d) the proceeds of any enforcement of any Transaction Security except in accordance with Clause 19 (*Application of proceeds*); or

(e) other than where paragraph (a) of Clause 12.3 (*Set-off*) applies, any distribution or Payment of, or on account of or in relation to, any of the Liabilities owed by any member of the Group which is not in accordance with Clause 19 (*Application of proceeds*) and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of the Group,

that Creditor will:

(i) in relation to receipts and recoveries not received or recovered by way of set-off:

(A) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Common Security Agent and promptly pay or distribute that amount to the Common Security Agent for application in accordance with the terms of this Agreement; and

(B) promptly pay or distribute an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Common Security Agent for application in accordance with the terms of this Agreement; and

(ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Common Security Agent for application in accordance with the terms of this Agreement.

13.4 Exclusions

Clause 13.2 (*Turnover by the Primary Creditors*) and Clause 13.3 (*Turnover by other Creditors*) shall not apply to any receipt or recovery:

(a) by way of:

(i) Close-Out Netting by a Hedge Counterparty or a Hedging Ancillary Lender;

(ii) Payment Netting by a Hedge Counterparty or a Hedging Ancillary Lender;

(iii) Inter-Hedging Agreement Netting by a Hedge Counterparty; or

(iv) Inter-Hedging Ancillary Document Netting by a Hedging Ancillary Lender; or

(b) made in accordance with Clause 20 (*Equalisation*).

13.5 Permitted assurance and receipts

Nothing in this Agreement shall restrict the ability of any Primary Creditor, Bondco or Subordinated Creditor to:

(a) arrange with any person which is not a member of the Group any assurance against loss in respect of, or reduction of its credit exposure to, a Debtor (including assurance by way of credit based derivative or sub-participation); or

(b) make any assignment or transfer permitted by Clause 25 (*Changes to the Parties*), which:

(i) is expressly permitted or not prohibited (as applicable) by each Credit Facility Agreement, each Pari Passu Facility Agreement (if any) and each Pari Passu Note Indenture (if any); and

(ii) is not in breach of:

(A) Clause 5.5 (*No acquisition of Hedging Liabilities*); or

(B) Clause 10.4 (*No acquisition of Subordinated Liabilities*),

and that Primary Creditor, Bondco or Subordinated Creditor shall not be obliged to account to any other Party for any sum received by it as a result of that action.

13.6 Amounts received by Debtors

If any of the Debtors receives or recovers any amount which, under the terms of any of the Debt Documents, should have been paid to the Common Security Agent, that Debtor will:

(a) hold an amount of that receipt or recovery equal to the Relevant Liabilities (or if less, the amount received or recovered) on trust for the Common Security Agent and promptly pay that amount to the Common Security Agent for application in accordance with the terms of this Agreement; and

(b) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the Relevant Liabilities to the Common Security Agent for application in accordance with the terms of this Agreement.

13.7 Saving provision

If, for any reason, any of the trusts expressed to be created in this Clause 13 should fail or be unenforceable, the affected Creditor or Debtor will promptly pay or distribute an amount equal to that receipt or recovery to the Common Security Agent to be held on trust by the Common Security Agent for application in accordance with the terms of this Agreement.

14. Redistribution

14.1 Recovering Creditor's Rights

(a) Any amount paid or distributed by a Creditor (a "**Recovering Creditor**") to the Common Security Agent under Clause 12 (*Effect of Insolvency Event*) or Clause 13 (*Turnover of receipts*) shall be treated as having been paid or distributed by the relevant Debtor and shall be applied by the Common Security Agent in accordance with Clause 19 (*Application of proceeds*).

(b) On an application by the Common Security Agent pursuant to Clause 19 (*Application of proceeds*) of a Payment or distribution received by a Recovering Creditor from a Debtor, as between the relevant Debtor and the Recovering Creditor an amount equal to the amount received or recovered by the Recovering Creditor and paid or distributed to the Common Security Agent by the Recovering Creditor (the "**Shared Amount**") will be treated as not having been paid or distributed by that Debtor.

14.2 Reversal of Redistribution

(a) If any part of the Shared Amount received or recovered by a Recovering Creditor becomes repayable or returnable to a Debtor and is repaid or returned by that Recovering Creditor to that Debtor, then:

(i) each Party that received any part of that Shared Amount pursuant to an application by the Common Security Agent of that Shared Amount under Clause 14.1 (*Recovering Creditor's rights*) (a "**Sharing Party**") shall (subject to Clause 24 (*Pari Passu Note Trustee protections*)), upon request of the Common Security Agent, pay or distribute to the Common Security Agent for the account of that Recovering Creditor an amount equal to the appropriate part of its share of the Shared Amount (together with an amount as is necessary to reimburse that Recovering Creditor for its proportion of any interest on the Shared Amount which that Recovering Creditor is required to pay) (the "**Redistributed Amount**"); and

(ii) as between the relevant Debtor and each relevant Sharing Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid or distributed by that Debtor.

(b) The Common Security Agent shall not be obliged to pay or distribute any Redistributed Amount to a Recovering Creditor under paragraph (a)(i) above until it has been able to establish to its satisfaction that it has actually received that Redistributed Amount from the relevant Sharing Party.

14.3 Deferral of Subrogation

(a) No Creditor (other than a Subordinated Creditor) or Debtor will exercise any rights which it may have by reason of the performance by it of its obligations under the Debt Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor (other than a Subordinated Creditor) which ranks ahead of it in accordance with the priorities set out in Clause 2 (*Ranking and priority*) or the order of application in Clause 19 (*Application of proceeds*) until such time as all of the Liabilities owing to each prior ranking Creditor (or, in the case of any Debtor, owing to each Creditor (other than a Subordinated Creditor)) have been irrevocably discharged in full.

(b) No Subordinated Creditor will exercise any rights which it may have to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights under the Debt Documents of any Creditor until such time as all of the Liabilities owing to each Creditor (other than a Subordinated Creditor) have been irrevocably discharged in full.

15. Enforcement of Transaction Security

15.1 Credit Facility Cash Cover

This Clause 15 is subject to Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*).

15.2 Instructions to enforce

(a) (i) In the case of the Common Transaction Security, if either the Majority Super Senior Creditors or the Majority Pari Passu Creditors wish to issue Enforcement Instructions in respect of any Common Transaction Security, the Creditor Representatives (and, if applicable, Hedge Counterparties) representing the Primary Creditors comprising the Majority Super Senior Creditors or Majority Pari Passu Creditors (as the case may be) shall deliver a copy of those proposed Enforcement Instructions in respect of the Common Transaction Security (a "**Common Transaction Security Initial Enforcement Notice**") to the Intercreditor Agent and the Intercreditor Agent shall promptly forward such Common Transaction Security Initial Enforcement Notice to each Creditor Representative and each Hedge Counterparty which did not deliver such Common Transaction Security Initial Enforcement Notice.

(ii) In the case of any Transaction Security in respect of a Pari Passu Notes Interest Accrual Account, if the Creditor Representative representing the Pari Passu Noteholders in respect of the Pari Passu Notes to which the Pari Passu Notes Interest Accrual Account relates (acting on behalf of such Pari Passu Noteholders) wishes to issue Enforcement Instructions in respect of such Transaction Security, that Creditor Representative shall deliver a copy of those Enforcement Instructions in respect of such Credit-Specific Transaction Security to the Intercreditor Agent and the Intercreditor Agent shall promptly forward such Enforcement Instructions to the Common Security Agent.

(iii) In the case of any Transaction Security in respect of a Pari Passu Facility Debt Service Reserve Account, if the Creditor Representative representing the Pari Passu Lenders in respect of the Pari Passu Facility to which the Pari Passu Facility Debt Service Reserve Account relates (acting on behalf of such Pari Passu Lenders) wishes to issue Enforcement Instructions in respect of such Transaction Security, that Creditor Representative shall deliver a copy of those Enforcement Instructions in respect of such Credit-Specific Transaction Security to the Intercreditor Agent and the Intercreditor Agent shall promptly forward such Enforcement Instructions to the Common Security Agent.

(b) The delivery of a Common Transaction Security Initial Enforcement Notice to the Intercreditor Agent shall, if as at such time any Pari Passu Liabilities are outstanding (the "**Consultation Pre-condition**"), commence a 30-day consultation period (or such shorter period as the relevant Creditor Representatives shall agree) (the "**Initial Consultation Period**") during which time the Creditor Representatives for each of the Super Senior Creditors and the Pari Passu Creditors (or, in the case of any group of Secured Parties that choses to do so, a representative or committee of such creditor group appointed in place of its Creditor Representative for this purpose), shall consult with each other in good faith with a view to coordinating the proposed instructions as to Enforcement of the Common Transaction Security and shall use their reasonable commercial efforts to keep the Intercreditor Agent informed of such consultation and coordination efforts. Such Creditor Representatives shall not be obliged to consult (or, in the case of (ii) below, shall only be obliged to consult for such shorter period of time as the Intercreditor Agent (acting reasonably and, if it chooses (in its sole discretion) to do so, on the advice of its legal counsel or other relevant professional adviser) may determine) in accordance with this paragraph (b) (and, accordingly, no Initial Consultation Period shall arise or there shall be no further obligation to consult, as applicable) if:

(i) an Insolvency Event has occurred and is continuing in respect of a Debtor or the Security Provider;

(ii) an Event of Default being continuing in relation to Liabilities owed to the relevant Secured Parties, a Creditor Representative acting on behalf of any Secured Party(ies) (such Secured Party(ies) having made a determination acting reasonably and in good faith) notifies the Intercreditor Agent that:

(A) to enter into or continue such consultations and thereby delay the commencement of enforcement of the Common Transaction Security could reasonably be expected to have a material adverse effect on the ability to effect a Distressed Disposal or on the expected realisation proceeds of any Enforcement; or

(B) the circumstances described in paragraph (c)(ii) or paragraph (c)(iii) below have occurred; or

(iii) the Creditor Representatives of each other group of Secured Parties agree on the proposed Enforcement Instructions and that no Initial Consultation Period (or further consultation during such Initial Consultation Period) is required.

(c) If the consultation as may be required pursuant to paragraph (b) above has taken place (such consultation to be (x) considered to have taken place regardless of whether each Creditor Representative (having been invited to do so at reasonable times and on a reasonable basis) has participated or has participated in good faith, so long as the Creditor Representative that delivered the Common Transaction Security Initial Enforcement Notice has complied or made itself available so as to comply with its obligation to do so and (y) deemed to have taken place if the Consultation Pre-condition was not met) (the "**Consultation Condition**" having been "**satisfied**" and, for this purpose, unless otherwise advised by a Creditor Representative, the Intercreditor Agent is entitled to assume that the required consultation has taken place upon the expiry of the Initial Consultation Period):

(i) subject to paragraphs (c)(ii), (c)(iii) and (d) below, the Intercreditor Agent shall deliver to the Common Security Agent the Enforcement Instructions in respect of the Common Transaction Security received from the Majority Pari Passu Creditors (if any);

(ii) if:

(A) the Majority Pari Passu Creditors have not either:

(1) made a determination as to the method of Enforcement (save with respect to any Credit-Specific Transaction Security) they wish to instruct the Common Security Agent to pursue (and notified the Intercreditor Agent of that determination in writing); or

(2) appointed a Financial Adviser to assist them in making such a determination,

within 3 months of the date of the Common Transaction Security Initial Enforcement Notice; or

(B) the Super Senior Discharge Date or the Rolled Loan Discharge Date has not occurred within 6 months of the date of the Common Transaction Security Initial Enforcement Notice; or

(C) upon or at any time after the Consultation Condition being satisfied, there are no Pari Passu Liabilities outstanding, then the Intercreditor Agent shall deliver to the Common Security Agent the Enforcement Instructions in respect of the Common Transaction Security received from the Majority Super Senior Creditors; and

(iii) if the Majority Pari Passu Creditors have not either:

(A) made a determination as to the method of Enforcement (save with respect to any Credit-Specific Transaction Security) they wish to instruct the Common Security Agent to pursue (and notified the Intercreditor Agent of that determination in writing); or

(B) appointed a Financial Adviser to assist them in making such a determination,

and the Majority Super Senior Creditors:

(1) determine in good faith (and notify the other Creditor Representatives, the Hedge Counterparties and the Intercreditor Agent) that a delay in issuing Enforcement Instructions in respect of the Common Transaction Security could reasonably be expected to have a material adverse effect on the ability to effect a Distressed Disposal or on the expected realisation proceeds of any such Enforcement; and

(2) deliver Enforcement Instructions in respect of the Common Transaction Security which they reasonably believe to be consistent with the Enforcement Principles before the Intercreditor Agent has received any Enforcement Instructions in respect of the Common Transaction Security from the Majority Pari Passu Creditors,

then the Intercreditor Agent shall deliver to the Common Security Agent the Enforcement Instructions in respect of the Common Transaction Security received from the Majority Super Senior Creditors.

(d) If an Insolvency Event (other than an Insolvency Event directly caused by any Enforcement Action taken by or at the request or direction of a Super Senior Creditor) is continuing with respect to a Debtor or the Security Provider then the Intercreditor Agent shall, to the extent the Majority Super Senior Creditors elect to provide such Enforcement Instructions in respect of the Common Transaction Security (such Enforcement Instructions to be limited to such Enforcement as may be reasonably necessary to preserve and protect the claims and interest of the Super Senior Creditors), deliver to the Common Security Agent the Enforcement Instructions in respect of the Common Transaction Security received from the Majority Super Senior Creditors.

(e) The Common Security Agent shall act in accordance with any Enforcement Instructions received from the Intercreditor Agent pursuant to this Clause 15 (and not withdrawn), save that (i) in the case of Enforcement Instructions delivered to the Common Security Agent pursuant to paragraph (d) above, the Common Security Agent shall only act in accordance with such Enforcement Instructions until the Super Senior Discharge Date has occurred and (ii) in the case of Enforcement Instructions delivered to the Common Security Agent pursuant to paragraphs (c)(ii) or (c)(iii) above, the Common Security Agent shall only act in accordance with such Enforcement Instructions until later of the Super Senior Discharge Date and the Rolled Loan Discharge Date.

15.3 Enforcement Instructions

(a) The Common Security Agent may refrain from enforcing the Transaction Security or taking any other action as to Enforcement unless instructed otherwise by the Intercreditor Agent and the Intercreditor Agent may refrain from delivering such instructions to the Common Security Agent or taking any other action as to Enforcement unless instructed otherwise by the Instructing Group in accordance with Clause 15.2 (*Instructions to enforce*).

(b) Subject to Clause 15.2 (*Instructions to enforce*), the applicable Instructing Group may deliver or refrain from delivering instructions to the Intercreditor Agent directing the Common Security Agent to take action as to Enforcement in accordance with the Enforcement Principles as they see fit by way of the issuance of Enforcement Instructions.

(c) The Intercreditor Agent and the Common Security Agent are entitled to rely on and comply with instructions given in accordance with this Clause 15.3.

15.4 Enforcement of Transaction Security – Rolled Loan Cash Collateral

(a) This Clause 15.4 is subject to Clause 3.2 (*Rolled Loan – restrictions*).

(b) If the Rolled Loan Facility Lender wishes to take Enforcement Action in respect of any Transaction Security in respect of the Rolled Loan Cash Collateral Account, the Rolled Loan Facility Lender shall first inform the Intercreditor Agent in writing of its intention to do so and the Intercreditor Agent shall promptly forward such notice to the Common Security Agent and each Creditor Representative. The Rolled Loan Facility Lender shall not take Enforcement Action in respect of any Transaction Security in respect of the Rolled Loan Cash Collateral Account on or before the date that is five (5) Business Days after the delivery of such notice to the Intercreditor Agent.

(c) If at any time prior to the Final Discharge Date (for these purposes, ignoring any amounts in respect of the Rolled Facility Loan) the Rolled Loan Facility Lender receives or recovers any Enforcement Proceeds in respect of the Rolled Loan Cash Collateral, it will hold and apply such Enforcement Proceeds (or an amount equal to such Enforcement Proceeds) in accordance with Clause 13.2 (*Turnover by the Primary Creditors*), save that it shall not be required to do so and shall be entitled to apply such Enforcement Proceeds as it choses in circumstances where such Enforcement Proceeds have been received or recovered in connection with Enforcement Action taken as permitted by limb (ii) of paragraph (b)(vi) of Clause 3.2 (*Rolled Loan – restrictions*).

15.5 Manner of Enforcement

(a) If the Transaction Security is being enforced or other action as to Enforcement is being taken pursuant to Clause 15.3 (*Enforcement Instructions*), the Common Security Agent shall enforce the Transaction Security (other than the Rolled Loan Cash Collateral) or take other action as to Enforcement in such manner (including, without limitation, the selection of any administrator (or any analogous officer in any jurisdiction) of any Debtor or Security Provider to be appointed by the Common Security Agent) as the applicable Instructing Group shall instruct (*provided* that such instructions are consistent with the Enforcement Principles) or, in the absence of any such instructions, as the Intercreditor Agent (as it considers in its own discretion to be appropriate and consistent with the Enforcement Principles) has instructed the Common Security Agent to do so or, in the absence of any such instructions, as the Common Security Agent considers in its discretion to be appropriate and consistent with the Enforcement Principles.

(b) If the Majority Super Senior Creditors or any Required Pari Passu Creditor (in each case acting reasonably) consider that the Common Security Agent is enforcing (or the Intercreditor Agent has directed the Common Security Agent to enforce) the Common Transaction Security in a manner that is not consistent with the Enforcement Principles, subject to paragraph (a) above, the applicable Creditor Representative (the "**Notifying Creditor Representative**") shall give notice to the Intercreditor Agent (and the Intercreditor Agent shall promptly forward such notice to the Common Security Agent and each Creditor Representative which did not deliver such notice) after which the Creditor Representatives for each of the Super Senior Creditors and the Pari Passu Creditors (or, in the case of any group of Secured Parties that choses to do so, a representative or committee of such creditor group appointed in place of its Creditor Representative for this purpose), shall consult with the Intercreditor Agent and the Common Security Agent for a period of 10 days (or such lesser period as the Notifying Creditor Representative may agree) with a view to agreeing the manner of Enforcement of the Common Transaction Security, *provided* that such Creditor Representatives shall not be obliged to consult under this paragraph (b) more than once in relation to each Enforcement Action.

15.6 Exercise of voting rights

(a) Subject to paragraph (c) below, each Creditor (other than each Creditor Representative and each Arranger) agrees with the Intercreditor Agent and the Common Security Agent that it will cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group as instructed by the Intercreditor Agent.

(b) Subject to paragraph (c) below, the Intercreditor Agent shall give instructions for the purposes of paragraph (a) above in accordance with any instructions given to it by the applicable Instructing Group, *provided that* any such instructions have been given in accordance with Clause 15.3 (*Enforcement Instructions*), taking into account the arrangements contemplated in paragraph (e) of Clause 17.4 (*Restriction on Enforcement*).

(c) Nothing in this Clause 15.6 entitles any party to exercise or require any other Primary Creditor to exercise such power of voting or representation to (i) waive, reduce, discharge, extend the due date for (or change the basis for accrual of any) payment of or reschedule any of the Liabilities owed to that Primary Creditor or (ii) impair or otherwise adversely affect any Credit-Specific Transaction Security.

15.7 Waiver of rights

To the extent permitted under applicable law and subject to Clause 15.3 (*Enforcement Instructions*), Clause 15.5 (*Manner of Enforcement*), Clause 17.2 (*Proceeds of Distressed Disposals and Debt Disposals*) and Clause 19 (*Application of proceeds*), each of the Secured Parties and the Debtors waives all rights it may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

15.8 Duties owed

Each of the Secured Parties and the Debtors acknowledges that, in the event that the Common Security Agent enforces or is instructed to enforce the Transaction Security, the duties of the Common Security Agent and of any Receiver or Delegate owed to them in respect of the method, type and timing of that enforcement or of the exploitation, management or realisation of any of that Transaction Security shall, subject to Clause 17.2 (*Proceeds of Distressed Disposals and Debt Disposals*), be no different to or greater than the duty that is owed by the Common Security Agent, Receiver or Delegate to the Debtors under general law.

15.9 Enforcement through Common Security Agent only

(a) Subject to paragraph (b) below, no Secured Party shall have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Transaction Security Documents except through the Common Security Agent.

(b) Subject to the terms and conditions of this Agreement (including Clauses 3.2 (*Rolled Loan – restrictions*) and Clause 15.4 (*Enforcement of Transaction Security – Rolled Loan Cash Collateral*)), the Rolled Loan Facility Lender shall have independent power to enforce and have recourse to the Credit-Specific Transaction Security in respect of the Rolled Loan Cash Collateral and to exercise any right, power, authority or discretion arising under the Transaction Security Documents related to such Transaction Security.

15.10 Alternative Enforcement Actions

After the Common Security Agent has commenced Enforcement of the Common Transaction Security, it shall not accept (and the Intercreditor Agent shall not deliver to it) any subsequent instructions as to Enforcement (save (i) with respect to any Credit-Specific Transaction Security, (ii) in the case where paragraph (c)(ii) or (d) of Clause 15.2 (*Instructions to enforce*) applies, (iii) after the Super Senior Discharge Date, where paragraph (d) of Clause 15.2 (*Instructions to enforce*) had applied or (iv) after the later of the Super Senior Discharge Date and the Rolled Loan Discharge Date, where any of paragraphs (c)(ii) or (c)(iii) of Clause 15.2 (*Instructions to enforce*) had applied) from anyone other than the Instructing Group that instructed it to commence such enforcement of the Common Transaction Security, regarding any other enforcement of the Common Transaction Security over or relating to shares or assets directly or indirectly the subject of the enforcement of the Common Transaction Security which has been commenced (and, for the avoidance of doubt, during any enforcement of the Common Transaction Security only paragraph (b) of the definition of Instructing Group shall be applicable in relation to any instructions (save with respect to any Credit-Specific Transaction Security) given to the Intercreditor Agent and the Common Security Agent by the Instructing Group under this Agreement).

15.11 Power of Attorney

The POA Agent shall not exercise any right under a Power of Attorney until after the delivery of an Enforcement Notice to the Company and to Propco and unless the Common Security Agent has instructed it to do so.

15.12 Livranças

The Common Security Agent shall not present any of the Livranças for payment until after the delivery of an Enforcement Notice to the Company and each Guarantor. Notwithstanding the terms of the Livrança Covering Letter, the aggregate amount to be inserted by the Common Security Agent into the Livranças may not exceed the aggregate amount of the Secured Obligations as at the date of such insertion by the Common Security Agent.

Section5
Non-DistressedDisposals, Distressed Disposals and claims

16. Non-Distressed Disposals

16.1 Definitions

In this Clause 16:

(a) "**Disposal Proceeds**" means the proceeds of a Non-Distressed Disposal;

(b) "**Non-Distressed Disposal**" means a disposal of:

(i) an asset of a member of the Group; or

(ii) an asset which is subject to the Transaction Security,

to a person or persons outside the Group where:

(A) either (x) one Officer of the Parent certifies for the benefit of the Intercreditor Agent and the Common Security Agent (and such certification is not objected to by any Credit Facility Agent within five (5) Business Days of receipt of such certificate) that that disposal is expressly permitted or not prohibited (as applicable) under the Credit Facility Documents, (y) each Credit Facility Agent notifies the Intercreditor Agent and the Common Security Agent that that disposal is expressly permitted or not prohibited (as applicable) under the relevant Credit Facility Documents or (z) the Majority Lenders (as defined in the relevant Credit Facility Agreement) under each Credit Facility Agreement consent to that disposal;

(B) either (x) one Officer of the Parent certifies for the benefit of the Intercreditor Agent and the Common Security Agent that the disposal and, if the disposal is of Charged Property, the release of Transaction Security is expressly permitted or not prohibited (as applicable) under the Pari Passu Debt Documents (*provided that* such certificate has been provided to the relevant Creditor Representative(s) and the relevant Creditor Representative(s) have not objected to such certificate within 5 Business Days of receipt of such certificate) or (y) the Creditor Representative in respect of each Pari Passu Facility Agreement and Pari Passu Note Indenture authorises the release; and

(C) that disposal is not a Distressed Disposal; and

(c) "**Officer**" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Parent, or any Directors of the Board or any person acting in that capacity, in each case acting with due authority.

16.2 Facilitation of Non-Distressed Disposals

(a) If a disposal of an asset is a Non-Distressed Disposal, the Common Security Agent is irrevocably authorised and (subject to Clause 21 (*The Common Security Agent*)) obliged (at the cost of the Parent (*provided* that the Common Security Agent acts reasonably) and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor) but subject to paragraph (b) below:

(i) to release the Transaction Security or any other claim (relating to a Debt Document) over that asset;

(ii) where that asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's Property; and

(iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraphs (i) and (ii) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Common Security Agent, be considered necessary or desirable.

(b) Each release of Transaction Security or any claim described in paragraph (a) above shall become effective only on the making of the relevant Non-Distressed Disposal. Without prejudice to Clause 21.8 (*Rights and discretions*), the Common Security Agent shall act in a timely manner to facilitate each such release.

16.3 Facilitation of other releases

(a) If a release of Transaction Security is (i) required to effect amendments to the Secured Obligations Documents that have been duly consented to and approved under the terms of the Secured Obligations Documents and such release would comply with the terms and conditions of section 11 (*Impairment of Security Interest*) of schedule 10 (*Covenants*) pursuant to clause 23.1 (*Notes covenants*) of the 2016 Credit Facility Agreement and each Equivalent Provision (if any) of any Additional Credit Facility Document and Pari Passu Debt Document (in case of a Pari Passu Note Indenture, corresponding to section 4.21 (*Impairment of Security Interest*) of the Senior Secured 2021 Note Indenture, if any such Equivalent Provision is included) or (ii) conditional upon repayment or prepayment in full of the Secured Liabilities and the payment of all other amounts then due and payable under the Secured Obligations Documents so as to achieve the Final Discharge Date, the Common Security Agent is irrevocably authorised and (subject to Clause 21 (*The Common Security Agent*)) obliged (at the cost of the Parent (*provided* that the Common Security Agent acts reasonably) and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor) but subject to paragraph (b) below:

(i) to release the Transaction Security or any other claim (relating to a Debt Document) over that asset;

(ii) where that asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's Property; and

(iii) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraphs (i) and (ii) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Common Security Agent, be considered necessary or desirable.

(b) Each release of Transaction Security or any claim described in paragraph (a) above shall become effective only on the making of the relevant transaction (and, if applicable, entry into any replacement Transaction Security that may be required pursuant to the terms and conditions of section 11 (*Impairment of Security Interest*) of schedule 10 (*Covenants*) pursuant to clause 23.1 (*Notes covenants*) of the 2016 Credit Facility Agreement and each Equivalent Provision of any Additional Credit Facility Document or Pari Passu Debt Document (in case of a Pari Passu Note Indenture, corresponding to section 4.21 (*Impairment of Security Interest*) of the Senior Secured 2021 Note Indenture)).

(c) In connection with the entry into this Agreement, the Secured Parties (other than the Common Security Agent) irrevocably authorise and instruct the Common Security Agent to execute and deliver or enter into each release of the Transaction Security listed under the heading "Release documents for Onshore Security" in schedule 4 (*Conditions subsequent documents*) of the 2016 Amendment and Restatement Agreement. The Parent agrees that such execution, deliver or entry into such releases shall be at its cost (*provided* that the Common Security Agent acts reasonably) and shall not require any consent, sanction, authority or further confirmation from any Debtor. Each other Creditor confirms that its consent is not required for such releases.

16.4 Disposal Proceeds

Subject to Clause 3.2 (*Rolled Loan – restrictions*), if any Disposal Proceeds are required to be applied (or offered to be applied) in mandatory prepayment or redemption of the Credit Facility Liabilities or the Pari Passu Debt Liabilities then those Disposal Proceeds shall be applied (or, if relevant, offered and then applied, if required) in accordance with the Debt Documents and the consent of any other Party shall not be required for that application or offer.

16.5 Release of Unrestricted Subsidiaries

If a member of the Group is designated as an Unrestricted Subsidiary in accordance with the terms of each of the Credit Facility Documents and the Pari Passu Debt Documents, the Common Security Agent is irrevocably authorised and (subject to Clause 21 (*The Common Security Agent*)) obliged (at the cost of the relevant Debtor or the Parent (*provided* that the Common Security Agent acts reasonably) and without any consent, sanction, authority or further confirmation from any Creditor or Debtor):

(a) to release the Transaction Security or any other claim (relating to a Debt Document) over that member of the Group's assets; and

(b) to execute and deliver or enter into any release of the Transaction Security or any claim described in paragraph (a) above and issue any certificates of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Common Security Agent, be considered necessary or desirable or as requested by the Parent.

17. Distressed Disposals

17.1 Facilitation of Distressed Disposals

Subject to Clause 17.4 (*Restriction on Enforcement*), if a Distressed Disposal is being effected the Common Security Agent is irrevocably authorised and obliged (at the cost of the Parent and without any consent, sanction, authority or further confirmation from any Creditor, other Secured Party or Debtor):

(a) **Release of Transaction Security/non-crystallisation certificates**: to release the Transaction Security (and any claims thereunder) or any other claim over the asset subject to the Distressed Disposal and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Common Security Agent, be considered necessary or desirable;

(b) **Release of liabilities and Transaction Security on a share sale (Debtor)**: if the asset subject to the Distressed Disposal consists of shares and/or other equity interests in the capital of a Debtor, to release:

(i) that Debtor and any Subsidiary of that Debtor from all or any part of:

(A) its Borrowing Liabilities;

(B) its Guarantee Liabilities; and

(C) its Other Liabilities;

(ii) any Transaction Security granted by the Holding Company of that Debtor over the shares and other equity interests in the capital of that Debtor and any Transaction Security granted by that Debtor or any Subsidiary of that Debtor over any of its assets; and

(iii) any other claim of a Bondco, Subordinated Creditor, an Intra-Group Lender, or another Debtor over that Debtor's assets or over the assets of any Subsidiary of that Debtor,

on behalf of the relevant Creditors and Debtors;

(c) **Release of liabilities and Transaction Security on a share sale (Holding Company)**: if the asset subject to the Distressed Disposal consists of shares and/or other equity interests in the capital of any Holding Company of a Debtor, to release:

(i) that Holding Company and any Subsidiary of that Holding Company from all or any part of:

(A) its Borrowing Liabilities;

(B) its Guarantee Liabilities; and

(C) its Other Liabilities;

(ii) any Transaction Security granted by the Holding Company of that Holding Company over the shares and other equity interests in the capital of that Holding Company and any Transaction Security granted by any Subsidiary of that Holding Company over any of its assets; and

(iii) any other claim of a Bondco, Subordinated Creditor, an Intra-Group Lender or another Debtor over the assets of any Subsidiary of that Holding Company,

on behalf of the relevant Creditors and Debtors;

(d) **Facilitative disposal of liabilities on a share sale**: if the asset subject to the Distressed Disposal consists of shares and/or other equity interests in the capital of a Debtor or the Holding Company of a Debtor and the Intercreditor Agent or Common Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative or Arranger or the Liabilities in respect of the principal amount outstanding in respect of the Rolled Loan); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables (the "**Transferee**") will not be treated as a Primary Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of all or part of those Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Creditors and Debtors, *provided that* notwithstanding any other provision of any Debt Document the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of this Agreement;

(e) **Sale of liabilities on a share sale**: if the asset subject to the Distressed Disposal consists of shares and/or other equity interests in the capital of a Debtor or the Holding Company of a Debtor and the Intercreditor Agent or Common Security Agent decides to dispose of all or any part of:

(i) the Liabilities (other than Liabilities due to any Creditor Representative or Arranger or the Liabilities in respect of the principal amount outstanding in respect of the Rolled Loan); or

(ii) the Debtors' Intra-Group Receivables,

owed by that Debtor or Holding Company or any Subsidiary of that Debtor or Holding Company on the basis that any transferee of those Liabilities or Debtors' Intra-Group Receivables will be treated as a Primary Creditor or a Secured Party for the purposes of this Agreement, to execute and deliver or enter into any agreement to dispose of:

(A) all (and not part only) of the Liabilities owed to the Primary Creditors (other than to any Creditor Representative or Arranger); and

(B) all or part of any other Liabilities (other than Liabilities owed to any Creditor Representative or Arranger) and the Debtors' Intra-Group Receivables,

on behalf of, in each case, the relevant Creditors and Debtors;

(f) **Transfer of obligations in respect of liabilities on a share sale**: if the asset subject to the Distressed Disposal consists of shares and/or other equity interests in the capital of a Debtor or the Holding Company of a Debtor (the "**Disposed Entity**") and the Intercreditor Agent or Common Security Agent decides to transfer to another Debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any Subsidiary of that Disposed Entity in respect of:

(i) the Intra-Group Liabilities; or

(ii) the Debtors' Intra-Group Receivables,

to execute and deliver or enter into any agreement to:

(A) agree to the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the relevant Intra-Group Lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) to accept the transfer of all or part of the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those Intra-Group Liabilities or Debtors' Intra-Group Receivables are to be transferred.

17.2 Proceeds of Distressed Disposals and Debt Disposals

The net proceeds of each Distressed Disposal and each Debt Disposal shall be paid, or distributed, to the Common Security Agent for application in accordance with Clause 19 (*Application of proceeds*) and, to the extent that any Liabilities Sale has occurred, as if that Liabilities Sale had not occurred.

17.3 Fair value

(a) In the case of:

(i) a Distressed Disposal; or

(ii) a Debt Disposal,

effected by, or at the request of, the Common Security Agent, the Common Security Agent shall act in accordance with this Agreement, *provided* that the Parties instructing the Intercreditor Agent and/or the Common Security Agent shall take reasonable care to obtain a fair market price having regard to the prevailing market conditions (though none of such Parties shall have any obligation to postpone (or request the postponement of) any Distressed Disposal or Debt Disposal in order to achieve a higher price).

(b) The requirement in paragraph (a) above shall be satisfied (and as between the Creditors and the Debtors shall be conclusively presumed to be satisfied) and the Common Security Agent will be taken to have discharged all its obligations in this respect under this Agreement, the other Debt Documents and generally at law if:

(i) that Distressed Disposal or Debt Disposal is made pursuant to any process or proceedings approved or supervised by or on behalf of any court of law or any Government Authority of the Macau SAR;

(ii) that Distressed Disposal or Debt Disposal is made by, at the direction of or under the control of, a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer (or any analogous officer in any jurisdiction) appointed in respect of a member of the Group or the assets of a member of the Group;

(iii) that Distressed Disposal or Debt Disposal is made pursuant to a Competitive Sales Process or a process contemplated under Services and Right to Use Direct Agreement; or

(iv) if a Financial Adviser appointed by the Common Security Agent in accordance with Schedule 7 (*Enforcement Principles*) has delivered a Fairness Opinion to the Common Security Agent in respect of that Distressed Disposal or Debt Disposal.

17.4 Restriction on Enforcement

If a Distressed Disposal, a Liabilities Sale or a Debt Disposal is being effected:

(a) the Common Security Agent is not authorised to release any Debtor, Subsidiary or Holding Company from any Borrowing Liabilities or Guarantee Liabilities owed to any Primary Creditor except in accordance with this Clause 17 (*Distressed Disposals*);

(b) no Distressed Disposal, Liabilities Sale or Debt Disposal may be made for consideration in a form other than cash except to the extent contemplated by Schedule 7 (*Enforcement Principles*);

(c) the relevant Primary Creditors shall simultaneously effect the unconditional release (or unconditional transfer to the purchaser of the relevant member of the Group) of all Borrowing Liabilities, Guarantee Liabilities and Other Liabilities owing to the Primary Creditors by the relevant Debtor and each of its direct and indirect Subsidiaries;

(d) the Common Security Agent is not authorised to release any Debtor, Subsidiary or Holding Company from any Borrowing Liabilities or Guarantee Liabilities owed to the Rolled Loan Facility Lender in respect of the Rolled Loan in connection with a Distressed Disposal unless the cash amount of the Enforcement Proceeds of such Distressed Disposal is equal to or in excess of the lower of (i) the amount standing to the credit of the Rolled Loan Cash Collateral Account or (ii) the then principal amount of the Rolled Loan and, in such case, an amount of such Enforcement Proceeds in cash equal to the amount standing to the credit of the Rolled Loan Cash Collateral Account (or, if lower, the then principal amount of the Rolled Loan) shall be treated for the purposes of Clause 19 (*Application of proceeds*) as a Recovery from the Transaction Security over the Rolled Loan Cash Collateral Account and not as a Recovery from the Common Transaction Security; and

(e) in the case that any Pari Passu Debt Liability is secured by any Credit-Specific Transaction Security, the Common Security Agent is not authorised to release any Debtor, Subsidiary or Holding Company from that Pari Passu Debt Liability in connection with a Distressed Disposal unless the cash amount of the Enforcement Proceeds of such Distressed Disposal (less the amount, if any, to be first treated as a Recovery from the Transaction Security over the Rolled Loan Cash Collateral Account) is equal to or in excess of the amount standing to the credit of the Pari Passu Notes Interest Accrual Account or Pari Passu Facility Debt Service Reserve Account (as applicable) (or, if lower, the amount of such Pari Passu Liability) plus the equivalent amount relating to each other Pari Passu Debt Liability similarly affected, and, in such case, an amount of such Enforcement Proceeds in cash equal to the amount standing to the credit of the relevant Pari Passu Notes Interest Accrual Account or Pari Passu Facility Debt Service Reserve Account (or, if lower, the then principal amount of such Pari Passu Debt Liability) shall be treated for the purposes of Clause 19 (*Application of proceeds*) as a Recovery from the Transaction Security over that Pari Passu Notes Interest Accrual Account or Pari Passu Facility Debt Service Reserve Account (as applicable) and not as a Recovery from the Common Transaction Security.

17.5 Appointment of Financial Adviser

Without prejudice to Clause 23.7 (*Rights and discretions*), the Intercreditor Agent may engage, or approve the engagement of, pay for and rely on the services of a Financial Adviser in accordance with Schedule 7 (*Enforcement Principles*).

17.6 Actions

(a) For the purposes of Clause 17.1 (*Facilitation of Distressed Disposals*) the Common Security Agent shall act:

(i) on the instructions of the Intercreditor Agent or the Instructing Group; or

(ii) in the absence of any such instructions, as the Common Security Agent sees fit.

(b) For the purposes of Clause 17.1 (*Facilitation of Distressed Disposals*) the Intercreditor Agent shall act:

(i) on the instructions of the Instructing Group; or

(ii) in the absence of any such instructions, as the Intercreditor Agent sees fit.

18. Further assurance – disposals and releases

Each Creditor and Debtor will:

(a) do all things that the Intercreditor Agent or the Common Security Agent requests in order to give effect to Clause 16 (*Non-Distressed Disposals*) and Clause 17 (*Distressed Disposals*) (which shall include, without limitation, the execution of any assignments, transfers, releases or other documents that the Intercreditor Agent or the Common Security Agent may consider to be necessary to give effect to the releases or disposals contemplated by those Clauses); and

(b) if the Intercreditor Agent or the Common Security Agent is not entitled to take any of the actions contemplated by those Clauses or if the Intercreditor Agent or the Common Security Agent requests that any Creditor or Debtor take any such action, take that action itself in accordance with the instructions of the Intercreditor Agent or the Common Security Agent,

provided that the proceeds of those disposals are applied in accordance with Clause 16 (*Non-Distressed Disposals)* or Clause 17 (*Distressed Disposals*) as the case may be.

Section 6
Proceeds

19. Application of proceeds

19.1 Order of application

(a) In this Clause 19.1:

"**Sale**" has the meaning given to that term in the Services and Right to Use Direct Agreement; and

"**Purchase Right**" has the meaning given to that term in the Services and Right to Use Direct Agreement.

(b) Subject to paragraphs (d) and (e) of Clause 17.4 (*Restriction on Enforcement*), Clause 19.2 (*Prospective Liabilities*) and Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*), all amounts from time to time received or recovered by the Common Security Agent pursuant to the terms of any Debt Document or in connection with the realisation or Enforcement or a transaction in lieu of Enforcement of all or any part of the Transaction Security (for the purposes of this Clause 19, the "**Recoveries**") shall be held by the Common Security Agent on trust to apply them at any time as the Intercreditor Agent (in its discretion) sees fit to direct or the Common Security Agent (in its discretion) sees fit (subject, in the case of paragraph (x) below, to the timing conditions specified therein), to the extent permitted by applicable law (and subject to the provisions of this Clause 19), in the following order of priority:

(i) other than any Recoveries from any Credit-Specific Transaction Security, in discharging any sums owing to the Common Security Agent (other than pursuant to Clause 21.2 (*Parallel debt*)), any Receiver or any Delegate;

(ii) other than any Recoveries from any Credit-Specific Transaction Security, in payment or reimbursement to:

(A) where (A) a Secured Party (or Secured Parties) has (or have) paid or funded any amount referred to in clauses 5.3 (*Non-payment by Studio City Entertainment of arrears under the Services and Right to Use Agreement*) to 5.5 (*Termination rights in the Final Grace Period*) of the Services and Right to Use Direct Agreement and (B) Melco Resorts Macau has not paid or funded any such amounts, to that Secured Party (or, as the case may be, on a *pro rata* basis between such Secured Parties) on account of all such amounts; or

(B) where a Secured Party (or Secured Parties) has (or have) paid or funded any amount referred to in clauses 5.3 (*Non-payment by Studio City Entertainment of arrears under the Services and Right to Use Agreement*) to 5.5 (*Termination rights in the Final Grace Period*) of the Services and Right to Use Direct Agreement (and Melco Resorts Macau has also, together with such Secured Party or Secured Parties, funded such amounts), on a *pro rata* basis to the Secured Party (or, as the case may be, Secured Parties) and Melco Resorts Macau on account of all such amounts, save where a Sale is or has been made pursuant to the Purchase Right in which circumstances payment or reimbursement should be made to the Secured Party (or, as the case may be, Secured Parties) only; or

(C) where Melco Resorts Macau has paid or funded any amount referred to in clauses 5.3 (*Non-payment by Studio City Entertainment of arrears under the Services and Right to Use Agreement*) to 5.5 (*Termination rights in the Final Grace Period*) of the Services and Right to Use Direct Agreement (and no Secured Party has paid or funded any such amounts) and provided that no Sale is or has been made pursuant to the Purchase Right, to Melco Resorts Macau on account of all such amounts;

(iii) other than any Recoveries from any Credit-Specific Transaction Security, in discharging any sums owing to the Intercreditor Agent, the POA Agent and in payment to the Creditor Representatives of the Creditor Representative Amounts;

(iv) other than any Recoveries from any Credit-Specific Transaction Security, in discharging all costs and expenses incurred by any Primary Creditor in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement or any action taken at the request of the Intercreditor Agent or the Common Security Agent under Clause 12.6 (*Further assurance – Insolvency Event*);

(v) other than any Recoveries from any Credit-Specific Transaction Security, in payment or distribution to:

(A) each Credit Facility Agent on its own behalf and on behalf of the Credit Facility Creditors for which it is the Creditor Representative; and

(B) the Super Senior Hedge Counterparties,

for application towards the discharge of:

(1) the Credit Facility Liabilities (in accordance with the terms of the applicable Credit Facility Documents) on a *pro rata* basis between the 2016 Credit Facility Liabilities and the Additional Credit Facility Liabilities (if any); and

(2) the Super Senior Hedging Liabilities up to an aggregate maximum amount equal to the Super Senior Hedging Amount (and, in the case of each Super Senior Hedging Liability, up to an aggregate maximum amount equal to the portion of the Super Senior Hedging Amount allocated to that Liability in accordance with this Agreement) on a *pro rata* basis between the Super Senior Hedging Liabilities of each Super Senior Hedge Counterparty and with such *pro rata* allocation to be determined by reference to each Super Senior Hedge Counterparty's Allocated Super Senior Hedging Amount,

on a *pro rata* basis between paragraph (1) and paragraph (2) above;

(vi) other than any Recoveries from any Credit-Specific Transaction Security, in payment or distribution to:

(A) the Creditor Representatives in respect of any Pari Passu Debt Liabilities on its own behalf and on behalf of the Pari Passu Debt Creditors for which it is the Creditor Representative; and

(B) the Pari Passu Hedge Counterparties,

for application towards the discharge of:

(1) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Facility Agreements (such *pro rata* calculation to be made without regard to any discharge of Pari Passu Debt Liabilities as a result of any application of Recoveries in accordance with paragraph (vii) below);

(2) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a *pro rata* basis between Pari Passu Debt Liabilities under separate Pari Passu Note Indentures (such *pro rata* calculation to be made without regard to any discharge of Pari Passu Debt Liabilities constituting interest obligations or obligations in respect of scheduled amortisation payments or redemptions (in each case other than at final maturity) as a result of any application of Recoveries in accordance with paragraph (viii) below); and

(3) the Pari Passu Hedging Liabilities on a *pro rata* basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty,

on a *pro rata* basis between paragraph (1), paragraph (2) and paragraph (3) above (such *pro rata* calculation to be made without regard to any discharge of Pari Passu Debt Liabilities constituting interest obligations or obligations in respect of scheduled amortisation payments or redemptions (in each case other than at final maturity) as a result of any application of Recoveries in accordance with paragraph (vii) or (viii) below);

(vii) in case of Recoveries from any Credit-Specific Transaction Security over any Pari Passu Facility Debt Service Reserve Account, in payment or distribution to the Creditor Representative in respect of the Pari Passu Facility to which that Pari Passu Facility Debt Service Reserve Account relates on behalf of the Pari Passu Lenders for which it is the Creditor Representative for application towards the discharge of the Pari Passu Debt Liabilities constituting interest obligations or obligations in respect of scheduled amortisation payments or redemptions (in each case other than at final maturity) in respect of that Pari Passu Facility (in accordance with the terms of the relevant Pari Passu Debt Documents) and, thereafter, in payment or distribution pursuant to paragraph (vi) above as if such Recoveries were not from a Credit-Specific Transaction Security;

(viii) in case of Recoveries from any Credit-Specific Transaction Security over any Pari Passu Notes Interest Accrual Account, in payment or distribution to the Pari Passu Notes Trustee in respect of the Pari Passu Notes to which that Pari Passu Notes Interest Accrual Account relates on behalf of the Pari Passu Noteholders for which it is the Creditor Representative for application towards the discharge of the Pari Passu Debt Liabilities constituting interest obligations in respect of those Pari Passu Notes (in accordance with the terms of the relevant Pari Passu Debt Documents) and, thereafter, in payment or distribution pursuant to paragraph (vi) above as if such Recoveries were not from a Credit-Specific Transaction Security;

(ix) other than any Recoveries from any Credit-Specific Transaction Security, in payment or distribution to the 2016 Credit Facility Agent on behalf of the Rolled Loan Facility Lender for application in or towards the discharge of the Liabilities in respect of the Rolled Loan (in accordance with the terms of the 2016 Credit Facility Agreement);

(x) in case of Recoveries from any Credit-Specific Transaction Security over the Rolled Loan Cash Collateral Account, only on or after a Release Event has occurred, to the 2016 Credit Facility Agent on behalf of the Rolled Loan Facility Lender for application in or towards the discharge of the Liabilities in respect of the Rolled Loan (in accordance with the terms of the 2016 Credit Facility Agreement);

(xi) if none of the Debtors is under any further actual or contingent liability under any Credit Facility Document, Hedging Agreement or Pari Passu Debt Document, in payment or distribution to any person to whom the Common Security Agent is obliged to pay or distribute in priority to any Debtor; and

(xii) the balance, if any, in payment or distribution to the relevant Debtor.

19.2 Prospective Liabilities

Following a Distress Event the Common Security Agent may, in its discretion hold any amount of the Recoveries in one or more interest bearing suspense or impersonal accounts in the name of the Common Security Agent with such financial institution (including itself) as the Common Security Agent shall think fit (the interest being credited to the relevant account for so long as the Common Security Agent shall think fit) for later application under Clause 19.1 (*Order of application*) in respect of:

(a) any sum to the Common Security Agent, any Receiver or any Delegate; and

(b) any part of the Liabilities,

that the Common Security Agent reasonably considers, in each case, might become due or owing at any time in the future.

19.3 Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral

(a) Nothing in this Agreement shall prevent any Issuing Bank or Ancillary Lender taking any Enforcement Action in respect of any Credit Facility Cash Cover which has been provided for it in accordance with the relevant Credit Facility Agreement.

(b) To the extent that any Credit Facility Cash Cover is not held with the Relevant Issuing Bank or Relevant Ancillary Lender, all amounts from time to time received or recovered in connection with the realisation or enforcement of that Credit Facility Cash Cover shall be paid to the Common Security Agent and shall be held by the Common Security Agent on trust to apply them at any time as the Common Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

(i) to the Relevant Issuing Bank or Relevant Ancillary Lender towards the discharge of the Credit Facility Liabilities for which that Credit Facility Cash Cover was provided; and

(ii) the balance, if any, in accordance with Clause 19.1 (*Order of application*).

(c) To the extent that any Credit Facility Cash Cover is held with the Relevant Issuing Bank or Relevant Ancillary Lender, nothing in this Agreement shall prevent that Relevant Issuing Bank or Relevant Ancillary Lender receiving and retaining any amount in respect of that Credit Facility Cash Cover.

(d) Nothing in this Agreement shall prevent any Issuing Bank receiving and retaining any amount in respect of any Credit Facility Lender Cash Collateral provided for it in accordance with the relevant Credit Facility Agreement.

19.4 Investment of Cash Proceeds

Prior to the application of the proceeds of the Security Property in accordance with Clause 19.1 (*Order of application*) the Common Security Agent may, in its discretion, hold all or part of any cash proceeds in one or more interest bearing suspense or impersonal accounts in the name of the Common Security Agent with such financial institution (including itself) and for so long as the Common Security Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those monies in the Common Security Agent's discretion in accordance with the provisions of this Clause 19.

19.5 Currency Conversion

(a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Common Security Agent may:

(i) convert any moneys received or recovered by the Common Security Agent (including, without limitation, any cash proceeds) from one currency to another, at the Common Security Agent's Spot Rate of Exchange; and

(ii) notionally convert the valuation provided in any opinion or valuation from one currency to another, at the Common Security Agent's Spot Rate of Exchange.

(b) The obligations of any Debtor to pay in the due currency shall only be satisfied:

(i) in the case of paragraph (a)(i) above, to the extent of the amount of the due currency purchased after deducting the costs of conversion; and

(ii) in the case of paragraph (a)(ii) above, to the extent of the amount of the due currency which results from the notional conversion referred to in that paragraph.

19.6 Permitted deductions

The Common Security Agent shall be entitled, in its discretion, (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Common Security Agent under any of the Debt Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

19.7 Good discharge

(a) Any distribution or payment to be made in respect of the Secured Obligations by the Common Security Agent:

(i) may be made to the relevant Creditor Representative on behalf of its Primary Creditors;

(ii) may be made to the Relevant Issuing Bank or Relevant Ancillary Lender in accordance with paragraph (b)(i) of Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*); or

(iii) shall be made directly to the Hedge Counterparties.

(b) Any distribution or payment made as described in paragraph (a) above shall be a good discharge, to the extent of that payment or distribution, by the Common Security Agent.

(c) The Common Security Agent is under no obligation to make the payments to the Creditor Representatives or the Hedge Counterparties under paragraph (a) above in the same currency as that in which the Liabilities owing to the relevant Primary Creditor are denominated pursuant to the relevant Debt Document.

19.8 Calculation of amounts

(a) All *pro rata* calculations to be made in relation to this Clause 19 shall be made by the Intercreditor Agent. For the purpose of calculating any person's share of any amount payable to or by it, the Intercreditor Agent shall be entitled to:

(i) notionally convert the Liabilities owed to any person into a common base currency (decided in its discretion by the Intercreditor Agent), that notional conversion to be made at the spot rate at which the Common Security Agent is able to purchase the notional base currency with the actual currency of the Liabilities owed to that person at the time at which that calculation is to be made; and

(ii) assume that all amounts received or recovered as a result of the enforcement or realisation of the Security Property are applied in discharge of the Liabilities in accordance with the terms of the Debt Documents under which those Liabilities have arisen.

(b) The Common Security Agent and each Primary Creditor shall assist the Intercreditor Agent by promptly providing the Intercreditor Agent with such information as Intercreditor Agent (acting reasonably) may require for the purposes of making calculations in accordance with this Clause 19.8.

19.9 Consideration

In consideration of the covenants given to the Common Security Agent by the Debtors in Clause 21.2 (*Parallel debt*), the Common Security Agent agrees with the Debtors to apply all moneys from time to time paid by the Debtors to the Common Security Agent in accordance with the provisions of this Clause 19.

19.10 Excluded Swap Obligations and keepwell

(a) Notwithstanding anything to the contrary in this Agreement or any other Debt Document, in no circumstances shall proceeds of any Transaction Security constituting an asset of a Debtor or a Security Provider which is not a Qualified ECP Guarantor be applied towards the payment of any Excluded Swap Obligations nor shall any guarantee provided by any Debtor or Security Provider pursuant to any Debt Document guarantee any obligations which are Excluded Swap Obligations, notwithstanding the terms of such Debt Document (and in the case of any conflict between the terms of any Debt Document and this Clause, the terms of this Clause shall prevail).

(b) The Parent absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Debtor or Security Provider to honour all of its obligations under:

(i) the Hedging Agreements; and

(ii) any Hedge Counterparties' guarantee and indemnity as set out in Schedule 9 (*Hedge Counterparties' guarantee and indemnity*) of this Agreement in respect of each other Debtor's obligations under the Hedging Agreements, *provided*, however, that Parent shall only be liable under this Clause for the maximum amount of such liability that can hereby be incurred without rendering its obligations under this Clause, or otherwise under any guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount.

(c) The obligations of the Parent under paragraph (b) above shall remain in full force and effect until each Debtor's obligations under the Hedging Agreements and under any guarantee in respect of each other Debtor's obligations under the Hedging Agreements (including under any Hedge Counterparties' guarantee and indemnity as set out in Schedule 9 (*Hedge Counterparties' guarantee and indemnity*) of this Agreement) are fully discharged in accordance with the terms of the relevant Debt Documents.

(d) The Parent intends that this Clause constitutes, and this Clause shall be deemed to constitute, a "keepwell, support or other agreement" for the benefit of each other Debtor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

20. Equalisation

20.1 Equalisation definitions

For the purposes of this Clause 20:

"**Enforcement Date**" means the first date (if any) on which a Super Senior Creditor takes enforcement action of the type described in paragraphs (a)(i), (a)(iii), (a)(iv) or (c) of the definition of "**Enforcement Action**" in accordance with the terms of this Agreement.

"**Exposure**" means:

(a) in relation to a Credit Facility Lender, the aggregate amount of its participation (if any, and without double counting) in all Utilisations outstanding under the Credit Facility Agreements at the Enforcement Date (assuming all contingent liabilities which have become actual liabilities since the Enforcement Date to have been actual liabilities at the Enforcement Date (but not including, for these purposes only, any interest that would have accrued from the Enforcement Date to the date of actual maturity in respect of those liabilities) and assuming any transfer of claims between Credit Facility Lenders pursuant to any loss-sharing arrangement in any Credit Facility Agreement which has taken place since the Enforcement Date to have taken place at the Enforcement Date) together with the aggregate amount of all accrued interest, fees and commission owed to it under the Credit Facility Documents and amounts owed to it by a Debtor in respect of any Ancillary Facility but excluding:

(i) any amount owed to it by a Debtor in respect of any Ancillary Facility to the extent (and in the amount) that Credit Facility Cash Cover has been provided by a Debtor in respect of that amount and is available to that Credit Facility Lender pursuant to the relevant Credit Facility Cash Cover Document;

(ii) any amount outstanding in respect of a Letter of Credit to the extent (and in the amount) that Credit Facility Cash Cover has been provided by a Debtor in respect of that amount and is available to the party it has been provided for pursuant to the relevant Credit Facility Cash Cover Document;

(iii) the principal amount of the Rolled Loan; and

(b) in relation to a Hedge Counterparty:

(i) if that Hedge Counterparty has terminated or closed out any hedging transaction under any Hedging Agreement in accordance with the terms of this Agreement on or prior to the Enforcement Date, the amount, if any, payable to it under that Hedging Agreement in respect of that termination or close-out as of the date of termination or close-out (taking into account any interest accrued on that amount) to the extent that amount is unpaid at the Enforcement Date (that amount to be certified by the relevant Hedging Counterparty and as calculated in accordance with the relevant Hedging Agreement) and to the extent that amount constitutes Super Senior Hedging Liabilities; and

(ii) if that Hedge Counterparty has not terminated or closed out any hedging transaction under any Hedging Agreement on or prior to the Enforcement Date:

(A) if the relevant Hedging Agreement is based on an ISDA Master Agreement the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction if the Enforcement Date was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(B) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction if the Enforcement Date was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

to the extent that amount constitutes Super Senior Hedging Liabilities, such amount, in each case, to be certified by the relevant Hedging Counterparty and as calculated in accordance with the relevant Hedging Agreement.

"**Utilisation**" means a "Utilisation" under and as defined in the relevant Credit Facility Agreement.

20.2 Implementation of equalisation

(a) The provisions of this Clause 20 shall be applied at such time or times after the Enforcement Date as the Intercreditor Agent may consider appropriate.

(b) Without prejudice to the generality of paragraph (a) above, if the provisions of this Clause 20 have been applied before all the Liabilities have matured and/or been finally quantified, the Intercreditor Agent may elect to re-apply those provisions on the basis of revised Exposures and the relevant Creditors shall make appropriate adjustment payments among themselves.

20.3 Equalisation

If, for any reason, any Super Senior Liabilities (other than in respect of the Rolled Loan) remain unpaid after the Enforcement Date and the resulting losses in respect of any Super Senior Liabilities (other than in respect of the Rolled Loan) are not borne by the Credit Facility Lenders and the Hedge Counterparties in the proportions which their respective Exposures at the Enforcement Date bore to the aggregate Exposures of all the Credit Facility Lenders and the Hedge Counterparties at the Enforcement Date, the Credit Facility Lenders and the Hedge Counterparties will make such payments among themselves as the Intercreditor Agent shall require to put the Credit Facility Lenders and the Hedge Counterparties in such a position that (after taking into account such payments) those losses are borne in those proportions.

20.4 Turnover of Enforcement Proceeds

If:

(a) the Common Security Agent or a Creditor Representative is not entitled, for reasons of applicable law, to pay or distribute amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the Transaction Security to the relevant Super Senior Creditors but is entitled to pay or distribute those amounts to Creditors (such Creditors, the "**Receiving Creditors**") who, in accordance with the terms of this Agreement, are subordinated in right and priority of payment to the relevant Super Senior Creditors; and

(b) the Super Senior Discharge Date has not yet occurred (nor would occur after taking into account such payments),

then the Receiving Creditors shall make such payments or distributions to the relevant Super Senior Creditors as the Intercreditor Agent shall require to place the relevant Super Senior Creditors in the position they would have been in had such amounts been available for application against the Super Senior Liabilities.

20.5 Notification of Exposure

Before each occasion on which it intends to implement the provisions of this Clause 20, the Intercreditor Agent shall send notice to each Hedge Counterparty and each Credit Facility Agent requesting that it notify the Intercreditor Agent of, respectively, its Exposure and that of each Credit Facility Lender for which it is the Creditor Representative (if any).

20.6 Default in payment

If a Super Senior Creditor fails to make a payment due from it under this Clause 20, the Intercreditor Agent shall be entitled (but not obliged) to take action on behalf of the Super Senior Creditor(s) to whom such payment was to be redistributed (subject to being indemnified to its satisfaction by such Super Senior Creditor(s) in respect of costs) but shall have no liability or obligation towards such Super Senior Creditor(s) or any other Primary Creditor as regards such default in payment and any loss suffered as a result of such default shall lie where it falls.

Section 7
The Parties

21. The Common Security Agent

21.1 Common Security Agent as trustee

(a) The Parties acknowledge that the role of Common Security Agent is a continuation of the role of Security Agent as conducted by the Common Security Agent up to and including the effectiveness of this Agreement under and pursuant to the 2016 Credit Facility Agreement.

(b) The Common Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement. The Common Security Agent and the Secured Parties acknowledge that such declaration is simply a restatement of the declaration of trust by the Common Security Agent as originally declared by the Common Security Agent in the original form of the 2016 Credit Facility Agreement (which trust continues as restated in this Agreement and for the benefit of the Secured Parties as defined in this Agreement, with appropriate adjustments to the terms of such trust as set out in this Agreement).

(c) Each of the Primary Creditors authorises the Common Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Common Security Agent under or in connection with the Debt Documents together with any other incidental rights, powers, authorities and discretions.

21.2 Parallel debt

(a) Notwithstanding any other provision of this Agreement, each Debtor irrevocably and unconditionally undertakes to pay to the Common Security Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by each of them to each of the Secured Parties under each of the Debt Documents as and when that amount falls due for payment under the relevant Debt Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting any Debtor, to preserve its entitlement to be paid that amount.

(b) The Common Security Agent shall have its own independent right to demand payment of the amounts payable by the Debtors under paragraph (a), irrespective of any discharge of its obligation(s) to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting any Debtor, to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by any Debtor to the Common Security Agent under this Clause 21.2 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Debt Documents.

(d) Any amount paid by a Debtor to the Common Security Agent under this Clause 21.2 shall reduce the corresponding amount due and payable by such Debtor to the other Secured Parties to the extent that those Secured Parties have received (and are able to retain) payment in full of such amount under the other provisions of the Debt Documents.

21.3 Instructions

(a) The Common Security Agent shall:

(i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Common Security Agent in accordance with any instructions given to it by the Intercreditor Agent; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, in accordance with instructions given to it by that Creditor or group of Creditors).

(b) The Common Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Intercreditor Agent as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Common Security Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Unless a contrary intention appears in this Agreement, any instructions given to the Common Security Agent by the Intercreditor Agent shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where this Agreement requires the Common Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Common Security Agent's own position in its personal capacity as opposed to its role of Common Security Agent for the Secured Parties including, without limitation, Clauses 21.6 (*No duty to account*) to Clause 21.11 (*Exclusion of liability*), Clause 21.14 (*Confidentiality*) to Clause 21.21 (*Custodians and nominees*) and Clause 21.24 (*Acceptance of title*) to Clause 21.27 (*Disapplication of Trustee Acts*);

(iv) in respect of the exercise of the Common Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 16 (*Non-Distressed Disposals*);

(B) Clause 19.1 (*Order of application*);

(C) Clause 19.2 (*Prospective liabilities*);

(D) Clause 19.3 (*Treatment of Credit Facility Cash Cover and Credit Facility Lender Cash Collateral*); and

(E) Clause 19.6 (*Permitted deductions*).

(e) If giving effect to instructions given by the Intercreditor Agent would (in the Common Security Agent's opinion) have an effect equivalent to an Intercreditor Amendment, the Common Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Common Security Agent) whose consent would have been required in respect of that Intercreditor Amendment.

(f) In exercising any discretion to exercise a right, power or authority under the Debt Documents where either:

(i) it has not received any instructions as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to paragraph (d)(iv) above,

the Common Security Agent shall do so having regard to the interests of all the Secured Parties.

(g) The Common Security Agent may refrain from acting in accordance with any instructions of any Creditor or group of Creditors until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Debt Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable Indirect Tax) which it may incur in complying with those instructions.

(h) Without prejudice to the provisions of Clause 15 (*Enforcement of Transaction Security*) and the remainder of this Clause 21.3, in the absence of instructions, the Common Security Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

(i) The Common Security Agent shall be entitled to carry out all dealings with the Secured Parties through the Intercreditor Agent and may give to the Intercreditor Agent any notice or other communication required to be given by the Common Security Agent to the Secured Parties.

21.4 Duties of the Common Security Agent

(a) The Common Security Agent's duties under the Debt Documents are solely mechanical and administrative in nature.

(b) The Common Security Agent shall promptly:

(i) forward to the Intercreditor Agent a copy of any document received by the Common Security Agent from any Debtor or Security Provider under any Debt Document; and

(ii) forward to a Party the original or a copy of any document which is delivered to the Common Security Agent for that Party by any other Party.

(c) Except where a Debt Document specifically provides otherwise, the Common Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) Without prejudice to Clause 28.3 (*Notification of prescribed events*), if the Common Security Agent receives notice from a Party referring to any Debt Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Intercreditor Agent.

(e) To the extent that a Party (other than the Common Security Agent) is required to calculate a Common Currency Amount, the Common Security Agent shall upon a request by that Party, promptly notify that Party of the relevant Common Security Agent's Spot Rate of Exchange.

(f) The Common Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Debt Documents to which it is expressed to be a party (and no others shall be implied).

21.5 No fiduciary duties to Debtors, Security Providers, Bondco or Subordinated Creditors

Nothing in this Agreement constitutes the Common Security Agent as an agent, trustee or fiduciary of any Debtor, any Security Provider, Bondco or any Subordinated Creditor.

21.6 No duty to account

The Common Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

21.7 Business with the Group

The Common Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

21.8 Rights and discretions

(a) The Common Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Intercreditor Agent, an Instructing Group, any Creditors or any group of Creditors are duly given in accordance with the terms of the Debt Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Debt Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Common Security Agent may assume (unless it has received notice to the contrary in its capacity as security trustee for the Secured Parties) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party or any group of Creditors has not been exercised; and

(iii) any notice made by the Parent is made on behalf of and with the consent and knowledge of all the Debtors and Security Providers.

(c) The Common Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Common Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Common Security Agent (and so separate from any lawyers instructed by any Primary Creditor) if the Common Security Agent in its reasonable opinion deems this to be desirable.

(e) The Common Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Common Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Common Security Agent, any Receiver and any Delegate may act in relation to the Debt Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgement made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Common Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.

(g) Unless this Agreement expressly specifies otherwise, the Common Security Agent may disclose to any other Party any information it reasonably believes it has received as security trustee under this Agreement.

(h) Notwithstanding any other provision of any Debt Document to the contrary, the Common Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(i) Notwithstanding any provision of any Debt Document to the contrary, the Common Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

21.9 Responsibility for documentation

None of the Common Security Agent, any Receiver nor any Delegate is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Common Security Agent, a Debtor, a Security Provider or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

21.10 No duty to monitor

The Common Security Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Debt Document; or

(c) whether any other event specified in any Debt Document has occurred.

21.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Debt Document excluding or limiting the liability of the Common Security Agent, any Receiver or Delegate), none of the Common Security Agent, any Receiver nor any Delegate will be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Debt Document or the Security Property unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Debt Document or the Security Property;

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Common Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Common Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Common Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Security Property and any officer, employee or agent of the Common Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) Nothing in this Agreement shall oblige the Common Security Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Primary Creditor,

on behalf of any Primary Creditor and each Primary Creditor confirms to the Common Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Common Security Agent.

(d) Without prejudice to any provision of any Debt Document excluding or limiting the liability of the Common Security Agent, any Receiver or Delegate or the POA Agent, any liability of the Common Security Agent, any Receiver or Delegate or the POA Agent arising under or in connection with any Debt Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Common Security Agent, Receiver, Delegate or POA Agent (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Common Security Agent, Receiver, Delegate or POA Agent (as the case may be) at any time which increase the amount of that loss. In no event shall the Common Security Agent, any Receiver or Delegate or the POA Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Common Security Agent, Receiver, Delegate or POA Agent (as the case may be) has been advised of the possibility of such loss or damages.

21.12 Primary Creditors' indemnity to the Common Security Agent

(a) Each Primary Creditor (other than any Creditor Representative) shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Primary Creditors (other than any Creditor Representative) for the time being (or, if the Liabilities due to the Primary Creditors (other than any Creditor Representative) are zero, immediately prior to their being reduced to zero)), indemnify the Common Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Common Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Debt Documents (unless the relevant Common Security Agent, Receiver or Delegate has been reimbursed by a Debtor pursuant to a Debt Document).

(b) For the purposes only of paragraph (a) above, to the extent that any hedging transaction under a Hedging Agreement has not been terminated or closed-out, the Hedging Liabilities due to any Hedge Counterparty in respect of that hedging transaction will be deemed to be:

(i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case as calculated in accordance with the relevant Hedging Agreement.

(c) Subject to paragraph (d) below, the Parent shall within ten Business Days of demand in writing by the relevant Primary Creditor reimburse any Primary Creditor for any payment that Primary Creditor makes to the Common Security Agent pursuant to paragraph (a) above.

(d) Paragraph (c) above shall not apply to the extent that the indemnity payment in respect of which the Primary Creditor claims reimbursement relates to a liability of the Common Security Agent to a Debtor or Security Provider.

21.13 Resignation of the Common Security Agent

(a) The Common Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Primary Creditors and the Parent.

(b) Alternatively the Common Security Agent may (after having consulted with the Parent) resign by giving 30 days' notice to the Primary Creditors and the Parent, in which case the Majority Super Senior Creditors and the Required Pari Passu Creditors may appoint a successor Common Security Agent.

(c) If the Majority Super Senior Creditors and the Required Pari Passu Creditors have not appointed a successor Common Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Common Security Agent (after consultation with the Creditor Representatives and the Hedge Counterparties) may appoint a successor Common Security Agent.

(d) The retiring Common Security Agent shall, at its own cost, make available to the successor Common Security Agent such documents and records and provide such assistance as the successor Common Security Agent may reasonably request for the purposes of performing its functions as Common Security Agent under the Debt Documents.

(e) The Common Security Agent's resignation notice shall only take effect upon:

(i) the appointment of a successor; and

(ii) the transfer of all the Security Property to that successor.

(f) Upon the appointment of a successor, the retiring Common Security Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (b) of Clause 21.25 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of this Clause 21 and Clause 27.1 (*Indemnity to the Common Security Agent*) (and any Common Security Agent fees for the account of the retiring Common Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations among themselves as they would have had if that successor had been an original Party.

(g) The Majority Super Senior Creditors and the Required Pari Passu Creditors may (after having consulted with the Parent), by notice to the Common Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Common Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Parent.

21.14 Confidentiality

(a) In acting as trustee for the Secured Parties, the Common Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Common Security Agent, it may be treated as confidential to that division or department and the Common Security Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Debt Document to the contrary, the Common Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

21.15 Information from the Creditors

Each Creditor shall supply the Common Security Agent with any information that the Common Security Agent may reasonably specify as being necessary or desirable to enable the Common Security Agent to perform its functions as Common Security Agent.

21.16 Credit appraisal by the Secured Parties

Without affecting the responsibility of any Debtor or Security Provider for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Common Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(d) the adequacy, accuracy or completeness of any information provided by the Common Security Agent, any Party or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

21.17 Common Security Agent's management time and additional remuneration

(a) Any amount payable to the Common Security Agent under Clause 21.12 (*Primary Creditors' indemnity to the Common Security Agent*), Clause 26 (*Costs and expenses*) or Clause 27.1 (*Indemnity to the Common Security Agent*) shall include the cost of utilising the Common Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Common Security Agent may notify to the Parent and the Primary Creditors, and is in addition to any other fee paid or payable to the Common Security Agent.

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Common Security Agent being requested by a Debtor, a Security Provider, the Intercreditor Agent, or the Instructing Group to undertake duties which the Common Security Agent and the Parent agree to be of an exceptional nature or outside the scope of the normal duties of the Common Security Agent under the Debt Documents;

(iii) the proposed accession of any Credit Facility Creditors or Pari Passu Debt Creditors pursuant to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*) or Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*) respectively; or

(iv) the Common Security Agent and the Parent agreeing that it is otherwise appropriate in the circumstances,

the Parent shall pay to the Common Security Agent any additional remuneration (together with any applicable Indirect Tax) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Common Security Agent and the Parent fail to agree upon the nature of the duties or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Common Security Agent and approved by the Parent or, failing approval, nominated (on the application of the Common Security Agent) by the President for the time being of the Law Society of Hong Kong (the costs of the nomination and of the investment bank being payable by the Parent) and the determination of any investment bank shall be final and binding upon the Parties.

21.18 Reliance and engagement letters

The Common Security Agent may obtain and rely on any certificate or report from any Debtor's or Security Provider's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

21.19 No responsibility to perfect Transaction Security

The Common Security Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor or Security Provider to any of the Charged Property;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Debt Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Debt Document or of the Transaction Security;

(d) take, or to require any Debtor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Security Document.

21.20 Insurance by Common Security Agent

(a) The Common Security Agent shall not be obliged:

(i) to insure any of the Charged Property;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Debt Document,

and the Common Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

(b) Where the Common Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Intercreditor Agent requests it to do so in writing and the Common Security Agent fails to do so within fourteen days after receipt of that request.

21.21 Custodians and nominees

The Common Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Common Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Common Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

21.22 Delegation by the Common Security Agent

(a) Each of the Common Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such, except that no delegation may be made in respect of the Assignment of Services and Right to Use Agreement, the Assignment of Reimbursement Agreement, the Service and Right to Use Agreement Direct Agreement and the Reimbursement Agreement Direct Agreement.

(b) Any delegation permitted pursuant to paragraph (a) above may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Common Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

(c) No Common Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate unless caused by the gross negligence or wilful misconduct of the Common Security Agent or such Receiver or Delegate.

21.23 Additional Common Security Agents

(a) The Common Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:

(i) if it considers that appointment to be in the interests of the Secured Parties;

(ii) for the purposes of conforming to any legal requirement, restriction or condition which the Common Security Agent deems to be relevant; or

(iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Common Security Agent shall give prior notice to the Parent and the Primary Creditors of that appointment.

(b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Common Security Agent under or in connection with the Debt Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.

(c) The remuneration that the Common Security Agent may pay to that person, and any costs and expenses (together with any applicable Indirect Tax) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Common Security Agent.

21.24 Acceptance of title

The Common Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Debtor or Security Provider may have to any of the Charged Property and shall not be liable for, or bound to require any Debtor or Security Provider to remedy, any defect in its right or title.

21.25 Winding up of trust

If the Common Security Agent, with the approval of the Intercreditor Agent, determines that:

(a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents,

then:

(i) the trusts set out in this Agreement shall be wound up and the Common Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Common Security Agent under each of the Security Documents and, at the reasonable cost of the Parent, execute all such further documents and instruments and do such further acts as the Parent may, in each case, reasonably request for the purpose of effecting such release; and

(ii) any Common Security Agent which has resigned pursuant to Clause 21.13 (*Resignation of the Common Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

21.26 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Common Security Agent under or in connection with the Debt Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Common Security Agent by law or regulation or otherwise.

21.27 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Common Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

21.28 Intra-Group Lenders, Debtors and Security Providers: power of attorney

Each Intra-Group Lender, Debtor and Security Provider by way of security for its obligations under this Agreement irrevocably appoints the Common Security Agent to be its attorney to do anything which that Intra-Group Lender, Debtor or Security Provider has authorised the Common Security Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Common Security Agent may delegate that power on such terms as it sees fit).

21.29 Common Security Agent's fee

The Borrower shall pay to the Common Security Agent (for its own account) a security agent fee in the amount and at the times agreed in any Fee Letter.

21.30 Further assurance

(a) Each Debtor shall (and the Parent shall procure that each Security Provider will) promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Common Security Agent may reasonably specify (and in such form as the Common Security Agent may reasonably require in favour of the Common Security Agent or its nominee(s)) having regard to the Agreed Security Principles:

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security, including any assets acquired by any of the Debtors after the date of this Agreement) or for the exercise of any rights, powers and remedies of the Common Security Agent or the Secured Parties provided by or pursuant to the Debt Documents or by law;

(ii) to confer on the Common Security Agent and the Secured Parties Security over any property and assets of that Debtor or other person located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or

(iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security after the Transaction Security has become enforceable under the terms hereof.

(b) Each Debtor shall (and the Parent shall procure that each Security Provider will) from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such other actions, as any of the Intercreditor Agent or the Common Security Agent may reasonably request (having regard to the Agreed Security Principles) for the purposes of implementing or effectuating the provisions of the Debt Documents or of more fully perfecting or renewing the rights of the Secured Parties with respect to the Transaction Security (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other assets acquired after the date of this Agreement by any Debtor, Group member or other person which may be deemed to be part of the Transaction Security) pursuant to the Debt Documents. Upon the exercise by the Intercreditor Agent, the Common Security Agent or any other Secured Party of any power, right, privilege or remedy pursuant to any of the Debt Documents which requires any consent, approval, notification, registration or Authorisation of any Governmental Authority, the Company shall execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Intercreditor Agent, the Common Security Agent or such Secured Party may reasonably be required to obtain from any Debtor, Security Provider or other Group member for such consent, approval, notification, registration or Authorisation.

22. The POA Agent

(a) The Common Security Agent appoints the POA Agent to act as agent of the Common Security Agent under the Power of Attorney.

(b) The POA Agent may not exercise any of its rights under the Power of Attorney without the instructions of the Common Security Agent, and the POA Agent shall act and exercise rights under the Power of Attorney only in accordance with the instructions given to it by the Common Security Agent.

(c) The Power of Attorney shall be held and kept by the Common Security Agent and the Common Security Agent shall deliver the Power of Attorney to the POA Agent if and when required for the exercising of rights by the POA Agent under the Power of Attorney.

(d) The POA Agent shall promptly inform the Common Security Agent of the contents of any notice or document received by it in its capacity as the POA Agent under or in connection with the Power of Attorney.

(e) All references to the Common Security Agent in Clauses 21.4 (*Duties of the Common Security Agent*) (other than paragraph (f)), 21.7 (*Business with the Group*),_21.5 (*No fiduciary duties to Debtors, Security Providers, Bondco or Subordinated Creditors*) to 21.12 (*Primary Creditors' indemnity to the Common Security Agent*), 21.14 (*Confidentiality*) to 21.20 (*Insurance by the Common Security Agent*) and 21.24 (*Acceptance of title*) shall include references to the POA Agent acting as agent under the Power of Attorney.

(f) The POA Agent may resign by giving notice to the Common Security Agent and the Company, in which case the Common Security Agent may (after consultation with the Company) appoint a successor POA Agent which is a financial institution operating in the Macau SAR.

(g) Subject to paragraph (i) below, if the Common Security Agent has not appointed a successor POA Agent in accordance with paragraph (f) above within 30 days after notice of resignation was given, the POA Agent may (after consultation with the Company) appoint, by a further power of attorney, a successor POA Agent which is (i) a financial institution operating in the Macau SAR and (ii) is acceptable to the Common Security Agent.

(h) Subject to paragraph (i) below, at any time, the Common Security Agent may (after consultation with the Company), by not less than 7 days' notice to the POA Agent, copied to the Company, replace the POA Agent with a successor POA Agent appointed by it which is a financial institution operating in the Macau SAR.

(i) The POA Agent's resignation and replacement shall only take effect upon satisfaction of each of the following conditions:

(i) the appointment of a successor POA Agent; and

(ii) the Common Security Agent either:

(A) procured the revocation of the Power of Attorney granted in favour of the POA Agent and procured a new Power of Attorney granted in favour of the successor POA Agent; or

(B) is satisfied that the POA Agent has executed a power of attorney without reservation (in form and substance satisfactory to the Common Security Agent) in favour of the successor POA Agent in respect of all of its powers and other rights and authority under the relevant Power of Attorney and has irrevocably and unconditionally divested itself in full of its powers, rights and authority thereunder.

(j) Upon the appointment of a successor POA Agent and replacement of the existing POA Agent, the existing POA Agent shall be discharged from any further obligation in respect of the Power of Attorney. Its successor and each of the other Parties hereto shall have the same rights and obligations among themselves as they would have had if such successor had been an original Party hereto.

(k) The Company agrees that it will pay the fees of any successor POA Agent which shall be on reasonable market terms applicable to a financial institution operating in the Macau SAR undertaking obligations and responsibilities of the type contemplated herein and under the relevant Power of Attorney.

22.2 POA Agent's fee

The Borrower shall pay to the POA Agent (for its own account) a power-of-attorney agent fee in the amount and at the times agreed in any Fee Letter.

23. The Intercreditor Agent

23.1 Intercreditor Agent as agent

Each of the Primary Creditors authorises the Intercreditor Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Intercreditor Agent under or in connection with the Debt Documents together with any other incidental rights, powers, authorities and discretions.

23.2 Instructions

(a) The Intercreditor Agent shall:

(i) subject to paragraphs (d) and (e) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Intercreditor Agent in accordance with any instructions given to it by the Instructing Group; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, in accordance with instructions given to it by that Creditor or group of Creditors).

(b) The Intercreditor Agent shall be entitled to request instructions, or clarification of any instruction, from the Instructing Group (or, if this Agreement stipulates the matter is a decision for any other Creditor or group of Creditors, from that Creditor or group of Creditors) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Intercreditor Agent may refrain from acting unless and until it receives those instructions or that clarification.

(c) Save in the case of decisions stipulated to be a matter for any other Creditor or group of Creditors under this Agreement and unless a contrary intention appears in this Agreement, any instructions given to the Intercreditor Agent by the Instructing Group shall override any conflicting instructions given by any other Parties and will be binding on all Primary Creditors.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where this Agreement requires the Intercreditor Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Intercreditor Agent's own position in its personal capacity as opposed to its role of Intercreditor Agent for the Primary Creditors including, without limitation, Clauses 23.5 (*No duty to account*) to Clause 23.10 (*Exclusion of liability*), and Clauses 23.13 (*Confidentiality*) to Clause 23.19 (*Insurance by Intercreditor Agent*);

(iv) in respect of the exercise of the Intercreditor Agent's discretion to exercise a right, power or authority under Clause 19.1 (*Order of application*).

(e) If giving effect to instructions given by the Instructing Group would (in the Intercreditor Agent's opinion) have an effect equivalent to an Intercreditor Amendment, the Intercreditor Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Intercreditor Agent) whose consent would have been required in respect of that Intercreditor Amendment.

(f) In exercising any discretion to exercise a right, power or authority under the Debt Documents where either:

(i) it has not received any instructions as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to paragraph (d)(iv) above,

the Intercreditor Agent shall do so having regard to the interests of all the Secured Parties.

(g) The Intercreditor Agent may refrain from acting in accordance with any instructions of any Creditor or group of Creditors until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Debt Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable Indirect Tax) which it may incur in complying with those instructions.

(h) Without prejudice to the provisions of Clause 15 (*Enforcement of Transaction Security*) and the remainder of this Clause 23.2, in the absence of instructions, the Intercreditor Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

23.3 Duties of the Intercreditor Agent

(a) The Intercreditor Agent's duties under the Debt Documents are solely mechanical and administrative in nature.

(b) The Intercreditor Agent shall promptly:

(i) forward to each Creditor Representative and to each Hedge Counterparty a copy of any document received by the Intercreditor Agent from any Debtor under any Debt Document; and

(ii) forward to a Party the original or a copy of any document which is delivered to the Intercreditor Agent for that Party by any other Party.

(c) Except where a Debt Document specifically provides otherwise, the Intercreditor Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) Without prejudice to Clause 28.3 (*Notification of prescribed events*), if the Intercreditor Agent receives notice from a Party referring to any Debt Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Primary Creditors.

(e) The Intercreditor Agent shall have only those duties, obligations and responsibilities expressly specified in the Debt Documents to which it is expressed to be a party (and no others shall be implied).

23.4 No fiduciary duties to Debtors, Security Providers, Bondco or Subordinated Creditors

Nothing in this Agreement constitutes the Intercreditor Agent as an agent, trustee or fiduciary of any Debtor, any Security Provider, Bondco or any Subordinated Creditor.

23.5 No duty to account

The Intercreditor Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

23.6 Business with the Group

The Intercreditor Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

23.7 Rights and discretions

(a) The Intercreditor Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Instructing Group, any Creditors or any group of Creditors are duly given in accordance with the terms of the Debt Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Debt Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Intercreditor Agent may assume (unless it has received notice to the contrary in its capacity as intercreditor agent for the Secured Parties) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party or any group of Creditors has not been exercised; and

(iii) any notice made by the Parent is made on behalf of and with the consent and knowledge of all the Debtors.

(c) The Intercreditor Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Intercreditor Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Intercreditor Agent (and so separate from any lawyers instructed by any Primary Creditor) if the Intercreditor Agent in its reasonable opinion deems this to be desirable.

(e) The Intercreditor Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Intercreditor Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Intercreditor Agent may act in relation to the Debt Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Intercreditor Agent's gross negligence or wilful misconduct.

(g) Unless this Agreement expressly specifies otherwise, the Intercreditor Agent may disclose to any other Party any information it reasonably believes it has received as Intercreditor Agent under this Agreement.

(h) Notwithstanding any other provision of any Debt Document to the contrary, the Intercreditor Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(i) Notwithstanding any provision of any Debt Document to the contrary, the Intercreditor Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

23.8 Responsibility for documentation

The Intercreditor Agent shall not be responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Intercreditor Agent, a Debtor or any other person in or in connection with any Debt Document or the transactions contemplated in the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

23.9 No duty to monitor

The Intercreditor Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Debt Document; or

(c) whether any other event specified in any Debt Document has occurred.

23.10 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Debt Document excluding or limiting the liability of the Intercreditor Agent), the Intercreditor Agent shall not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Debt Document or the Security Property unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Debt Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Debt Document or the Security Property;

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Intercreditor Agent) may take any proceedings against any officer, employee or agent of the Intercreditor Agent in respect of any claim it might have against the Intercreditor Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Debt Document or any Security Property and any officer, employee or agent of the Intercreditor Agent may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) Nothing in this Agreement shall oblige the Intercreditor Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Primary Creditor,

on behalf of any Primary Creditor and each Primary Creditor confirms to the Intercreditor Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Intercreditor Agent.

(d) Without prejudice to any provision of any Debt Document excluding or limiting the liability of the Intercreditor Agent, any liability of the Intercreditor Agent arising under or in connection with any Debt Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Intercreditor Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Intercreditor Agent at any time which increase the amount of that loss. In no event shall the Intercreditor Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Intercreditor Agent has been advised of the possibility of such loss or damages.

23.11 Primary Creditors' indemnity to the Intercreditor Agent

(a) Each Primary Creditor (other than any Creditor Representative) shall (in the proportion that the Liabilities due to it bear to the aggregate of the Liabilities due to all the Primary Creditors (other than any Creditor Representative) for the time being (or, if the Liabilities due to the Primary Creditors (other than any Creditor Representative) are zero, immediately prior to their being reduced to zero)), indemnify the Intercreditor Agent, within three Business Days of demand, against any cost, loss or liability incurred by it (otherwise than by reason of the Intercreditor Agent's gross negligence or wilful misconduct) in acting as Intercreditor Agent under, or exercising any authority conferred under, the Debt Documents (unless the Intercreditor Agent has been reimbursed by a Debtor pursuant to a Debt Document).

(b) For the purposes only of paragraph (a) above, to the extent that any hedging transaction under a Hedging Agreement has not been terminated or closed-out, the Hedging Liabilities due to any Hedge Counterparty in respect of that hedging transaction will be deemed to be:

(i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which the relevant Debtor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in any ISDA Master Agreement) occurred under that Hedging Agreement for which the relevant Debtor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case as calculated in accordance with the relevant Hedging Agreement.

(c) Subject to paragraph (d) below, the Parent shall immediately on demand reimburse any Primary Creditor for any payment that Primary Creditor makes to the Intercreditor Agent pursuant to paragraph (a) above.

(d) Paragraph (c) above shall not apply to the extent that the indemnity payment in respect of which the Primary Creditor claims reimbursement relates to a liability of the Intercreditor Agent to a Debtor.

23.12 Resignation of the Intercreditor Agent

(a) The Intercreditor Agent may resign and appoint one of its Affiliates as successor by giving notice to the Primary Creditors and the Parent.

(b) Alternatively the Intercreditor Agent may resign by giving 30 days' notice to the Primary Creditors and the Parent, in which case the Majority Super Senior Creditors and the Required Pari Passu Creditors may appoint a successor Intercreditor Agent.

(c) If the Majority Super Senior Creditors and the Required Pari Passu Creditors have not appointed a successor Intercreditor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent (after consultation with the Creditor Representatives and the Hedge Counterparties) may appoint a successor Intercreditor Agent.

(d) The retiring Intercreditor Agent shall, at its own cost, make available to the successor Intercreditor Agent such documents and records and provide such assistance as the successor Intercreditor Agent may reasonably request for the purposes of performing its functions as Intercreditor Agent under the Debt Documents.

(e) The Intercreditor Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Intercreditor Agent shall be discharged from any further obligation in respect of the Debt Documents (other than its obligations under paragraph (d) above) but shall remain entitled to the benefit of this Clause 23 and Clause 27.2 (*Indemnity to the Intercreditor Agent*) (and any Intercreditor Agent fees for the account of the retiring Intercreditor Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

(g) The Majority Super Senior Creditors and the Required Pari Passu Creditors may, by notice to the Intercreditor Agent, require it to resign in accordance with paragraph (b) above. In this event, the Intercreditor Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Parent.

23.13 Confidentiality

(a) In acting as agent for the Secured Parties, the Intercreditor Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Intercreditor Agent, it may be treated as confidential to that division or department and the Intercreditor Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Debt Document to the contrary, the Intercreditor Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

23.14 Information from the Creditors

Each Creditor shall supply the Intercreditor Agent with any information that the Intercreditor Agent may reasonably specify as being necessary or desirable to enable the Intercreditor Agent to perform its functions as Intercreditor Agent.

23.15 Credit appraisal by the Secured Parties

Without affecting the responsibility of any Debtor for information supplied by it or on its behalf in connection with any Debt Document, each Secured Party confirms to the Intercreditor Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Debt Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Debt Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Debt Document, the Security Property, the transactions contemplated by the Debt Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document or the Security Property;

(d) the adequacy, accuracy or completeness of any information provided by the Common Security Agent, any Party or by any other person under or in connection with any Debt Document, the transactions contemplated by any Debt Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Debt Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

23.16 Intercreditor Agent's management time and additional remuneration

(a) Any amount payable to the Intercreditor Agent under Clause 23.11 (*Primary Creditors' indemnity to the Intercreditor Agent*), Clause 26 (*Costs and expenses*) or Clause 27.2 (*Indemnity to the Intercreditor Agent*) shall include the cost of utilising the Intercreditor Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Intercreditor Agent may notify to the Parent and the Primary Creditors, and is in addition to any other fee paid or payable to the Intercreditor Agent.

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Intercreditor Agent being requested by a Debtor, a Security Provider or the Instructing Group to undertake duties which the Intercreditor Agent and the Parent agree to be of an exceptional nature or outside the scope of the normal duties of the Intercreditor Agent under the Debt Documents;

(iii) the proposed accession of any Credit Facility Creditors or Pari Passu Debt Creditors pursuant to Clause 25.11 (*Accession of Credit Facility Creditors under New Credit Facilities*) or Clause 25.12 (*Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities*) respectively; or

(iv) the Intercreditor Agent and the Parent agreeing that it is otherwise appropriate in the circumstances,

the Parent shall pay to the Intercreditor Agent any additional remuneration (together with any applicable Indirect Tax) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Intercreditor Agent and the Parent fail to agree upon the nature of the duties or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Intercreditor Agent and approved by the Parent or, failing approval, nominated (on the application of the Intercreditor Agent) by the President for the time being of the Law Society of Hong Kong (the costs of the nomination and of the investment bank being payable by the Parent) and the determination of any investment bank shall be final and binding upon the Parties.

23.17 Reliance and engagement letters

The Intercreditor Agent may obtain and rely on any certificate or report from any Debtor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

23.18 No responsibility to perfect Transaction Security

The Intercreditor Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Debtor to any of the Charged Property;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Debt Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Debt Document or of the Transaction Security;

(d) take, or to require any Debtor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Security Document.

23.19 Insurance by Intercreditor Agent

(a) The Intercreditor Agent shall not be obliged:

(i) to insure any of the Charged Property;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Debt Document,

and the Intercreditor Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

23.20 Delegation by the Intercreditor Agent

(a) The Intercreditor Agent may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

(b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Intercreditor Agent may, in its discretion, think fit in the interests of the Secured Parties.

(c) The Intercreditor Agent shall not be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

23.21 Winding up of trust

The Intercreditor Agent shall assist the Common Security Agent in making any determination in connection with Clause 21.25 (*Winding up of trust*) that:

(a) all of the Secured Obligations and all other obligations secured by the Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Debtor pursuant to the Debt Documents.

23.22 Intra-Group Lenders, Debtors and Security Providers: power of attorney

Each Intra-Group Lender, Debtor and Security Provider by way of security for its obligations under this Agreement irrevocably appoints the Intercreditor Agent to be its attorney to do anything which that Intra-Group Lender, Debtor or Security Provider has authorised the Intercreditor Agent or any other Party to do under this Agreement or is itself required to do under this Agreement but has failed to do (and the Intercreditor Agent may delegate that power on such terms as it sees fit).

23.23 Intercreditor Agent's fee

(a) The Borrower shall pay to the Intercreditor Agent (for its own account) an intercreditor agency fee in the amount and at the times agreed in any Fee Letter.

(b) The Borrower shall pay to the Intercreditor Agent (for its own account) such further fee in respect of the accession of additional persons as Parties in the amount and at the times as may be agreed between the Borrower and the Intercreditor Agent in any Fee Letter.

24. Pari Passu Note Trustee Protections

24.1 Limitation of Pari Passu Note Trustee Liability

It is expressly understood and agreed by the Parties that this Agreement is executed and delivered by each Pari Passu Note Trustee not individually or personally but solely in its capacity as a Pari Passu Note Trustee in the exercise of the powers and authority conferred and vested in it under the relevant Pari Passu Debt Documents. It is further understood by the Parties that in no case shall a Pari Passu Note Trustee be (a) responsible or accountable in damages or otherwise to any other Party for any loss, damage or claim incurred by reason of any act or omission performed or omitted by it in good faith in accordance with this Agreement and in a manner that the relevant Pari Passu Note Trustee believed to be within the scope of the authority conferred on the Pari Passu Note Trustee by this Agreement and the relevant Pari Passu Debt Documents or by law, or (b) personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of any other Party, all such liability, if any, being expressly waived by the Parties and any person claiming by, through or under such Party, *provided* however, that a Pari Passu Note Trustee shall be personally liable under this Agreement for its own gross negligence or wilful misconduct. It is also acknowledged that a Pari Passu Note Trustee shall not have any responsibility for the actions of any individual Pari Passu Noteholder.

24.2 Note Trustee not fiduciary for other Creditors

The Pari Passu Note Trustee shall not be deemed to owe any fiduciary duty to any of the Creditors (other than the Pari Passu Noteholders for which it is the Creditor Representative), any of the Subordinated Creditors or any member of the Group and shall not be liable to any Creditor (other than the Pari Passu Noteholders for which it is the Creditor Representative) any Subordinated Creditor or any member of the Group if the Pari Passu Note Trustee shall in good faith mistakenly pay over or distribute to the Pari Passu Noteholders or to any other person cash, property or securities to which any Creditor (other than the Pari Passu Noteholders for which it is the Creditor Representative) shall be entitled by virtue of this Agreement or otherwise. With respect to the Creditors (other than the Pari Passu Noteholders for which it is the Creditor Representative) and any Subordinated Creditor, the Pari Passu Note Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in the relevant Pari Passu Debt Documents (including this Agreement) and no implied covenants or obligations with respect to Creditors (other than the Pari Passu Noteholders for which it is the Creditor Representative) and any Subordinated Creditor shall be read into this Agreement against a Pari Passu Note Trustee.

24.3 Reliance on certificates

A Pari Passu Note Trustee may rely without enquiry on any notice, consent or certificate of the Common Security Agent, the Intercreditor Agent, any other Creditor Representative or any Hedge Counterparty as to the matters certified therein.

24.4 Pari Passu Note Trustee

In acting under and in accordance with this Agreement a Pari Passu Note Trustee shall act in accordance with the relevant Pari Passu Note Indenture and shall seek any necessary instruction from the relevant Pari Passu Noteholders, to the extent provided for, and in accordance with, the relevant Pari Passu Note Indenture, and where it so acts on the instructions of the Pari Passu Noteholders, the Pari Passu Note Trustee shall not incur any liability to any person for so acting other than in accordance with the Pari Passu Note Indenture. Furthermore, prior to taking any action under this Agreement or the relevant Pari Passu Debt Documents, as the case may be, the Pari Passu Note Trustee may reasonably request and rely upon an opinion of counsel or opinion of another qualified expert, at the Parent's expense, as applicable; *provided, however, that* any such opinions shall be at the expense of the relevant Pari Passu Noteholders, if such actions are on the instructions of the relevant Pari Passu Noteholders.

24.5 Turnover obligations

Notwithstanding any provision in this Agreement to the contrary, a Pari Passu Note Trustee shall only have an obligation to turn over or repay amounts received or recovered under this Agreement by it (a) if it had actual knowledge that the receipt or recovery is an amount received in breach of a provision of this Agreement (a "**Turnover Receipt**") and (b) to the extent that, prior to receiving that knowledge, it has not distributed the amount of the Turnover Receipt to the Pari Passu Noteholders for which it is the Creditor Representative in accordance with the provisions of the relevant Pari Passu Note Indenture. For the purpose of this Clause 24.5, (i) "actual knowledge" of the Pari Passu Note Trustee shall be construed to mean the Pari Passu Note Trustee shall not be charged with knowledge (actual or otherwise) of the existence of facts that would impose an obligation on it to make any payment or prohibit it from making any payment unless a responsible officer of such Pari Passu Note Trustee has received, not less than two Business Days' prior to the date of such payment, a written notice that such payments are required or prohibited by this Agreement; and (ii) "responsible officer" when used in relation to the Pari Passu Note Trustee means any person who is an officer within the corporate trust and agency department of the Pari Passu Note Trustee, including any director, associate director, vice president, assistance vice president, senior associate, assistant treasurer, trust officer, or any other officer of the Pari Passu Note Trustee who customarily performs functions similar to those performed by such officers, or to whom any corporate trust matter is referred because of such individual's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Agreement.

24.6 Creditors and the Pari Passu Note Trustee

In acting pursuant to this Agreement and the relevant Pari Passu Note Indenture, the Pari Passu Note Trustee is not required to have any regard to the interests of the Creditors (other than the Pari Passu Noteholders for which it is the Creditor Representative Creditors) or any Subordinated Creditor.

24.7 Pari Passu Note Trustee; reliance and information

(a) The Pari Passu Note Trustee may rely and shall be fully protected in acting or refraining from acting upon any notice or other document reasonably believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person.

(b) Without affecting the responsibility of any Debtor or Security Provider for information supplied by it or on its behalf in connection with any Debt Document, each Primary Creditor (other than the Pari Passu Noteholders for which it is the Creditor Representative) confirms that it has not relied exclusively on any information provided to it by a Pari Passu Note Trustee in connection with any Debt Document. A Pari Passu Note Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.

(c) A Pari Passu Note Trustee is entitled to assume that:

(i) any payment or other distribution made in respect of the Liabilities, respectively, has been made in accordance with the provisions of this Agreement;

(ii) any Security granted in respect of the Pari Passu Debt Liabilities is in accordance with Clause 4.2 (*Security: Pari Passu Debt Creditors*);

(iii) no Default has occurred; and

(iv) the Pari Passu Debt Discharge Date has not occurred,

unless it has actual notice to the contrary. A Pari Passu Note Trustee is not obliged to monitor or enquire whether any such default has occurred.

24.8 No action

A Pari Passu Note Trustee shall not have any obligation to take any action under this Agreement unless it is indemnified or secured to its satisfaction (whether by way of payment in advance or otherwise) by the Debtors or the Pari Passu Noteholders for which it is the Creditor Representative, as applicable, in accordance with the terms of the relevant Pari Passu Note Indenture. A Pari Passu Note Trustee is not required to indemnify any other person, whether or not a Party in respect of the transactions contemplated by this Agreement.

24.9 Departmentalisation

In acting as a Pari Passu Note Trustee, a Pari Passu Note Trustee shall be treated as acting through its agency division which shall be treated as a separate entity from its other divisions and departments. Any information received or acquired by a Pari Passu Note Trustee which is received or acquired by some other division or department or otherwise than in its capacity as Pari Passu Note Trustee may be treated as confidential by that Pari Passu Note Trustee and will not be treated as information possessed by that Pari Passu Note Trustee in its capacity as such.

24.10 Other Parties not affected

This Clause 24 is intended to afford protection to each Pari Passu Note Trustee only and no provision of this Clause 24 shall alter or change the rights and obligations as between the other parties in respect of each other.

24.11 Common Security Agent, Intercreditor Agent and the Pari Passu Note Trustees

(a) A Pari Passu Note Trustee is not responsible for the appointment or for monitoring the performance of the Common Security Agent or the Intercreditor Agent.

(b) A Pari Passu Note Trustee shall be under no obligation to instruct or direct the Common Security Agent or the Intercreditor Agent to take any Security enforcement action unless it shall have been instructed to do so by the Pari Passu Noteholders for which it is the Creditor Representative and indemnified and/or secured to its satisfaction.

(c) The Common Security Agent and the Intercreditor Agent acknowledge and agree that it has no claims for any fees, costs or expenses from, or indemnification against, a Pari Passu Note Trustee.

24.12 Provision of information

A Pari Passu Note Trustee is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party. A Pari Passu Note Trustee is not responsible for:

(a) providing any Creditor with any credit or other information concerning the risks arising under or in connection with the Transaction Security Documents or Pari Passu Debt Documents (including any information relating to the financial condition or affairs of any Debtor or Security Provider or their related entities or the nature or extent of recourse against any party or its assets) whether coming into its possession before, on or after the date of this Agreement; or

(b) obtaining any certificate or other document from any Creditor.

24.13 Disclosure of information

Each Debtor irrevocably authorises a Pari Passu Note Trustee to disclose to any other Debtor any information that is received by that Pari Passu Note Trustee in its capacity as Pari Passu Note Trustee.

24.14 Illegality

A Pari Passu Note Trustee may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

24.15 Resignation of Pari Passu Note Trustee

A Pari Passu Note Trustee may resign or be removed in accordance with the terms of the relevant Pari Passu Note Indenture, *provided that* a replacement of such Pari Passu Note Trustee agrees with the Parties to become the replacement trustee under this Agreement by the execution of a Creditor/Creditor Representative Accession Undertaking.

24.16 Agents

A Pari Passu Note Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with reasonable care by it hereunder.

24.17 No requirement for bond or security

A Pari Passu Note Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Agreement.

24.18 Provisions survive termination

The provisions of this Clause 24 shall survive any termination or discharge of this Agreement or the resignation or replacement of the Pari Passu Note Trustee.

25. Changes to the Parties

25.1 Assignments and transfers

No Party may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

in respect of any Debt Documents or the Liabilities except as permitted by this Clause 25.

25.2 [Reserved]

25.3 Accession and change of Subordinated Creditor

(a) Any direct or indirect shareholder (or affiliate who is not a member of the Group) of the Parent that makes any loan or financial accommodation to the Parent may (if not already a Party as a Subordinated Creditor) accede to this Agreement as a Subordinated Creditor pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

(b) Subject to Clause 10.4 (*No acquisition of Subordinated Liabilities*), a Subordinated Creditor may:

(i) assign any of its rights; or

(ii) transfer any of its rights and obligations,

in respect of the Subordinated Liabilities owed to it if any assignee or transferee has (if not already party to this Agreement as a Subordinated Creditor) acceded to this Agreement as a Subordinated Creditor pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) and, to the extent that following such transfer it is no longer owed any Subordinated Liabilities, such transferring Subordinated Creditor shall cease to be a Subordinated Creditor under and in accordance with this Agreement.

25.4 Accession and change of Bondco

(a) A person (other than a member of the Group) may accede to this Agreement as a Bondco pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

(b) A Bondco may:

(i) assign any of its rights; or

(ii) transfer any of its rights and obligations,

in respect of the Bondco Liabilities owed to it to any person (other than a member fo the Group) if any assignee or transferee has (if not already party to this Agreement as a Bondco) acceded to this Agreement as a Bondco pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) and, to the extent that following such transfer it is no longer owed any Bondco Liabilities, such transferring Bondco shall cease to be a Bondco under and in accordance with this Agreement.

25.5 Change of Credit Facility Lender or Pari Passu Lender under an Existing Credit Facility or Pari Passu Facility

(a) A Credit Facility Lender or Pari Passu Lender under a Credit Facility or Pari Passu Facility then existing may:

(i) assign any of its rights; or

(ii) transfer by novation any of its rights and obligations,

in respect of any Debt Documents or the Liabilities if:

(A) that assignment or transfer is in accordance with the terms of the relevant Credit Facility Agreement or Pari Passu Facility Agreement; and

(B) subject to paragraph (b) below, any assignee or transferee has (if not already a Party as a Credit Facility Lender or Pari Passu Lender, as applicable) acceded to this Agreement, as a Credit Facility Lender or Pari Passu Lender, as applicable, pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

(b) Paragraph (a)(ii)(B) above shall not apply in respect of:

(i) any Debt Purchase Transaction (as defined in any Credit Facility Agreement) in respect of a Pari Passu Facility permitted by any provision of the relevant Pari Passu Facility Agreement; and

(ii) any Liabilities Acquisition of the Credit Facility Liabilities or Pari Passu Debt Liabilities by a member of the Group permitted under the relevant Credit Facility Agreement or Pari Passu Facility Agreement (as applicable) and pursuant to which the relevant Liabilities are discharged,

effected in accordance with the terms of the Debt Documents.

25.6 Change of Pari Passu Noteholder

Any Pari Passu Noteholder may assign, transfer or novate any of its rights and obligations to any person without the need for such person to execute and deliver to the Intercreditor Agent a Creditor / Creditor Representative Accession Undertaking.

25.7 Change of Hedge Counterparty

A Hedge Counterparty may (in accordance with the terms of the relevant Hedging Agreement and subject to any consent required under that Hedging Agreement) transfer any of its rights or obligations in respect of the Hedging Agreements to which it is a party if any transferee has (if not already a Party as a Hedge Counterparty) acceded to this Agreement pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) as a Hedge Counterparty.

25.8 Change of Creditor Representative

No person shall become a Creditor Representative unless at the same time, it accedes to this Agreement as a Creditor Representative pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

25.9 Change of Intra-Group Lender

Subject to Clause 8.4 (*Acquisition of Intra-Group Liabilities*) and to the terms of the other Debt Documents, any Intra-Group Lender may:

(a) assign any of its rights; or

(b) transfer any of its rights and obligations,

in respect of the Intra-Group Liabilities to another member of the Group if that member of the Group has (if not already a Party as an Intra-Group Lender) acceded to this Agreement as an Intra-Group Lender pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) (*provided* that such member of the Group will not be required to accede to this Agreement as an Intra-Group Lender under this Clause 25.9 if it would otherwise not have been required to do so under the terms of Clause 25.10 (*New Intra-Group Lender*) if it had been the original creditor of such Intra-Group Liability) and, to the extent that following such transfer it is no longer owed any Intra-Group Liabilities, such transferring Intra-Group Lender shall cease to be an Intra-Group Lender under and in accordance with this Agreement.

25.10 New Intra-Group Lender

If any Intra-Group Lender or any member of the Group makes any loan to or grants any credit to or makes any other financial arrangement having similar effect with any Debtor, in an aggregate amount of USD 1,000,000 or more, the Parent will procure that the person giving that loan, granting that credit or making that other financial arrangement (if not already a Party as an Intra-Group Lender) accedes to this Agreement as an Intra-Group Lender pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

25.11 Accession of Credit Facility Creditors under New Credit Facilities

(a) In order for any credit facility (other than the "Facilities" under and as defined in the 2016 Credit Facility Agreement on the date of this Agreement) to be a "Credit Facility" for the purposes of this Agreement:

(i) the Parent shall designate that credit facility as a Credit Facility and confirm in writing to the Primary Creditors that the establishment of that credit facility as a Credit Facility under this Agreement will not breach the terms of any of the Credit Facility Documents or Pari Passu Debt Documents then existing;

(ii) each creditor in respect of that credit facility shall (if not a Party as a Credit Facility Lender) accede to this Agreement as a Credit Facility Lender;

(iii) each arranger in respect of that credit facility shall (if not a Party as a Credit Facility Arranger) accede to this Agreement as a Credit Facility Arranger;

(i) the facility agent in respect of that credit facility shall accede to this Agreement as the Creditor Representative in relation to that credit facility pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*);

(ii) any additional remuneration for the Common Security Agent in connection with the accession shall have been determined pursuant to Clause 21.17 (*Common Security Agent's management time and additional remuneration*); and

(iii) any additional remuneration for the Intercreditor Agent in connection with the accession shall have been determined pursuant to Clause 23.16 (*Intercreditor Agent's management time and additional remuneration*).

(b) Any "Additional Lender" (as defined in any Additional Credit Facility Agreement) may accede to this Agreement as a Credit Facility Lender pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

25.12 Accession of Pari Passu Debt Creditors under New Pari Passu Notes or Pari Passu Facilities

(a) In order for indebtedness in respect of any issuance of debt securities to constitute "Pari Passu Debt Liabilities" for the purposes of this Agreement:

(i) the Parent shall designate that issuance of debt securities as Pari Passu Notes and confirm in writing to the Primary Creditors that the incurrence of those debt securities as Pari Passu Debt Liabilities under this Agreement will not breach the terms of any of the Credit Facility Documents or Pari Passu Debt Documents then existing;

(ii) the trustee in respect of those debt securities shall accede to this Agreement as the Creditor Representative in relation to those Pari Passu Debt Liabilities pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*);

(iii) any additional remuneration for the Common Security Agent in connection with the accession shall have been determined pursuant to Clause 21.17 (*Common Security Agent's management time and additional remuneration*); and

(iv) any additional remuneration for the Intercreditor Agent in connection with the accession shall have been determined pursuant to Clause 23.16 (*Intercreditor Agent's management time and additional remuneration*).

(b) In order for indebtedness under any credit facility to constitute "Pari Passu Debt Liabilities" for the purposes of this Agreement:

(i) the Parent shall designate that credit facility as a Pari Passu Facility and confirm in writing to the Primary Creditors that the establishment of that Pari Passu Facility as Pari Passu Debt Liabilities under this Agreement will not breach the terms of any of the Credit Facility Documents or Pari Passu Debt Documents then existing;

(ii) each creditor in respect of that credit facility shall accede to this Agreement as a Pari Passu Debt Creditor;

(iii) each arranger in respect of that credit facility shall accede to this Agreement as a Pari Passu Arranger;

(iv) the facility agent in respect of that credit facility shall accede to this Agreement as the Creditor Representative in relation to that credit facility pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*);

(v) any additional remuneration for the Common Security Agent in connection with the accession shall have been determined pursuant to Clause 21.17 (*Common Security Agent's management time and additional remuneration*); and

(vi) any additional remuneration for the Intercreditor Agent in connection with the accession shall have been determined pursuant to Clause 23.16 (*Intercreditor Agent's management time and additional remuneration*).

25.13 New Ancillary Lender

If any Affiliate of a Credit Facility Lender becomes an Ancillary Lender in accordance with the terms and conditions of the relevant Credit Facility Agreement, it shall not be entitled to share in any of the Transaction Security or in the benefit of any guarantee or indemnity in respect of any of the liabilities arising in relation to its Ancillary Facilities unless it has (if not already a Party as a Credit Facility Lender) acceded to this Agreement as a Credit Facility Lender pursuant to Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*) and, to the extent required by the relevant Credit Facility Agreement, to that Credit Facility Agreement as an Ancillary Lender.

25.14 Creditor/Creditor Representative Accession Undertaking

With effect from the date of acceptance by the Intercreditor Agent of a Creditor/Creditor Representative Accession Undertaking duly executed and delivered to the Intercreditor Agent by the relevant acceding party or, if later, the date specified in that Creditor/Creditor Representative Accession Undertaking:

(a) any Party ceasing entirely to be a Creditor (or a Creditor in a particular capacity) shall be discharged from further obligations (if applicable, in such capacity) towards the Common Security Agent, the Intercreditor Agent and other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date);

(b) as from that date, the replacement or new Creditor shall assume the same obligations and become entitled to the same rights, as if it had been an original Party in the capacity specified in the Creditor/Creditor Representative Accession Undertaking; and

(c) to the extent envisaged by the relevant Credit Facility Agreement, any new Ancillary Lender (which is an Affiliate of a Credit Facility Lender) shall also become party to the relevant Credit Facility Agreement as an Ancillary Lender and shall assume the same obligations and become entitled to the same rights as if it had been an original party to that Credit Facility Agreement as an Ancillary Lender.

25.15 New Debtor

(a) If any member of the Group:

(i) incurs any Liabilities; or

(ii) gives any Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities,

the Debtors will procure that the person incurring those Liabilities or giving that assurance accedes to this Agreement as a Debtor in accordance with paragraph (c) below no later than contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

(b) If any Affiliate of a Credit Facility Borrower becomes a borrower of an Ancillary Facility in accordance with the terms and conditions of the relevant Credit Facility Agreement, the relevant Credit Facility Borrower shall procure that such Affiliate accedes to this Agreement as a Debtor no later than contemporaneously with the date on which it becomes a borrower.

(c) With effect from the date of acceptance by the Intercreditor Agent of a Debtor Accession Deed duly executed and delivered to the Intercreditor Agent by the new Debtor or, if later, the date specified in the Debtor Accession Deed, the new Debtor shall assume the same obligations and become entitled to the same rights as if it had been an original Party as a Debtor. Any person may accede to this Agreement as a Debtor pursuant to this Clause.

25.16 Additional Parties

(a) Each of the Parties appoints the Intercreditor Agent to receive on its behalf each Debtor Accession Deed and Creditor/Creditor Representative Accession Undertaking delivered to the Intercreditor Agent and the Intercreditor Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the relevant Debt Document. Each of the Secured Parties authorises the Common Security Agent to sign and accept each Debtor Accession Deed delivered to the Common Security Agent and the Common Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same if it appears on its face to have been completed, executed and, where applicable, delivered in the form contemplated by this Agreement or, where applicable, by the relevant Debt Document.

(b) The Intercreditor Agent shall only be obliged to execute a Creditor/Creditor Representative Accession Undertaking delivered to it by a person intending to accede as a Creditor or Creditor Representative once it is satisfied that it has complied with all necessary "know your customer" or other similar other checks under all applicable laws and regulations in relation to that person's accession.

(c) Neither the Intercreditor Agent nor the Common Security Agent shall be obliged to execute a Debtor Accession Deed delivered to it by a person intending to accede as a Debtor unless and until it is satisfied that it has complied with all necessary "know your customer" or other similar other checks under all applicable laws and regulations in relation to that person's accession.

(d) In the case of a Creditor/Creditor Representative Accession Undertaking delivered to the Intercreditor Agent by any new Ancillary Lender (which is an Affiliate of a Credit Facility Lender):

(i) the Intercreditor Agent shall, as soon as practicable after signing and accepting that Creditor/Creditor Representative Accession Undertaking in accordance with paragraph (a) above, deliver that Creditor/Creditor Representative Accession Undertaking to the relevant Creditor Representative; and

(ii) the relevant Creditor Representative shall, as soon as practicable after receipt by it, sign and accept that Creditor/Creditor Representative Accession Undertaking if it appears on its face to have been completed, executed and delivered in the form contemplated by this Agreement.

25.17 Resignation of a Debtor

(a) No relevant Debtor may cease to be party to a Credit Facility Agreement or a Pari Passu Debt Document in accordance with those agreements unless each Hedge Counterparty has notified the Intercreditor Agent:

(i) that no payment is due from that Debtor to that Hedge Counterparty under those agreements; or

(ii) that it otherwise consents to that Debtor ceasing to be a Debtor under those agreements.

The Intercreditor Agent shall, upon receiving that notification, notify the Creditor Representative in respect of that Credit Facility Agreement or that Pari Passu Debt Document (as applicable).

(b) The Parent may request that a Debtor ceases to be a Debtor by delivering to the Intercreditor Agent a Debtor Resignation Request.

(c) The Intercreditor Agent shall accept a Debtor Resignation Request and notify the Parent and each other Party of its acceptance if:

(i) the Parent or the Borrower has confirmed that no Event of Default is continuing or would result from the acceptance of the Debtor Resignation Request;

(ii) (A) to the extent that the 2016 Credit Facility Lender Discharge Date has not occurred, the 2016 Credit Facility Agent notifies the Intercreditor Agent that that Debtor is not, or has ceased to be, a 2016 Credit Facility Borrower or a 2016 Credit Facility Guarantor; and

(B) to the extent that the Additional Credit Facility Lender Discharge Date has not occurred, the Additional Credit Facility Agent notifies the Intercreditor Agent that that Debtor is not, or has ceased to be, an Additional Credit Facility Borrower or an Additional Credit Facility Guarantor;

(iii) to the extent that the Rolled Loan Discharge Date has not occurred, the 2016 Credit Facility Agent notifies the Intercreditor Agent that that Debtor is not, or has ceased to be, a 2016 Credit Facility Borrower or a 2016 Credit Facility Guarantor;

(iv) each Hedge Counterparty notifies the Intercreditor Agent that that Debtor is under no actual or contingent obligations to that Hedge Counterparty in respect of the Hedging Liabilities;

(v) to the extent that the Pari Passu Debt Discharge Date has not occurred, each Pari Passu Note Trustee notifies the Intercreditor Agent that the Debtor is not, or has ceased to be, an issuer or guarantor of the Pari Passu Debt Liabilities for which it is the Creditor Representative; and

(vi) the Parent confirms that that Debtor is under no actual or contingent obligations in respect of the Intra-Group Liabilities.

(d) Upon notification by the Intercreditor Agent to the Parent of its acceptance of the resignation of a Debtor, that member of the Group shall cease to be a Debtor and shall have no further rights or obligations under this Agreement as a Debtor.

Section 8
Additional payment obligations

26. Costs and expenses

26.1 Transaction expenses

The Parent shall pay (or shall procure that another member of the Group pays) the Common Security Agent, the POA Agent or the Intercreditor Agent (as applicable) within five (5) Business Days of demand the amount of all costs and expenses (including legal fees) (together with any applicable Indirect Tax) reasonably incurred by the Common Security Agent, the POA Agent or the Intercreditor Agent (or by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Debt Documents executed after the date of this Agreement.

26.2 Amendment costs

If a Debtor or a Security Provider requests an amendment, waiver or consent, the Parent shall, within five (5) Business Days of demand, reimburse (or shall procure that another member of the Group reimburses) the Common Security Agent, the POA Agent or the Intercreditor Agent (as applicable) for the amount of all costs and expenses (including legal fees) (together with any applicable Indirect Tax) reasonably incurred by the Common Security Agent, the POA Agent or the Intercreditor Agent (or by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

26.3 Enforcement and preservation costs

The Parent shall, within five (5) Business Days of demand, pay (or shall procure that another member of the Group pays) to the Common Security Agent, the POA Agent or the Intercreditor Agent (as applicable) the amount of all costs and expenses (including legal fees and together with any applicable Indirect Tax) incurred by the Common Security Agent, the POA Agent or the Intercreditor Agent (or by any Receiver or Delegate) in connection with the enforcement of or the preservation of any rights under any Debt Document and the Transaction Security and any proceedings instituted by or against the Common Security Agent, the POA Agent or the Intercreditor Agent (or any Receiver or Delegate) as a consequence of taking or holding the Transaction Security or enforcing these rights.

26.4 Stamp taxes

The Parent shall pay and, within five (5) Business Days of demand, indemnify the Common Security Agent, the POA Agent or the Intercreditor Agent (as applicable) against any cost, loss or liability the Common Security Agent, the POA Agent or the Intercreditor Agent incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Debt Document.

26.5 Interest on demand

If any Creditor or Debtor fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount (and be compounded with it) from the due date up to the date of actual payment (both before and after judgment and to the extent interest at a default rate is not otherwise being paid on that sum) at the rate which is 2.0 per cent. per annum over the rate at which the Intercreditor Agent would be able to obtain by placing on deposit with a leading bank an amount comparable to the unpaid amounts in the currencies of those amounts for any period(s) that the Intercreditor Agent may from time to time select, *provided that* if any such rate is below zero, that rate will be deemed to be zero.

27. Other indemnities

27.1 Indemnity to the Common Security Agent

(a) Each Debtor jointly and severally shall promptly indemnify the Common Security Agent, the POA Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable Indirect Tax) incurred by any of them as a result of:

(i) any failure by the Parent to comply with its obligations under Clause 26 (*Costs and expenses*);

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, holding, protection or enforcement of the Transaction Security;

(iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Common Security Agent, each Receiver and each Delegate and the POA Agent by the Debt Documents or by law;

(v) any default by any Debtor or Security Provider in the performance of any of the obligations expressed to be assumed by it in the Debt Documents;

(vi) instructing lawyers, accountants, tax advisers, surveyors, a Financial Adviser or other professional advisers or experts as permitted under this Agreement; or

(vii) acting as Common Security Agent, Receiver or Delegate under the Debt Documents or which otherwise relates to any of the Security Property (otherwise, in each case, than by reason of the relevant Common Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

(b) Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 27.1 will not be prejudiced by any release or disposal under Clause 17 (*Distressed Disposals*) taking into account the operation of that Clause 17.

(c) The Common Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 27.1 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

27.2 Indemnity to the Intercreditor Agent

(a) Each Debtor jointly and severally shall promptly indemnify the Intercreditor Agent against any cost, loss or liability (together with any applicable Indirect Tax) incurred by the Intercreditor Agent as a result of:

(i) any failure by the Parent to comply with its obligations under Clause 26 (*Costs and expenses*);

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, protection or enforcement of the Transaction Security;

(iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Intercreditor Agent by the Debt Documents or by law;

(v) any default by any Debtor or Security Provider in the performance of any of the obligations expressed to be assumed by it in the Debt Documents;

(vi) instructing lawyers, accountants, tax advisers, surveyors, a Financial Adviser or other professional advisers or experts as permitted under this Agreement; or

(vii) acting as Intercreditor Agent under the Debt Documents or which otherwise relates to any of the Security Property (otherwise, in each case, than by reason of the relevant Intercreditor Agent's gross negligence or wilful misconduct).

(b) Each Debtor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 27.2 will not be prejudiced by any release or disposal under Clause 17 (*Distressed Disposals*) taking into account the operation of that Clause 17.

(c) The Common Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify the Intercreditor Agent out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 27.2 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to the Intercreditor Agent.

27.3 Parent's indemnity to Primary Creditors

The Parent shall promptly and as principal obligor indemnify each Primary Creditor against any cost, loss or liability (together with any applicable Indirect Tax), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of the operation of Clause 17 (*Distressed Disposals*).

Section 9
Administration

28. Information

28.1 Dealings with Common Security Agent, Intercreditor Agent and Creditor Representatives

(a) Subject to clause 33.5 (*Communication when Agent is Impaired Agent*) of the 2016 Credit Facility Agreement and to any Equivalent Provision of any Additional Credit Facility or Pari Passu Facility Agreement, each Credit Facility Lender, Pari Passu Noteholder and Pari Passu Lender shall deal with the Common Security Agent and Intercreditor Agent exclusively through its Creditor Representative and the Hedge Counterparties shall deal directly with the Common Security Agent and Intercreditor Agent and shall not deal through any Creditor Representative.

(b) No Creditor Representative shall be under any obligation to act as agent or otherwise on behalf of any Hedge Counterparty except as expressly provided for in, and for the purposes of, this Agreement.

28.2 Disclosure between Primary Creditors, Common Security Agent and Intercreditor Agent

Notwithstanding any agreement to the contrary, each of the Debtors, Bondcos and Subordinated Creditors consents, until the Final Discharge Date, to the disclosure by any Primary Creditor, the Common Security Agent and Intercreditor Agent to each other (whether or not through a Creditor Representative or the Common Security Agent) of such information concerning the Debtors, Security Providers, Bondcos and the Subordinated Creditors as any Primary Creditor or the Common Security Agent or the Intercreditor Agent shall see fit.

28.3 Notification of prescribed events

(a) If an Event of Default or Default under a Credit Facility Agreement or a Pari Passu Debt Document either occurs or ceases to be continuing the relevant Creditor Representative shall, upon becoming aware of that occurrence or cessation, notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each other Primary Creditor and the Common Security Agent.

(b) If a Credit Facility Acceleration Event occurs the relevant Credit Facility Agent shall notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each other Party.

(c) If a Pari Passu Debt Acceleration Event occurs the relevant Creditor Representative(s) shall notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each other Party.

(d) If the Common Security Agent enforces, or takes formal steps to enforce, any of the Transaction Security it shall notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each other Party of that action.

(e) If any Primary Creditor exercises any right it may have to enforce, or to take formal steps to enforce, any of the Transaction Security it shall notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each Party of that action.

(f) If a Debtor defaults on any Payment due under a Hedging Agreement, the Hedge Counterparty which is party to that Hedging Agreement shall, upon becoming aware of that default, notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify the Creditor Representatives and each other Hedge Counterparty and the Common Security Agent.

(g) If a Hedge Counterparty terminates or closes-out, in whole or in part, any hedging transaction under any Hedging Agreement under Clause 5.9 (*Permitted Enforcement: Hedge Counterparties*) it shall notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each Creditor Representative and each other Hedge Counterparty and the Common Security Agent.

(h) If any of the Floating Rate Term Outstandings or the Other Currency Term Outstandings are to be reduced (whether by way of repayment, prepayment, cancellation or otherwise) the Parent shall notify each Hedge Counterparty of:

(i) the date and amount of that proposed reduction;

(ii) any Interest Rate Hedge Excess that would result from that proposed reduction and that Hedge Counterparty's Interest Rate Hedging Proportion (if any) of that Interest Rate Hedge Excess; and

(iii) any Exchange Rate Hedge Excess that would result from that proposed reduction and that Hedge Counterparty's Exchange Rate Hedging Proportion (if any) of that Exchange Rate Hedge Excess.

(i) If the Intercreditor Agent receives a notice under paragraph (a) of Clause 6.1 (*Option to Purchase: Pari Passu Debt Creditors*) it shall upon receiving that notice, notify, and send a copy of that notice to, each Credit Facility Agent. If the Intercreditor Agent receives a similar notice in connection with paragraph (h) of Clause 3.2 (*Rolled Loan – restrictions*), it shall upon receiving that notice, notify, and send a copy of that notice to, the Rolled Loan Facility Lender.

(j) If the Intercreditor Agent receives a notice under paragraph (a) of Clause 6.2 (*Hedge Transfer: Pari Passu Debt Creditors*) it shall upon receiving that notice, notify, and send a copy of that notice to, each Hedge Counterparty.

(k) If any Sponsor Affiliate acquires an interest in the Rolled Loan, the Parent shall immediately notify the Intercreditor Agent and the Intercreditor Agent shall, upon receiving that notification, notify each other Secured Party.

29. Notices

29.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

29.2 Common Security Agent's and Intercreditor Agent's communications with Primary Creditors

The Common Security Agent and the Intercreditor Agent shall be entitled to carry out all dealings:

(a) with the Credit Facility Lenders, Pari Passu Noteholders and Pari Passu Lenders through their respective Creditor Representatives and may give to the Creditor Representatives, as applicable, any notice or other communication required to be given by the Common Security Agent or the Intercreditor Agent to a Credit Facility Lender, Pari Passu Noteholder or Pari Passu Lender; and

(b) with each Hedge Counterparty directly with that Hedge Counterparty.

29.3 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of the Parent or the Company, that identified with its name below;

(b) in the case of the Common Security Agent, that identified with its name below;

(c) in the case of the POA Agent, that identified with its name below;

(d) in the case of the Intercreditor Agent, that identified with its name below; and

(e) in the case of each other Party, that notified in writing to the Intercreditor Agent on or prior to the date on which it becomes a Party,

or any substitute address, fax number or department or officer which that Party may notify to the Intercreditor Agent (or the Intercreditor Agent may notify to the other Parties, if a change is made by the Intercreditor Agent) by not less than five Business Days' notice.

29.4 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 29.3 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Common Security Agent will be effective only when actually received by the Common Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Common Security Agent's signature below (or any substitute department or officer as the Common Security Agent shall specify for this purpose). Any communication or document to be made or delivered to the Intercreditor Agent will be effective only when actually received by the Intercreditor Agent and then only if it is expressly marked for the attention of the department or officer identified with the Intercreditor Agent's signature below (or any substitute department or officer as the Intercreditor Agent shall specify for this purpose).

(c) Any communication or document made or delivered to the Parent in accordance with this Clause 29.4 will be deemed to have been made or delivered to each of the Debtors and Security Providers.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

29.5 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 29.3 (*Addresses*) or changing its own address or fax number, the Intercreditor Agent shall notify the other Parties.

29.6 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with this Agreement may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any such electronic communication as specified in paragraph (a) above to be made between a Subordinated Creditor, a Bondco, a Debtor or an Intra-Group Lender and the Common Security Agent, the Intercreditor Agent or a Primary Creditor may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Common Security Agent or the Intercreditor Agent only if it is addressed in such a manner as the Common Security Agent or the Intercreditor Agent (as applicable) shall specify for this purpose.

(d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in this Agreement to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 29.6.

29.7 English language

(a) Any notice given under or in connection with this Agreement must be in English.

(b) All other documents provided under or in connection with this Agreement must be:

(i) in English; or

(ii) if not in English, and if so required by the Intercreditor Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

30. Preservation

30.1 Partial invalidity

If, at any time, any provision of a Debt Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

30.2 No impairment

If, at any time after its date, any provision of a Debt Document (including this Agreement) is not binding on or enforceable in accordance with its terms against a person expressed to be a party to that Debt Document, neither the binding nature nor the enforceability of that provision or any other provision of that Debt Document will be impaired as against the other party(ies) to that Debt Document.

30.3 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Party, any right or remedy under a Debt Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Debt Document. No election to affirm any Debt Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Debt Document are cumulative and not exclusive of any rights or remedies provided by law.

30.4 Waiver of defences

The provisions of this Agreement or any Transaction Security will not be affected by an act, omission, matter or thing which, but for this Clause 30.4, would reduce, release or prejudice the subordination and priorities expressed to be created by this Agreement including (without limitation and whether or not known to any Party):

(a) any time, waiver or consent granted to, or composition with, any Debtor, Security Provider or other person;

(b) the release of any Debtor, Security Provider or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Debtor, Security Provider or other person;

(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Debt Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Debt Document or any other document or security;

(g) any intermediate Payment of any of the Liabilities owing to the Primary Creditors in whole or in part; or

(h) any insolvency or similar proceedings.

30.5 Priorities not affected

Except as otherwise provided in this Agreement the priorities referred to in Clause 2 (*Ranking and priority*) will:

(a) not be affected by any reduction or increase in the principal amount secured by the Transaction Security in respect of the Liabilities owing to the Primary Creditors or by any intermediate reduction or increase in, amendment or variation to any of the Debt Documents, or by any variation or satisfaction of, any of the Liabilities or any other circumstances;

(b) apply regardless of the order in which or dates upon which this Agreement and the other Debt Documents are executed or registered or notice of them is given to any person; and

(c) secure the Liabilities owing to the Primary Creditors in the order specified, regardless of the date upon which any of the Liabilities arise or of any fluctuations in the amount of any of the Liabilities outstanding.

31. Consents, amendments and override

31.1 Required consents

(a) Subject to paragraph (b) below, to Clause 31.4 (*Exceptions*), to Clause 31.6 (*Excluded Super Senior Credit Participations*) and to Clause 31.7 (*Disenfranchisement of Sponsor Affiliates*):

(i) Clause 20.1 (*Equalisation Definitions*) to Clause 20.3 (*Equalisation*) may be amended or waived with the consent of each Credit Facility Agent, the Super Senior Creditors, the Intercreditor Agent and the Common Security Agent to the extent that that amendment or waiver does not affect the Pari Passu Creditors or the Parent;

(ii) Schedule 7 (*Enforcement Principles*) may be amended or waived with the consent of the Majority Super Senior Creditors and the Required Pari Passu Creditors, the Intercreditor Agent and the Common Security Agent and without the consent of the Parent, any Debtor, any Intra-Group Lender, any Bondco or any Subordinated Creditor to the extent that that amendment or waiver does not impose obligations on and does not materially and adversely affect the Parent, any Debtor, any Intra-Group Lender, any Bondco or any Subordinated Creditor;

(iii) Schedule 9 (*Hedge Counterparties' guarantee and indemnity*) may be amended or waived with the consent of the Parent and each Hedge Counterparty to the extent that that amendment or waiver does not affect the Pari Passu Debt Creditors or the Credit Facility Lenders; and

(iv) subject to paragraphs (i) to (iii) above, this Agreement may be amended or waived only with the consent of the Parent, each Creditor Representative, the Majority Super Senior Creditors and the Required Pari Passu Creditors, the Intercreditor Agent and the Common Security Agent.

(b) An amendment or waiver that has the effect of changing or which relates to:

(i) Clause 14 (*Redistribution*), Clause 15 (*Enforcement of Transaction Security*), Clause 19 (*Application of proceeds*) or this Clause 31 (*Consents, amendments and override*);

(ii) paragraphs (d)(iii), (e) and (f) of Clause 21.3 (*Instructions*);

(iii) paragraphs (d)(iii), (e) and (f) of Clause 23.2 (*Instructions*);

(iv) the order of priority or subordination under this Agreement; or

(v) paragraphs (m) and (n) of Clause 1.2 (*Construction*) or Schedule 5 (*Continuing Documents*),

shall not be made without the consent of:

(A) each Creditor Representative;

(B) each Credit Facility Lender;

(C) each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders in respect of which it is the Creditor Representative;

(D) each Pari Passu Lender;

(E) each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty);

(F) the Common Security Agent;

(G) the Intercreditor Agent;

(H) the POA Agent; and

(I) the Parent.

31.2 Amendments and waivers: Transaction Security Documents

(a) Subject to paragraph (b) below and to Clause 31.4 (*Exceptions*) and unless the provisions of any Debt Document expressly provide otherwise, the Intercreditor Agent may (or may direct the Common Security Agent to), if authorised by the Majority Super Senior Creditors and the Required Pari Passu Creditors, and if the Parent consents, amend the terms of, waive any of the requirements of or grant consents under, any of the Transaction Security Documents (other than the Transaction Security Documents creating Credit-Specific Transaction Security) which shall be binding on each Party.

(b) Subject to paragraph (c) of Clause 31.4 (*Exceptions*), any amendment or waiver of, or consent under, any Transaction Security Document which has the effect of changing or which relates to:

(i) the nature or scope of the Charged Property;

(ii) the manner in which the proceeds of enforcement of the Transaction Security are distributed; or

(iii) the release of any Transaction Security,

shall not be made without the prior consent of each Credit Facility Lender, each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders in respect of which it is the Creditor Representative, each Pari Passu Lender and each Hedge Counterparty, *provided* that:

(A) in the case of such an amendment or waiver of, or consent under, any Transaction Security Document in respect of the release of any Transaction Security in relation to a Pari Passu Notes Interest Accrual Account, such amendment, waiver or consent shall not require the consent of any Credit Facility Lender, Pari Passu Lender or Hedge Counterparty and shall only require the consent of the Pari Passu Note Trustee in respect of the Pari Passu Notes to which that Pari Passu Notes Interest Accrual Account relates; and

(B) in the case of such an amendment or waiver of, or consent under, any Transaction Security Document in respect of the release of any Transaction Security in relation to a Pari Passu Facility Debt Service Reserve Account, such amendment, waiver or consent shall not require the consent of any Credit Facility Lender, Pari Passu Note Trustee or Hedge Counterparty and shall only require the consent of the Creditor Representative in respect of the Pari Passu Facility to which that Pari Passu Facility Debt Service Reserve Account relates.

31.3 Effectiveness

(a) Any amendment, waiver or consent given in accordance with this Clause 31 will be binding on all Parties and the Intercreditor Agent may effect, on behalf of any Primary Creditor, any amendment, waiver or consent permitted by this Clause 31.

(b) Without prejudice to the generality of Clause 21.8 (*Rights and discretions*) the Intercreditor Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

31.4 Minor or technical amendments

The Intercreditor Agent may agree with the Company at any time any amendment to or modification to this Agreement which, in its opinion, is minor or technical in nature or which is necessary to correct a manifest error.

31.5 Exceptions

(a) Subject to paragraphs (c) and (d) below, if the amendment, waiver or consent may impose new or additional obligations on or withdraw or reduce the rights of any Party other than:

(i) in the case of a Primary Creditor (other than any Creditor Representative or any Arranger), in a way which affects or would affect Primary Creditors of that Party's class generally; or

(ii) in the case of a Debtor, to the extent consented to by the Parent under paragraph (a) of Clause 31.2 (*Amendments and waivers: Transaction Security Documents*),

the consent of that Party is required.

(b) Subject to paragraphs (c) and (d) below, an amendment, waiver or consent which relates to the rights or obligations of a Creditor Representative, an Arranger, the Common Security Agent (including, without limitation, any ability of the Common Security Agent to act in its discretion under this Agreement), the Intercreditor Agent, the POA Agent or a Hedge Counterparty may not be effected without the consent of that Creditor Representative or, as the case may be, that Arranger, the Common Security Agent, the Intercreditor Agent, the POA Agent or that Hedge Counterparty.

(c) Neither paragraph (a) nor (b) above, nor paragraph (b) of Clause 31.2 (*Amendments and waivers: Transaction Security Documents*) shall apply:

(i) to any release of Transaction Security, claim or Liabilities; or

(ii) to any amendment, waiver or consent,

which, in each case, the Common Security Agent gives in accordance with Clause 16 (*Non-Distressed Disposals*) or Clause 17 (*Distressed Disposals*).

(d) Paragraphs (a) and (b) above shall apply to an Arranger only to the extent that Liabilities are then owed to that Arranger.

(e) An amendment, waiver or consent that has the effect of changing or which relates to Clause 3.2 (*Rolled Loan – restrictions*), Clause 15.4 (*Enforcement of Transaction Security – Rolled Loan Cash Collateral*) or any requirement that any other provision is subject to Clause 3.2 (*Rolled Loan – restrictions*) may not be effected without the consent of each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders in respect of which it is the Creditor Representative, each Pari Passu Lender, each Additional Credit Facility Lender, the Intercreditor Agent and the Rolled Loan Facility Lender.

31.6 Excluded Super Senior Credit Participations

(a) Subject to paragraph (b) below, if in relation to:

(i) a request for a Consent in relation to any of the terms of this Agreement;

(ii) a request to participate in any other vote of Super Senior Creditors under the terms of this Agreement;

(iii) a request to approve any other action under this Agreement;

(iv) a request to provide any confirmation or notification under this Agreement; or

(v) a request to provide details of an Exposure,

any Super Senior Creditor:

(A) fails to respond to that request within 10 Business Days of that request being made; or

(B) (in the case of paragraphs (i) to (iii) above), fails to provide details of its Super Senior Credit Participation to the Intercreditor Agent or Common Security Agent (as applicable) within the timescale specified by the Intercreditor Agent or Common Security Agent (as applicable);

(vi) in the case of paragraphs (i) to (iii) above, that Super Senior Creditor's Super Senior Credit Participation (as the case may be) shall be deemed to be zero for the purpose of calculating the Super Senior Credit Participations when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Super Senior Credit Participations has been obtained to give that Consent, carry that vote or approve that action;

(vii) in the case of paragraphs (i) to (iii) above, that Super Senior Creditor's status as a Super Senior Creditor shall be disregarded for the purposes of ascertaining whether the agreement of any specified group of Super Senior Creditors has been obtained to give that Consent, carry that vote or approve that action;

(viii) in the case of paragraph (iv) above, that confirmation or notification shall be deemed to have been given; and

(ix) in the case of paragraph (v) above, that Super Senior Creditor's Exposure shall be deemed to be zero.

(b) Paragraph (a)(v)(A) above shall not apply to an amendment or waiver referred to in paragraphs (b)(i), (b)(ii), (b)(iii), (b)(iv) or (b)(v) of Clause 31.1 (*Required consents*).

31.7 Disenfranchisement of Sponsor Affiliates

(a) For so long as a Sponsor Affiliate (i) beneficially owns a Super Senior Credit Participation or Pari Passu Credit Participation or (ii) has entered into a sub-participation agreement relating to a Super Senior Credit Participation or Pari Passu Credit Participation or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated, in ascertaining:

(i) the Majority Super Senior Creditors;

(ii) the Majority Pari Passu Creditors; or

(iii) whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Super Senior Credit Participation or Pari Passu Credit Participation, or the agreement of any specified group of Primary Creditors,

has been obtained to approve any request for a Consent or to carry any other vote or approve any action under this Agreement, that Super Senior Credit Participation or Pari Passu Credit Participation shall be deemed to be zero and, subject to paragraph (ii) below, that Sponsor Affiliate (or the person with whom it has entered into that sub-participation, other agreement or arrangement (a "**Counterparty**")) shall be deemed not to be a Credit Facility Lender or Pari Passu Creditor.

(b) Each Sponsor Affiliate that is a Credit Facility Lender or Pari Passu Creditor agrees that:

(i) in relation to any meeting or conference call to which all the Super Senior Creditors, all the Pari Passu Creditors, all the Primary Creditors, or any combination of those groups of Primary Creditors are invited to attend or participate, it shall not attend or participate in the same if so requested by the Intercreditor Agent or, unless the Security Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and

(ii) it shall not, unless the Intercreditor Agent otherwise agrees, be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Intercreditor Agent or one or more of the Primary Creditors.

31.8 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:

(i) the Majority Super Senior Creditors or Majority Pari Passu Creditors; or

(ii) whether:

(A) any relevant percentage (including, for the avoidance of doubt, unanimity) of Super Senior Credit Participations or Pari Passu Credit Participations; or

(B) the agreement of any specified group of Primary Creditors,

has been obtained to approve any request for a Consent or to carry any other vote or approve any action under this Agreement, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments and, to the extent that that reduction results in that Defaulting Lender's Commitments being zero, that Defaulting Lender shall be deemed not to be a Credit Facility Lender or Pari Passu Creditor.

(b) For the purposes of this Clause 31.8, the Intercreditor Agent may assume that the following Primary Creditors are Defaulting Lenders:

(i) any Credit Facility Lender or Pari Passu Lender which has notified the Intercreditor Agent that it has become a Defaulting Lender;

(ii) any Credit Facility Lender or Pari Passu Lender to the extent that the relevant Creditor Representative has notified the Intercreditor Agent that that Credit Facility Lender or Pari Passu Lender is a Defaulting Lender; and

(iii) any Credit Facility Lender or Pari Passu Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a) or (b) of the definition of "**Defaulting Lender**" in the relevant Credit Facility Agreement or Pari Passu Facility Agreement has occurred,

unless it has received notice to the contrary from the Credit Facility Lender or Pari Passu Lender concerned (together with any supporting evidence reasonably requested by the Intercreditor Agent) or the Intercreditor Agent is otherwise aware that the relevant Credit Facility Lender or Pari Passu Lender has ceased to be a Defaulting Lender.

31.9 Calculation of Super Senior Credit Participations and Pari Passu Credit Participations

For the purpose of ascertaining whether any relevant percentage of Super Senior Credit Participations or Pari Passu Credit Participations has been obtained under this Agreement, the Intercreditor Agent may notionally convert the Super Senior Credit Participations and/or Pari Passu Creditor Participations into their Common Currency Amounts.

31.10 Deemed Consent

If, at any time prior to the Super Senior Discharge Date, the Credit Facility Lenders, the Pari Passu Note Trustees (to the extent required under the Senior Secured Note Documents) and the Pari Passu Debt Creditors (to the extent required under the Pari Passu Debt Documents) give a Consent in respect of their respective Debt Documents then, if that action was permitted by the terms of this Agreement, the Intra-Group Lenders, the Parent, each Bondco and each Subordinated Creditor will (or will be deemed to):

(a) give a corresponding Consent in equivalent terms in relation to each of the Debt Documents to which they are a party; and

(b) do anything (including executing any document) that the Primary Creditors may reasonably require to give effect to this Clause 31.10.

31.11 Excluded Consents

Clause 31.10 (*Deemed Consent*) does not apply to any Consent which has the effect of:

(a) increasing or decreasing the Liabilities;

(b) changing the basis upon which any Permitted Payments are calculated (including the timing, currency or amount of such Payments); or

(c) changing the terms of this Agreement or of any Security Document.

31.12 No liability

None of the Primary Creditors will be liable to any other Creditor, or Debtor for any Consent given or deemed to be given under this Clause 31.

31.13 Agreement to override

(a) Subject to paragraph (b) below and Clause 31.14 (*Inconsistency*), unless expressly stated otherwise in this Agreement, this Agreement overrides anything in the Debt Documents to the contrary.

(b) Notwithstanding anything to the contrary in this Agreement, paragraph (a) above will not cure, postpone, waive or negate in any manner any default or event of default (however described) under any Debt Document as between any Creditor and any Debtor that are party to that Debt Document.

31.14 Inconsistency

In the event of any inconsistency between the terms contained in this Agreement or any other Debt Document and those contained in Services and Right to Use Direct Agreement (or the Services and Right to Use Agreement or the Authorisation of the Government of the Macau SAR (as defined in the Services and Right to Use Direct Agreement), the terms of such documents shall prevail in the following order of priority:

(a) any Authorisation of the Government of the Macau SAR;

(b) the Services and Right to Use Direct Agreement;

(c) the Services and Right to Use Agreement;

(d) the Reimbursement Agreement; and

(e) subject to clause 31.13 (*Agreement to override*), any other Debt Document.

32. Services and Right to Use Direct Agreement

(a) The 2016 Credit Facility Agent shall (as soon as reasonably practicable) deliver to the Intercreditor Agent a copy of any document received by it in connection with clause 13.5.1 (*BVI Entity Articles of Association*), 13.6.1 (*Macau Obligor Articles of Association*) or 16.1 (*Grant of MacauCo Preference Rights*) of the Services and Right to Use Direct Agreement.

(b) The 2016 Credit Facility Agent shall (as soon as reasonably practicable) deliver to the Intercreditor Agent a copy of any request from a Debtor or SCH5 for the consent of the 2016 Credit Facility Agent under the Services and Right to Use Direct Agreement. Other than as expressly set out in this Agreement, neither the 2016 Credit Facility Agent nor any other 2016 Credit Facility Creditor shall be required to seek or obtain the consent of any Additional Credit Facility Creditor or Pari Passu Creditor in connection with giving or not giving a consent (or giving or not giving an instruction to the 2016 Credit Facility Agent to give or not give a consent) under the Services and Right to Use Direct Agreement, *provided* that the 2016 Credit Facility Agent agrees to not provide its consent under clause 13.7.4 (*Transfers by Golden Shareholder*), clause 13.9 (*Amendments to articles of association*) or clause 16.2.2 (*Transfers by the Preference Holder of Preference Rights*) of the Services and Right to Use Direct Agreement, except (x) if, in the judgement of the 2016 Credit Facility Agent, the giving of such consent would not be materially prejudicial to the interest of the Secured Parties (taken as a whole), or (y) the Majority Lenders (under and as defined in any Additional Credit Facility Agreement) and the Required Pari Passu Creditors have consented to the giving of such consent.

(c) The 2016 Credit Facility Lenders agree for the benefit of the other Secured Parties that any directions they give to the Common Security Agent under or in connection with paragraph (c) of clause 18.2.2 (*IE Subordination in Insolvency*) or paragraph (c) of clause 18.2.4 (*IE Subordination in Insolvency*) of the Services and Right to Use Direct Agreement shall not be inconsistent with the arrangements contemplated by Clauses 12 (*Effect of Insolvency Event*), 13 (*Turnover or receipts*) and 19 (*Application of proceeds*).

(d) Each Creditor Representative and each Hedge Counterparty (by its entry into or accession to this Agreement) acknowledges that the 2016 Credit Facility Agent is required under the terms of the Services and Right to Use Direct Agreement to deliver to the Company a statement of account on the same day (the "**Notice Date**") as the Common Security Agent delivers a Transfer Notice or a Sponsor Option Notice (each as defined in the Services and Right to Use Direct Agreement). Each Creditor Representative and each Hedge Counterparty shall promptly (and in any case no later than two (2) Business Day immediately prior to the Notice Date) deliver to the Intercreditor Agent a statement confirming (i) in the case of a Hedge Counterparty, the aggregate amount of the Hedging Liabilities owed to it (assuming that the date falling two Business Days prior to the date on which such statement of account is to be delivered was the early termination date in respect of each hedging transaction under the Hedging Agreements which (x) had not terminated or been terminated prior to such date or (y) did not terminate or was not terminated on such date); and (ii) in the case of each Creditor Representative, the aggregate amount of the Secured Obligations owed to the Secured Parties in respect of which it is a Creditor Representative (assuming that the date falling two Business Days prior to the date on which such statement of account is to be delivered was the date on which such Secured Obligations were to be repaid, redeemed, defeased and/or discharged in full), and the Intercreditor Agent shall promptly deliver to the 2016 Credit Facility Agent a statement of the aggregate of such amounts (and the currency or currencies thereof) so as to enable the 2016 Credit Facility Agent to deliver the completed statement of account on the Notice Date.

(e) Each Creditor Representative and each Hedge Counterparty (by its entry into or accession to this Agreement) acknowledges that the 2016 Credit Facility Agent is required under the terms of the Services and Right to Use Direct Agreement to deliver to the Company a statement of Secured Obligations on the date ("**Statement Date**") falling one (1) Business Day prior to any proposed completion date of any purchase by SCH5 or any Sponsor Affiliate (or any of their respective nominees) in respect of the Purchase Rights (as defined in the Services and Right to Use Direct Agreement) pursuant to or contemplated by the Services and Right to Use Direct Agreement (each, a "**Completion Date**"). Each Creditor Representative and each Hedge Counterparty shall promptly (and in any case no later than two (2) Business Days immediately prior to each Statement Date) deliver to the Intercreditor Agent all information necessary to calculate the aggregate amount (and the currency or currencies thereof) of the Secured Obligations (as at the proposed Completion Date) and the Intercreditor Agent shall promptly deliver to the 2016 Credit Facility Agent a statement of the aggregate amount (and the currency or currencies thereof) of the Secured Obligations (as at the proposed Completion Date) so as to enable the 2016 Credit Facility Agent to deliver the completed statement of Secured Obligations on to the Company on each Statement Date.

(f) Each Secured Party acknowledges that the Common Security Agent and the POA Agent may be required to take certain remedial or other actions in relation to ensuring that any Enforcement Action (or action in connection with any Enforcement Action) in respect of the Transaction Security Documents does not directly or indirectly (i) prevent Melco Resorts Macau's operation of the Gaming Area (or any other gaming area comprised in the Property) (or its ability to do so) including without limitation, in accordance with the requirements of the Services and Right to Use Agreement (all terms as defined in the Services and Right to Use Direct Agreement) or prevents it from doing so on terms no more onerous or subject to costs, expenses, liabilities or claims no greater than those to which it, or as the case may be, SCE, was previously subject immediately prior to the action which gives rise to the suspension of operation by Melco Resorts Macau, (ii) prevent Melco Resorts Macau's performance of any or all of its material obligations under the Services and Right to Use Agreement or prevents it from doing so on terms no more onerous or subject to costs, expenses, liabilities or claims no greater than those to which it, or as the case may be, SCE, was previously subject immediately prior to the action which gives rise to the suspension of operation by Melco Resorts Macau, and/or (iii) give rise to an inability on the part of Melco Resorts Macau to operate the Gaming Area, including without limitation, in accordance with the Services and Right to Use Agreement, and hereby authorises and instructs each of the Common Security Agent and the POA Agent to take such remedial or other actions.

(g) The 2016 Credit Facility Agent's duties under the Services and Right to Use Direct Agreement are solely mechanical and administrative in nature and each Secured Party that is not a party to the 2016 Credit Facility Agreement acknowledges and agrees that nothing (i) in this Agreement or in the Services and Right to Use Direct Agreement or (ii) relating to the 2016 Credit Facility Agent's conduct with respect to the Services and Right to Use Direct Agreement constitutes or shall give rise to the 2016 Credit Facility Agent's being a trustee or fiduciary of any other person and, save as expressly set out in this Agreement, the 2016 Credit Facility Agent may act (or refrain from acting) in accordance with and rely on clause 28 (*Role of the Agent and others*) of the original form of the 2016 Credit Facility Agreement in connection with the Services and Right to Use Direct Agreement and its performance of any actions in connection therewith.

33. Acknowledgments

Each of the Secured Parties authorises the Intercreditor Agent and the Common Security Agent to sign and accept the deed of acknowledgment in respect of this Agreement to be executed and delivered by Melco Resorts Macau to the Intercreditor Agent and the Common Security Agent on the date of this Agreement. Each of the Intercreditor Agent and the Common Security Agent shall, as soon as reasonably practicable after receipt by it, sign and accept the same.

34. Contractual recognition of bail-in

34.1 Contractual recognition of bail-in

Notwithstanding any other term of any Debt Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with any Debt Document governed by the laws of any non-EEA jurisdiction may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any such Debt Document governed by the laws of any non-EEA jurisdiction to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

34.2 Definitions

For the purposes of this Clause 34:

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers;

"**Bail-In Legislation**" means, in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

"**EEA Member Country**" means any member state of the European Union from time to time, Iceland, Liechtenstein and Norway;

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers; and

"**Write-down and Conversion Powers**" means, in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule.

35. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

36. Governing law

This Agreement and any non- contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

37. Enforcement

37.1 Jurisdiction

(a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 37.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

37.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law:

(i) each Debtor, Security Provider, Bondco and Subordinated Creditor:

(A) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

(B) agrees that failure by a process agent to notify the relevant Debtor, Security Provider, Bondco or Subordinated Creditor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Parent (in the case of an agent for service of process for a Debtor), the relevant Security Provider, the relevant Bondco or the relevant Subordinated Creditor must immediately (and in any event within three (3) days of such event taking place) appoint another agent on terms acceptable to each Creditor Representative and each Hedge Counterparty. Failing this, the relevant Creditor Representative or Hedge Counterparty (as the case may be) may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Intra-Group Lenders, the Debtors, the Security Providers and the Original Bondco and is intended to be and is delivered by them as a deed on the date specified above.

Schedule 1
Form of Debtor Accession Deed

This Agreement is made on [•] and made

Between:

(1) [*Insert full name of new Debtor*] (the "**Acceding Debtor**"); and

(2) [*Insert full name of current Intercreditor Agent*] (the "**Intercreditor Agent**"), for itself and each of the other parties to the intercreditor agreement referred to below; and

(3) [*Insert full name of current Common Security Agent*] (the "**Common Security Agent**"), for itself and each of the other parties to the intercreditor agreement referred to below;

This agreement is made on [*date*] by the Acceding Debtor in relation to an intercreditor agreement (the "**Intercreditor Agreement**") dated 1 December 2016 between, among others, Studio City Investments Limited as parent, Studio City Company Limited as company, Industrial and Commercial Bank of China (Macau) Limited as common security agent, DB Trustees (Hong Kong) Limited as intercreditor agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement) (as amended and restated from time to time).

The Acceding Debtor intends to give a guarantee, indemnity or other assurance against loss in respect of Liabilities under the following documents:

[*Insert details (date, parties and description) of relevant documents*]

the "**Relevant Documents**".

It is agreed as follows:

1. Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, bear the same meaning when used in this Agreement.

2. The Acceding Debtor and the Common Security Agent agree that the Common Security Agent shall hold:

   (a) [any Security in respect of Liabilities created or expressed to be created pursuant to the Relevant Documents;

   (b) all proceeds of that Security; and]*

   (c) all obligations expressed to be undertaken by the Acceding Debtor to pay amounts in respect of the Liabilities to the Common Security Agent as trustee for the Secured Parties (in the Relevant Documents or otherwise) and secured by the Transaction Security together with all representations and warranties expressed to be given by the Acceding Debtor (in the Relevant Documents or otherwise) in favour of the Common Security Agent as trustee for the Secured Parties,

   on trust for the Secured Parties on the terms and conditions contained in the Intercreditor Agreement.

3. The Acceding Debtor confirms that it intends to be party to the Intercreditor Agreement as a Debtor, undertakes to perform all the obligations expressed to be assumed by a Debtor under the Intercreditor Agreement and agrees that it shall be bound by all the provisions of the Intercreditor Agreement as if it had been an original party to the Intercreditor Agreement.

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* Include to the extent that the Security created in the Relevant Documents is expressed to be granted to the Security Agent as trustee for the Secured Parties.

4. [In consideration of the Acceding Debtor being accepted as an Intra-Group Lender for the purposes of the Intercreditor Agreement, the Acceding Debtor also confirms that it intends to be party to the Intercreditor Agreement as an Intra-Group Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by an Intra-Group Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement].**

[4.]/[5.] This Agreement and any non- contractual obligations arising out of or in connection with it are governed by and construed in accordance with, English law.

This Agreement has been signed on behalf of the Intercreditor Agent and the Common Security Agent and executed as a deed by the Acceding Debtor and is delivered on the date stated above.

** Include this paragraph in the relevant Debtor Accession Deed if the Acceding Debtor is also to accede as an Intra-Group Lender to the Intercreditor Agreement.

The Acceding Debtor

[**Executed** as a **Deed**
By: [*Full name of Acceding Debtor*]

} _____
Director

} _____
Director/Secretary]

or

[Executed as a Deed
By: [*Full name of Acceding Debtor*]

} _____
Signature of Director

} _____
Name of Director

In the presence of:

_____
Signature of witness:

Name of witness:

Address of witness:

Occupation of witness]:

Address for notices:

Address:

Fax:

The Intercreditor Agent
[*Full name of current Intercreditor Agent*]

By:

Date:

The Common Security Agent
[*Full name of current Common Security Agent*]

By:

Date:

Schedule 2
Form of Creditor/Creditor Representative Accession Undertaking

To: [*Insert full name of current Intercreditor Agent*] for itself and each of the other parties to the Intercreditor Agreement referred to below.

From:[*Acceding Creditor*]

This Undertaking is made on [*date*] by [*insert full name of new Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco*] (the "**Acceding Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco**") in relation to the intercreditor agreement (the "**Intercreditor Agreement**") dated 1 December 2016 between, among others, Studio City Investments Limited as parent, Studio City Company Limited as company, Industrial and Commercial Bank of China (Macau) Limited as common security agent, DB Trustees (Hong Kong) Limited as intercreditor agent, the other Creditors and the other Debtors (each as defined in the Intercreditor Agreement) (as amended and restated from time to time). Terms defined in the Intercreditor Agreement shall, unless otherwise defined in this Undertaking, bear the same meanings when used in this Undertaking.

In consideration of the Acceding [Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco] being accepted as a [Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco] for the purposes of the Intercreditor Agreement, the Acceding [Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco] confirms that, as from [date], it intends to be party to the Intercreditor Agreement as a [Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra-Group Lender/Subordinated Creditor/Bondco] and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a [Credit Facility Lender/Pari Passu Lender/Hedge Counterparty/Creditor Representative/Credit Facility Arranger/Pari Passu Arranger/Intra- Group Lender/Subordinated Creditor/Bondco] and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.

[The Acceding Lender is an Affiliate of a Credit Facility Lender and has become a provider of an Ancillary Facility. In consideration of the Acceding Lender being accepted as an Ancillary Lender for the purposes of [*insert detail of the relevant Credit Facility Agreement*], the Acceding Lender confirms, for the benefit of the parties to that Credit Facility Agreement, that, as from [date], it intends to be party to that Credit Facility Agreement as an Ancillary Lender, and undertakes to perform all the obligations expressed in that Credit Facility Agreement to be assumed by a Finance Party (as defined in that Credit Facility Agreement) and agrees that it shall be bound by all the provisions of that Credit Facility Agreement, as if it had been an original party to that Credit Facility Agreement as an Ancillary Lender.]**

[The Acceding Hedge Counterparty has become a provider of hedging arrangements to the Company. In consideration of the Acceding Hedge Counterparty being accepted as a Hedge Counterparty for the purposes of [*insert detail of the relevant Credit Facility Agreement*], the Acceding Hedge Counterparty confirms, for the benefit of the parties to that Credit Facility Agreement, that, as from [date], it intends to be party to that Credit Facility Agreement as a Hedge Counterparty, and undertakes to perform all the obligations expressed in that Credit Facility Agreement to be assumed by a Hedge Counterparty and agrees that it shall be bound by all the provisions of that Credit Facility Agreement, as if it had been an original party to that Credit Facility Agreement as a Hedge Counterparty.]***

** Include only in the case of an Ancillary Lender which is an Affiliate of a Credit Facility Lender which is using this undertaking to accede to the relevant Credit Facility Agreement in accordance with paragraph (c) of Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

This Undertaking and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

This Undertaking has been entered into on the date stated above [and is executed as a deed by the Acceding Creditor, if it is acceding as an Intra-Group Lender [or an Investor] and is delivered on the date stated above].

Acceding [Creditor]
Executed as a **Deed**
[*insert full name of Acceding Creditor*] }

By:
Address:
Fax:

Accepted by the Intercreditor Agent

for and on behalf of
[*Insert full name of current Intercreditor Agent*]

Date:

[Accepted by the [2016]//[Additional] Credit Facility Agent

for and on behalf of
[*Insert full name of current relevant Credit Facility Agent*]

Date:]****

*** Include only in the case of a Hedge Counterparty which is using this undertaking to accede to the Credit Facility Agreement in accordance with paragraph (c) of Clause 25.14 (*Creditor/Creditor Representative Accession Undertaking*).

**** Include only in the case of (a) a Hedge Counterparty or (b) an Ancillary Lender which is an Affiliate of a Credit Facility Lender which is using this undertaking to accede to the relevant Credit Facility Agreement.

Schedule 3
Form of Debtor Resignation Request

To: [•] as Intercreditor Agent

From: [*resigningDebtor*] and Studio City Investments Limited

Dated:

Dear Sirs

Studio City Investments Limited—Intercreditor Agreement dated 1 December 2016 (as amended and restated from time to time) (the "Intercreditor Agreement")

1. We refer to the Intercreditor Agreement. This is a Debtor Resignation Request. Terms defined in the Intercreditor Agreement have the same meaning in this Debtor Resignation Request unless given a different meaning in this Debtor Resignation Request.

2. Pursuant to Clause 25.17 (*Resignation of a Debtor*) of the Intercreditor Agreement we request that [*resigning Debtor*] be released from its obligations as a Debtor under the Intercreditor Agreement.

3. We confirm that:

   (a) no Event of Default is continuing or would result from the acceptance of this request; and

   (b) [*resigning Debtor*] is under no actual or contingent obligations in respect of the Intra-Group Liabilities.

4. This letter and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

Studio City Investments Limited

} _____
By:

[Resigning Debtor]

} _____
By:

Schedule 4
Transaction Security Documents

1. English law share charges

(a) The charge over all present and future shares of Studio City Company Limited held by Studio City Investments Limited, granted by Studio City Investments Limited dated 26 November 2013.

(b) The charge over all present and future shares of Studio City Holdings Two Limited held by Studio City Company Limited, granted by Studio City Company Limited dated 26 November 2013.

(c) The charge over all present and future shares in Studio City Holdings Three Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013.

(d) The charge over all present and future shares in Studio City Holdings Four Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013.

(e) The charge over all present and future shares in SCP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013.

(f) The charge over all present and future shares in SCIP Holdings Limited held by Studio City Holdings Two Limited, granted by Studio City Holdings Two Limited dated 26 November 2013.

(g) The charge over all present and future shares in SCP One Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013.

(h) The charge over all present and future shares in SCP Two Limited held by SCP Holdings Limited, granted by SCP Holdings Limited dated 26 November 2013.

(i) The composite deed of confirmatory security dated on or about the date of this Agreement between Studio City Company Limited, Studio City Investments Limited, Studio City Holdings Two Limited, SCP Holdings Limited and the Common Security Agent with respect to the share charges (each as amended, novated, supplemented, extended, replaced or restated from time to time) as referred to in paragraphs (a) to (h) above.

2. English law debentures

(a) The debenture dated 26 November 2013 entered into between, among others, Studio City Company Limited, Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited and SCIP Holdings Limited and the Security Agent.

(b) The deed of confirmatory security dated on or about the date of this Agreement between (among others) by Studio City Company Limited, Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Developments Limited, SCIP Holdings Limited and the Common Security Agent with respect to the debenture as referred to in paragraph (a) above.

(c) The debenture dated 18 September 2015 entered into between, among others, Studio City Holdings Five Limited and the Security Agent.

(d) The deed of confirmatory security dated on or about the date of this Agreement between (among others) Studio City Holdings Five Limited and the Common Security Agent in respect of the debenture as referred to in paragraph (c) above.

3. Hong Kong law account charge

(a) The charge over certain accounts of Studio City Company Limited held in the Hong Kong SAR, granted by Studio City Company Limited dated 26 November 2013.

(b) The charge over certain accounts of Studio City Investments Limited held in the Hong Kong SAR, granted by Studio City Investments Limited dated 26 November 2013.

(c) The charge over certain accounts of Studio City Developments Limited held in the Hong Kong SAR, granted by Studio City Developments Limited dated 26 November 2013.

(d) The charge over certain accounts of Studio City Entertainment Limited held in the Hong Kong SAR, granted by Studio City Entertainment Limited dated 26 November 2013.

(e) The charge over certain accounts of Studio City Hotels Limited held in the Hong Kong SAR, granted by Studio City Hotels Limited dated 26 November 2013.

(f) The charge over certain accounts of Studio City Services Limited held in the Hong Kong SAR, granted by Studio City Services Limited dated 26 November 2013.

(g) The charge over certain accounts of Studio City Hospitality and Services Limited held in the Hong Kong SAR, granted by Studio City Hospitality and Services Limited dated 26 November 2013.

(h) The charge over certain accounts of Studio City Retail Services Limited held in the Hong Kong SAR, granted by Studio City Retail Services Limited dated 26 November 2013.

(i) The charge over certain accounts of SCIP Holdings Limited held in the Hong Kong SAR, granted by SCIP Holdings Limited dated 26 November 2013.

(j) The composite deed of confirmatory security dated on or about the date of this Agreement between (among others) Studio City Company Limited, Studio City Investments Limited, Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and SCIP Holdings Limited and the Common Security Agent with respect to the charges over accounts (each as amended, novated, supplemented, extended, replaced or restated from time to time) as referred to in paragraphs (a) to (i) above.

4. Macau law mortgage

(a) The Mortgage;

(b) Power of attorney dated 26 November 2013 granted by Studio City Developments Limited in favour of the Common Security Agent, supplementing the Mortgage;

(c) Livrança dated 26 November 2013 issued by Studio City Company Limited to the Common Security Agent, endorsed by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited; and

(d) Livrança covering letter dated 26 November 2013 between Studio City Company Limited and the Common Security Agent, acknowledged by Studio City Investments Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Entertainment Limited, Studio City Services Limited, Studio City Hotels Limited, SCP Holdings Limited, Studio City Hospitality and Services Limited, SCP One Limited, SCP Two Limited, Studio City Developments Limited, Studio City Retail Services Limited and SCIP Holdings Limited.

5. Macau law floating charges

(a) Floating charge dated 26 November 2013 between Studio City Developments Limited and the Common Security Agent;

(b) Floating charge dated 26 November 2013 between Studio City Retail Services Limited and the Common Security Agent;

(c) Floating charge dated 26 November 2013 between Studio City Hotels Limited and the Common Security Agent;

(d) Floating charge dated 26 November 2013 between Studio City Hospitality and Services Limited and the Common Security Agent;

(e) Floating charge dated 26 November 2013 between Studio City Services Limited and the Common Security Agent; and

(f) Floating charge dated 26 November 2013 between Studio City Entertainment Limited and the Common Security Agent.

6. Macau law share pledges

(a) Share pledge agreement with respect to shares of Studio City Services Limited dated 26 November 2013 between Studio City Company Limited as first pledgor, Studio City Holdings Two Limited as second pledgor, the Common Security Agent and Studio City Services Limited as company;

(b) Share pledge agreement with respect to shares of Studio City Hospitality and Services Limited dated 26 November 2013 between Studio City Services Limited as pledgor, the Common Security Agent and Studio City Hospitality and Services Limited as company;

(c) Share pledge agreement with respect to shares of Studio City Retail Services Limited dated 26 November 2013 between Studio City Services Limited as first pledgor, Studio City Hospitality and Services Limited as second pledgor, the Common Security Agent and Studio City Retail Services Limited as company;

(d) Share pledge agreement with respect to shares of Studio City Developments Limited dated 26 November 2013 between SCP One Limited as first pledgor, SCP Two Limited as second pledgor, SCP Holdings Limited as third pledgor, the Common Security Agent and Studio City Developments Limited as company;

(e) Share pledge agreement with respect to shares of Studio City Entertainment Limited dated 26 November 2013 between Studio City Holdings Three Limited as first pledgor, Studio City Holdings Four Limited as second pledgor, the Common Security Agent and Studio City Entertainment Limited as company; and

(f) Share pledge agreement with respect to shares of Studio City Hotels Limited dated 26 November 2013 between Studio City Holdings Three Limited as first pledgor, Studio City Holdings Four Limited as second pledgor, the Common Security Agent and Studio City Hotels Limited as company.

7. Macau law Golden Share pledges

(a) Studio City Developments Limited Golden Share share pledge dated 18 September 2015, entered into between Studio City Holdings Five Limited as pledgor, Studio City Developments Limited as company and the Common Security Agent;

(b) Studio City Entertainment Limited Golden Share share pledge dated 18 September 2015, entered into between Studio City Holdings Five Limited as pledgor, Studio City Entertainment Limited as company and the Common Security Agent; and

(c) Studio City Hotels Limited Golden Share share pledge dated 18 September 2015, entered into between Studio City Holdings Five Limited as pledgor, Studio City Hotels Limited as company and the Common Security Agent.

8. Macau law Services and Right to Use Agreement and Reimbursement Agreement security documents

(a) Assignment of the Services and Right to Use Agreement dated 26 November 2013 between Studio City Entertainment Limited and the Common Security Agent;

(b) Assignment of the Reimbursement Agreement dated 26 November 2013 between Studio City Entertainment Limited and the Common Security Agent; and

(c) The Services and Right to Use Direct Agreement.

9. Macau law pledge over Services and Right to Use Agreement accounts and trust account

Pledge over accounts dated 26 November 2013 in respect of (a) accounts established in accordance with the Services and Right to Use Agreement and (b) the trust account, granted by Melco Crown (Macau) Limited (as it was then), Studio City Entertainment Limited and the Common Security Agent.

10. Macau law power of attorney with regard to preference right agreements over shares, over land and over enterprises

Power of attorney dated 18 September 2015 issued by Studio City Holdings Five Limited in favour of the Common Security Agent with regard to preference right agreements over shares, over land and over enterprises.

11. Macau law powers of attorney to amend articles of association

(a) Power of attorney dated 18 September 2015 issued by Studio City Holdings Five Limited in favour of the Common Security Agent to amend Studio City Developments Limited articles of association;

(b) Power of attorney dated 18 September 2015 issued by Studio City Holdings Five Limited in favour of the Common Security Agent to amend Studio City Entertainment Limited articles of association;

(c) Power of attorney dated 18 September 2015 issued by Studio City Holdings Five Limited in favour of the Common Security Agent to amend Studio City Hotels Limited articles of association;

(d) Power of attorney dated 18 September 2015 issued by SCP Holdings Limited in favour of the Common Security Agent to amend Studio City Developments Limited;

(e) Power of attorney dated 18 September 2015 issued by SCP One Limited in favour of the Common Security Agent to amend Studio City Developments Limited articles of association;

(f) Power of attorney dated 18 September 2015 issued by SCP Two Limited in favour of the Common Security Agent to amend Studio City Developments Limited articles of association;

(g) Power of attorney dated 18 September 2015 issued by Studio City Holdings Three Limited in favour of the Common Security Agent to amend Studio City Entertainment Limited articles of association;

(h) Power of attorney dated 18 September 2015 issued by Studio City Holdings Three Limited in favour of the Common Security Agent to amend Studio City Hotels Limited articles of association;

(i) Power of attorney dated 18 September 2015 issued by Studio City Holdings Four Limited in favour of the Common Security Agent to amend Studio City Entertainment Limited articles of association; and

(j) Power of attorney dated 18 September 2015 issued by Studio City Holdings Four Limited in favour of the Common Security Agent to amend Studio City Hotels Limited articles of association.

12. Macau law assignments of leases and right to use agreements

(a) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Developments Limited and the Common Security Agent;

(b) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Entertainment Limited and the Common Security Agent;

(c) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Hotels Limited and the Common Security Agent;

(d) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Services Limited and the Common Security Agent;

(e) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Hospitality and Services Limited and the Common Security Agent; and

(f) Assignment of leases and right to use agreements dated 26 November 2013 between Studio City Retail Services Limited and the Common Security Agent.

13. **Macau law pledges over onshore accounts**

(a) Pledge over onshore accounts dated 26 November 2013 between Studio City Developments Limited and the Common Security Agent;

(b) Pledge over onshore accounts dated 26 November 2013 between Studio City Entertainment Limited and the Common Security Agent;

(c) Pledge over onshore accounts dated 26 November 2013 between Studio City Hotels Limited and the Common Security Agent;

(d) Pledge over onshore accounts dated 26 November 2013 between Studio City Services Limited and the Common Security Agent;

(e) Pledge over onshore accounts dated 26 November 2013 between Studio City Hospitality and Services Limited and the Common Security Agent;

(f) Pledge over onshore accounts dated 26 November 2013 between Studio City Retail Services Limited and the Common Security Agent;

(g) Pledge over onshore accounts dated 26 November 2013 between Studio City Company Limited and the Common Security Agent; and

(h) Pledge over onshore accounts dated 26 November 2013 between SCIP Holdings Limited and the Common Security Agent.

14. **Macau law Rolled Loan Cash Collateral**

Pledge over the Rolled Loan Cash Collateral Account dated 1 December 2016 (30 November 2016, New York time) between Studio City Company Limited and Bank of China Limited, Macau Branch.

15. **Macau law security amendments and confirmations**

(a) Confirmation of Studio City mortgage deed dated 1 December 2016 (30 November 2016, New York time) between Studio City Developments Limited and the Common Security Agent;

(b) Composite confirmation of Macau security documents dated 1 December 2016 (30 November 2016, New York time) between Studio City Developments Limited, Studio City Retail Services Limited, Studio City Hotels Limited, Studio City Hospitality and Services Limited, Studio City Services Limited, Studio City Entertainment Limited, Studio City Company Limited, Studio City Investments Limited, SCIP Holdings Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Holdings Five Limited, Melco Crown (Macau) Limited (as it was then) and the Common Security Agent;

(c) Composite amendment and confirmation of assignments of leases and right to use agreements dated 1 December 2016 (30 November 2016, New York time) between Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited and the Common Security Agent;

(d) Composite amendment and confirmation of pledges over onshore accounts dated 1 December 2016 (30 November 2016, New York time) between Studio City Developments Limited, Studio City Entertainment Limited, Studio City Hotels Limited, Studio City Services Limited, Studio City Hospitality and Services Limited, Studio City Retail Services Limited, Studio City Company Limited, SCIP Holdings Limited and the Common Security Agent;

(e) A third composite deed of confirmatory security dated on or about the date of the 2022 ICA Amendment and Restatement Agreement between Studio City Developments Limited, Studio City Retail Services Limited, Studio City Hotels Limited, Studio City Hospitality And Services Limited, Studio City Services Limited, Studio City Entertainment Limited, Studio City Company Limited, Studio City Investments Limited, SCIP Holdings Limited, SCP Holdings Limited, SCP One Limited, SCP Two Limited, Studio City Holdings Two Limited, Studio City Holdings Three Limited, Studio City Holdings Four Limited, Studio City Holdings Five Limited and the Common Security Agent with respect to the mortgage, floating charges, share pledges, golden pledges, power of attorneys, assignments of leases and right to use agreements (each as amended, novated, supplemented, extended, replaced or restated from time to time) as referred to in sections 4-7, 10-12 above;

(f) A third composite deed of confirmatory security dated on or about the date of the 2022 ICA Amendment and Restatement Agreement between Studio City Developments Limited, Studio City Hotels Limited, Studio City Entertainment Limited, Studio City Company Limited, Studio City Holdings Five Limited, Melco Resorts (Macau) Limited and the Common Security Agent with respect to the Services and Right to Use Agreement and Reimbursement Agreement security documents, pledge over Services and Right to Use Agreement accounts and trust account (each as amended, novated, supplemented, extended, replaced or restated from time to time) as referred to in sections 8 and 9 above; and

(g) A third confirmation of pledge over onshore accounts dated on or about the date of the 2022 ICA Amendment and Restatement Agreement between, Melco Resorts (Macau) Limited, Studio City Entertainment Limited and the Common Security Agent with respect to the pledge over accounts (each as amended, novated, supplemented, extended, replaced or restated from time to time) as referred to in section 13 above.

Schedule 5
Continuing Documents

Part 1
Definitions and clauses

1. In the case of the Continuing Macau Floating Charges:

   (a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Floating Charges as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement);

   (b) references in the Continuing Macau Floating Charges to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Floating Charges as references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

   (c) references in the Continuing Macau Floating Charges to clause 34.4 (*Disposals by Obligors*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Floating Charges as references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

   (d) references in the Continuing Macau Floating Charges to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Floating Charges as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated; and

   (e) references in the Continuing Macau Floating Charges to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Floating Charges as references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated.

2. In the case of the Continuing Macau Accounts Pledges:

   (a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Accounts Pledges as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement); and

   (b) references in the Continuing Macau Accounts Pledges to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Accounts Pledges as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated.

3. In the case of the Continuing Macau Share Pledges:

   (a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Share Pledges as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement) and the words and expressions listed in section 2 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be given the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement) in such Continuing Macau Share Pledges;

(b) clause 2.4 (*Restriction on Security Agent*) of each Continuing Macau Share Pledge entered into by Studio City Holdings Five Limited shall be read and construed for the purposes of such Continuing Macau Share Pledge as set out in section 2 of Part 2 (*Reserved meanings*) of this Schedule 5;

(c) references in the Continuing Macau Share Pledges to clause 12.3 (*Default interest*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Share Pledges as references to Clause 26.5 (*Interest on demand*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing Macau Share Pledges to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Share Pledges as references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(e) references in the Continuing Macau Share Pledges to clause 34.4 (*Disposals by Obligors*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Share Pledges as references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(f) references in the Continuing Macau Share Pledges to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Share Pledges as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated; and

(g) references in the Continuing Macau Share Pledges to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Share Pledges as references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated.

4. In the case of the Continuing Macau Mortgage:

(a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Mortgage as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing Macau Mortgage to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Mortgage as references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated; and

(c) references in the Continuing Macau Mortgage to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Mortgage as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated.

5. In the case of the Continuing Macau Onshore Accounts Pledges:

(a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Onshore Accounts Pledges as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing Macau Onshore Accounts Pledges to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Onshore Account Pledges as references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(c) references in the Continuing Macau Onshore Accounts Pledges to clause 34.4 (*Disposals by obligors*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Onshore Account Pledges as references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing Macau Onshore Accounts Pledges to clause 37 (*Applications of proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Onshore Account Pledges as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated; and

(e) references in the Continuing Macau Onshore Accounts Pledges to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Onshore Accounts Pledges as references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated.

6. In the case of the Continuing Macau Assignments:

(a) the words and expressions listed in section 1 of Part 2 (*Reserved meanings*) of this Schedule 5 shall be treated for the purposes of the Continuing Macau Assignments as having the meanings set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing Macau Assignments to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Assignments as references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(c) references in the Continuing Macau Assignments to clause 34.4 (*Disposals by obligors*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Assignments as references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing Macau Assignments to clause 37 (*Application of proceeds*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Assignments as references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated; and

(e) references in the Continuing Macau Assignments to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Continuing Macau Assignments as references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated.

7. In the case of the Continuing English Share Charges:

(a) the words and expressions listed in section 3 of Part 2 (*Reserved meanings*) of this Schedule 5 shall have the corresponding meanings in the Continuing English Share Charges as set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing English Share Charges to the first day of each Interest Period include references to the first day of any interest period that applies under any Pari Passu Facility Agreement;

(c) references in the Continuing English Share Charges to the provisions of the 2016 Credit Facility Agreement for the assignment of the Common Security Agent's rights and transfer of the Common Security Agent's obligations shall be references to the corresponding provisions in this Agreement, where these agreements have been restated;

(d) it is acknowledged that none of the Secured Parties has or shall have any obligations under the Continuing English Share Charges;

(e) references in the Continuing English Share Charges to clause 12.3 (*Default interest*) of the 2016 Credit Facility Agreement shall be references to Clause 26.5 (*Interest on demand*) of this Agreement, where this agreement has been restated;

(f) references in the Continuing English Share Charges to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(g) references in the Continuing English Share Charges to clause 34.4 (*Disposals by Obligors*) of the 2016 Credit Facility Agreement shall be references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(h) references in the Continuing English Share Charges to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated;

(i) references in the Continuing English Share Charges to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated; and

(j) references in the Continuing English Share Charges to paragraph 3.31 (*Further assurance*) of schedule 6 (*Covenants*) of the 2016 Credit Facility Agreement shall be references to Clause 21.30 (*Further assurance*) of this Agreement, where this agreement has been restated.

8. In the case of the Continuing English Debenture (General):

(a) the words and expressions listed in section 4 of Part 2 (*Reserved meanings*) of this Schedule 5 shall have the corresponding meanings in the Continuing English Debenture (General) as set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing English Debenture (General) to the provisions of the 2016 Credit Facility Agreement for the assignment of the Common Security Agent's rights and transfer of the Common Security Agent's obligations shall be references to the corresponding provisions in this Agreement, where these agreements have been restated;

(c) references in the Continuing English Debenture (General) to clause 12.3 (*Default interest*) of the 2016 Credit Facility Agreement shall be references to Clause 26.5 (*Interest on demand*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing English Debenture (General) to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(e) references in the Continuing English Debenture (General) to clause 34.4 (*Disposals by Obligors*) of the 2016 Credit Facility Agreement shall be references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(f) references in the Continuing English Debenture (General) to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated;

(g) references in the Continuing English Debenture (General) to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated;

(h) references in the Continuing English Debenture (General) to paragraph 3.14 (*Negative Pledge*) of Schedule 6 (*Covenants*) of the 2016 Credit Facility Agreement shall be references to section 7 (*Liens*) of schedule 10 (*Covenants*) of the 2016 Credit Facility Agreement, any Equivalent Provision of any Additional Credit Facility Agreement or Pari Passu Facility Agreement and any Equivalent Provision of any Pari Passu Note Indenture corresponding to paragraphs section 4.12 (*Liens*) of the Senior Secured 2021 Note Indenture, where this agreement has (or would be) been variously restated; and

(i) references in the Continuing English Debenture (General) to paragraph 3.31 (*Further assurance*) of schedule 6 (*Covenants*) of the 2016 Credit Facility Agreement shall be references to Clause 21.30 (*Further assurance*) of this Agreement, where this agreement has been restated.

9. In the case of the Continuing English Debenture (SCH5):

(a) the words and expressions listed in section 5 of Part 2 (*Reserved meanings*) of this Schedule 5 shall have the corresponding meanings in the Continuing English Debenture (SCH5) as set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing English Debenture (SCH5) to the provisions of the 2016 Credit Facility Agreement for the assignment of the Common Security Agent's rights and transfer of the Common Security Agent's obligations shall be references to the corresponding provisions in this Agreement, where these agreements have been restated;

(c) references in the Continuing English Debenture (SCH5) to clause 12.3 (*Default interest*) of the 2016 Credit Facility Agreement shall be references to Clause 26.5 (*Interest on demand*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing English Debenture (SCH5) to clause 24.2 (*Acceleration*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(e) references in the Continuing English Debenture (SCH5) to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(f) references in the Continuing English Debenture (SCH5) to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated; and

(g) references in the Continuing English Debenture (SCH5) to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated.

10. In the case of the Continuing Hong Kong Accounts Charges:

(a) the words and expressions listed in section 6 of Part 2 (*Reserved meanings*) of this Schedule 5 shall have the corresponding meanings in the Continuing Hong Kong Account Charges as set out in that section (as if set out in the 2016 Credit Facility Agreement);

(b) references in the Continuing Hong Kong Accounts Charges to the provisions of the 2016 Credit Facility Agreement for the assignment of the Common Security Agent's rights and transfer of the Common Security Agent's obligations shall be references to the corresponding provisions in this Agreement, where these agreements have been restated;

(c) references in the Continuing Hong Kong Accounts Charges to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(d) references in the Continuing Hong Kong Accounts Charges to clause 34.4 (*Disposals by Obligors*) of the 2016 Credit Facility Agreement shall be references to Clause 16.2 (*Facilitation of Non-Distressed Disposals*) of this Agreement, where this agreement has been restated;

(e) references in the Continuing Hong Kong Accounts Charges to clause 37 (*Application of Proceeds*) of the 2016 Credit Facility Agreement shall be references to Clause 19 (*Application of proceeds*) of this Agreement, where this agreement has been restated;

(f) references in the Continuing Hong Kong Accounts Charges to clause 39 (*Notices*) of the 2016 Credit Facility Agreement shall be references to Clause 29 (*Notices*) of this Agreement, where this agreement has been restated; and

(g) references in the Continuing Hong Kong Accounts Charges to paragraph 3.31 (*Further assurance*) of schedule 6 (*Covenants*) of the 2016 Credit Facility Agreement shall be references to Clause 21.30 (*Further assurance*) of this Agreement, where this agreement has been restated.

11. In the case of the Continuing English Powers of Attorney, references in the Continuing English Powers of Attorney to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated.

12. In the case of the Services and Right to Use Direct Agreement:

(a) (i) references to "Secured Obligations" in the Services and Right to Use Direct Agreement shall have the meaning given to that term in the original form of the 2016 Credit Facility Agreement and shall not have the meaning given to that term in any subsequently amended or amended and restated form of the 2016 Credit Facility Agreement and (ii) the terms "Outstanding Facility Debt" and "Asset Consideration" as used in the Services and Right to Use Direct Agreement shall be read and construed accordingly;

(b) (i) references to "Secured Parties" in the Services and Right to Use Direct Agreement shall have the meaning given to that term in the original form of the 2016 Credit Facility Agreement and shall not have the meaning given to that term in any subsequently amended or amended and restated form of the 2016 Credit Facility Agreement, (ii) references to "Obligors" in the Services and Right to Use Direct Agreement shall have the meaning given to the term "Debtor" in this Agreement and (iii) references to "Grantors" in the Services and Right to Use Direct Agreement shall include the meaning given to the term "Security Provider" in this Agreement;

(c) subject to paragraphs (a) and (b) above, the words and expressions listed in section 7 of Part 2 (*Reserved meanings*) of this Schedule 5 shall have the corresponding meanings in the Services and Right to Use Direct Agreement as set out in that section (as if set out in the 2016 Credit Facility Agreement);

(d) references at clauses 3.2.10 (*Consent and Acknowledgement of the Company*) and 29.1.1 (*Surviving Provisions*) of the Services and Right to Use Direct Agreement to "a Change of Control Event of Default under paragraphs (c), (d) or (e) of the definition of Change of Control" shall be treated for the purposes of the Services and Right to Use Direct Agreement as references to paragraphs (2), (4), (5) and (6) of the definition of "Change of Control" in the original form of the 2016 Credit Facility Agreement, where these parameters have been restated;

(e) references in the Services and Right to Use Direct Agreement to clause 29.23 (*Winding up of trust*) of the 2016 Credit Facility Agreement shall be references to Clause 21.25 (*Winding up of trust*) of this Agreement, where this agreement has been restated;

(f) references at clause 5.6 (*Reimbursement*) of the Services and Right to Use Direct Agreement to clause 37.1 and clause 37.1(a) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Services and Right to Use Direct Agreement as references to Clause 19.1 (*Order of application*) of this Agreement and paragraph (b)(i) of Clause 19.1 (*Order of application*) of this Agreement (respectively), where these agreements have been restated;

(g) references in the Services and Right to Use Direct Agreement to clause 44 (*Confidentiality*) of the 2016 Credit Facility Agreement shall be treated for the purposes of the Services and Right to Use Direct Agreement as references to clause 38 (*Disclosure of information*) of the 2016 Credit Facility Agreement, where this agreement has been restated;

(h) references in the Services and Right to Use Direct Agreement to paragraphs (1)-(3) (each inclusive) of Section 11.08(c) of the High Yield Note Indenture shall include references to any equivalent provision that is similar in meaning and effect in any indenture (or other document or instrument) which relates to any Additional High Yield Notes, any Additional High Yield Note Refinancing and any High Yield Note Refinancing;

(i) references in the Services and Right to Use Direct Agreement to rights under any Transaction Security Document being exercised by the Security Agent shall be treated for the purposes of the Services and Right to Use Direct Agreement as including the exercise by Bank of China Limited, Macau Branch of its rights under the Rolled Loan Cash Collateral; and

(j) references in the in the Services and Right to Use Direct Agreement to paragraph 2 (*Financial covenants*) of schedule 6 (*Covenants*) to the 2016 Credit Facility Agreement shall have no meaning, such that any condition of compliance shall be considered satisfied (in recognition that the obligations of the Debtors under that covenant no longer apply).

Part 2
Reserved meanings

1. For the purposes of each Continuing Macau Document, as applicable:

"**Accounts**" shall have no specified meaning and shall denote any account;

"**Agent**" means the Intercreditor Agent (as defined in the Intercreditor Agreement);

"**Event of Default**" has the meaning given to that term in the Intercreditor Agreement;

"**Facilities**", whenever used in the Continuing Macau Mortgage or in the recitals of any other Continuing Macau Document (each as defined in the Intercreditor Agreement), has the meaning given to such term in this Agreement prior to its being amended and restated by the 2016 Amendment and Restatement Agreement;

"**Finance Documents**" means the Secured Obligations Documents;

"**Lenders**", whenever used in the recital of such Continuing Macau Document (as defined in the Intercreditor Agreement), has the meaning given to such term in this Agreement prior to its being amended and restated by the 2016 Amendment and Restatement Agreement; and

"**Major Project Documents**" shall have no specified meaning.

2. For the purposes of each Continuing Macau Share Pledge entered into by Studio City Holdings Five Limited pursuant to which any shares are pledged in Propco, SCE or Studio City Hotels Limited:

(a) the following definitions shall apply:

"**Intercreditor Agreement** " means the intercreditor agreement dated 1 December 2016 (November 30, 2016, New York time) entered into by, among others, Studio City Company Limited as the company, Studio City Investments Limited as the parent, DB Trustees (Hong Kong) Limited as intercreditor agent, DB Trustees (Hong Kong) Limited as intercreditor agent and Industrial and Commercial Bank of China (Macau) Limited as common security agent (as amended and restated from time to time); and

"**Special Enforcement Notice**" means a notice of enforcement action delivered by the Intercreditor Agent (as defined in the Intercreditor Agreement) or the Common Security Agent (as defined in the Intercreditor Agreement) to the Pledgor after receipt by the Intercreditor Agent (as defined in the Intercreditor Agreement) of an instruction from any Instructing Group (as defined in the Intercreditor Agreement):

(a) stating that an Event of Default has occurred and is continuing;

(b) stating that the conditions referred to in paragraphs (a) and (b) in clause 10 (*Enforcement Conditions*) have been satisfied; and

(c) directing the Intercreditor Agent and/or the Common Security Agent (each as defined in the Intercreditor Agreement) to take such enforcement action, and which has not been withdrawn; and

(b) clause 2.4 (*Restriction on Security Agent*) shall be read and construed as if it were set out in such Continuing Macau Share Pledge as follows:

Notwithstanding the terms of this Debenture or any Finance Document, no Secured Party shall take any step, in respect of the Secured Obligations, to initiate (or to join in initiating), in relation to the Pledgor and/or any of its assets:

(a) any such proceeding (or an event which under any applicable laws of any jurisdiction, has an analogous effect to any such proceeding) as is referred to in paragraph (d) or (e) of the definition of Insolvency Event (as defined in the Services and Right to Use Direct Agreement) in respect of the Pledgor; or

(b) in respect of any property that is not Charged Property, any execution, attachment or sequestration or similar legal process,

in each case subject to clause 11.2 (*Non-petition*) of the Services and Right to Use Direct Agreement.

3. For the purposes of the Continuing English Share Charges:

"**Agent**" means the Intercreditor Agent (as defined in the Intercreditor Agreement);

"**Finance Documents**" means the Secured Obligations Documents;

"**Finance Party**" means each Secured Party; and

"**Lender**" means, where used in clause 4.2 (*Charge*) of each Continuing English Share Charge, each Credit Facility Lender and each Pari Passu Facility Lender.

4. For the purposes of the Continuing English Debenture (General):

"**Agent**" means the Intercreditor Agent (as defined in the Intercreditor Agreement);

"**Finance Documents**" means the Secured Obligations Documents;

"**Finance Party**" means each Secured Party;

"**Group Insured**" has no specified meaning;

"**Lender**" means, where used in clause 5.4 (*Further Advances*) of each Continuing English Debenture, each Credit Facility Lender and each Pari Passu Facility Lender;

"**Major Project Documents**" has no specified meaning; and

"**Pledge of Enterprise**" has no specified meaning.

5. For the purposes of the Continuing English Debenture (SCH5):

"**Agent**" means the Intercreditor Agent (as defined in the Intercreditor Agreement);

"**Event of Default**" has the meaning given to that term in the Intercreditor Agreement;

"**Finance Documents**" means the Secured Obligations Documents;

"**Finance Party**" means each Secured Party; and

"**Lender**" means, where used in clause 5.2 (*Further Advances*) of the Continuing English Debenture (SCH5), each Credit Facility Lender and each Pari Passu Facility Lender.

6. For the purposes of the Hong Kong Accounts Charges:

"**Finance Documents**" means the Secured Obligations Documents;

"**Finance Party**" means each Secured Party; and

"**Lender**" means:

(a) where used in clause 5.5 (*Further Advances*) of each Hong Kong Accounts Charge entered into by a member of the Group incorporated in the British Virgin Islands, each Credit Facility Lender and each Pari Passu Facility Lender; and

(b) where used in clause 5.4 (*Further Advances*) of each Hong Kong Accounts Charge entered into by a member of the Group incorporated in the Macau SAR, each Credit Facility Lender and each Pari Passu Facility Lender.

7. For the purposes of the Services and Right to Use Direct Agreement:

"**Agent**" means (i) for the purposes of clause 16.2.2 (*Transfers by the Preference Holder of Preference Rights*) of the Services and Right to Use Direct Agreement, the Common Security Agent and (ii) for all other purposes, the Agent;

"**Debt Service Accrual Account**" means each Pari Passu Notes Interest Accrual Account;

"**Debt Service Reserve Account**" means each Pari Passu Facility Debt Service Reserve Account;

"**Direct Agreement**" means the Services and Right to Use Direct Agreement.

"**Equity" means:**

(a) New Shareholder Injections; and

(b) any amount accrued in the Liquidity Account prior to the date of the 2016 Amendment and Restatement Effective Date or any other cash proceeds received by the Parent prior to the date of the 2016 Amendment and Restatement Effective Date that would constitute New Shareholder Injections if they had been received after the date of the 2016 Amendment and Restatement Effective Date.

"**Event of Default**":

(a) for the purpose of clause 13.7.1 (*Transfers by Golden Shareholder*) and clause 16.2.1 (*Transfers by the Preference Holder of Preference Rights*) of the Services and Right to Use Direct Agreement, has the meaning given to that term in the Intercreditor Agreement;

(b) for the purpose of the definition of "Permitted Subordinated SCE Obligations" and "Permitted Subordinated IE Obligations" in the Services and Right to Use Direct Agreement, means an Event of Default under this Agreement;

(c) for the purposes of the definition of "Funding Date" and clause 28.1.3 (*Override*) means an Event of Default under this Agreement;

(d) for the purposes of clause 3.2.10 (*Consent and Acknowledgement of the Company*) and 29.1.1 (*Surviving Provisions*) of the Services and Right to Use Direct Agreement, shall be construed in accordance with paragraph 12(d) of Part 1 (*Definitions and clauses*) of this Schedule 5; and

(e) for the purposes of the references to "Default" in clause 11.6.1 (*Appointment of Realisation Adviser(s)*) of the Services and Right to Use Direct Agreement, has the meaning given to that term in the Intercreditor Agreement.

"**Excess Cashflow**" means:

(a) in relation to any period, cashflow generated for that period (before taking into account (i) any deductions for principal, interest payments or other debt service amounts; (ii) depositing of any amounts in any Debt Service Accrual Account or any Debt Service Reserve Account; and (iii) any Phase I maintenance capital expenditure) as specified in any cashflow statement in the consolidated financial statements of the Group; and

(b) cashflow from any period prior to the date of the 2016 Amendment and Restatement Effective Date calculated on the same basis as in paragraph (a) above.

"**Facilities**" has the meaning given to such term in this Agreement prior to its being amended and restated by the 2016 Amendment and Restatement Agreement;

"**Facilities Agreement**" means (i) for the purpose of the requirements referred to in limb (a)(iii) of the definition of Permitted Subordinated IE Obligation and limb (a)(iii) of the definition of Permitted Subordinated SCE Obligation, the Secured Obligations Documents and (ii) for all other purposes, 2016 Credit Facility Agreement;

"**Finance Documents**" means the Secured Obligations Documents, *provided* that where the Services and Right to Use Direct Agreement refers to "permitted under the terms of the Finance Documents", "permitted in accordance with the terms of the Finance Documents", "permitted by the Finance Documents" and other like expressions, this shall be treated as a reference to "expressly permitted or not prohibited (as applicable) by each of the Facilities Agreement, any Additional Credit Facility Agreement (as defined in the Intercreditor Agreement, as defined in the Facilities Agreement), the Pari Passu Facility Agreements (as defined in the Intercreditor Agreement, as defined in the Facilities Agreement) (if any), the Pari Passu Note indentures (as defined in the Intercreditor Agreement, as defined in the Facilities Agreement) (if any) and the Intercreditor Agreement (as defined in the Facilities Agreement)", or its equivalent in meaning in the given context;

"**Finance Parties**" means the Secured Parties (save where used in the recitals to, and clauses 18.2.2 and 18.2.4 (*IE Subordination in Insolvency*), clause 20.2.3 (*Disclosure of Confidential Information*), clause 29.1.3 (*Surviving provisions*) of the Services and Right to Use Direct Agreement, where such term shall mean the Finance Parties);

"**Hedging Agreements**" has the meaning given to it in the Intercreditor Agreement;

"**Hedging Liabilities**" has the meaning given to it in the Intercreditor Agreement;

"**Lenders**":

(a) for the purposes of the recitals to the Services and Right to Use Direct Agreement, has the meaning given to such term in this Agreement prior to its being amended and restated by the 2016 Amendment and Restatement Agreement; and

(b) for the purposes of clause 10.1 (*Information: Notices*) of the Services and Right to Use Direct Agreement, means each Lender, each other Credit Facility Lender (as defined in the Intercreditor Agreement), each Pari Passu Facility Lender (as defined in the Intercreditor Agreement), each Pari Passu Note Trustee (as defined in the Intercreditor Agreement) and each Hedge Counterparty (as defined in the Intercreditor Agreement);

"**Permitted Distributions**" means amounts that could, at the time of such payment (and on a *pro forma* basis as if such payment were a Restricted Payment), be paid as a Restricted Payment in accordance with Section 2 (*Limitation on Restricted Payments*) of Schedule 10 (*Covenants*) of this Agreement pursuant to Clause 23.1 (*Notes covenants*) of this Agreement;

"**Project**" means the Property; and

"**Repayment Instalment**" shall have no specified meaning, such that any condition relating to its payment shall be treated as having been satisfied.

Schedule 6
Agreed Security Principles

1. **Considerations**

1.1 The guarantees and Security to be provided in support of the Secured Obligations will be given in accordance with these Agreed Security Principles.

1.2 The overriding principle of these Agreed Security Principles is that the terms of any guarantee or any Transaction Security Document entered into after the date of this Agreement shall be no more onerous than the terms of the Transaction Security Documents that exist as at the date of this Agreement (the "**Existing Transaction Security Documents**") and, where applicable, the Transaction Security Documents shall be substantially similar in scope and nature to the terms of any Existing Transaction Security Document.

1.3 In the event of a conflict between the terms of a Transaction Security Document and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail and, in the event of a conflict between the terms of a Transaction Security Document and a Credit Facility Agreement or a Pari Passu Debt Document, the terms of that Credit Facility Agreement or that Pari Passu Debt Document shall prevail. Subject to these Agreed Security Principles and other than in respect of any Credit-Specific Transaction Security, the obligations to be secured by the Transaction Security are the Secured Obligations.

1.4 In relation to any guarantee and/or Transaction Security provided or to be provided pursuant to a Credit Facility Agreement or a Pari Passu Debt Document, such guarantee and/or Transaction Security shall:

(a) not be required to be created or perfected to the extent that it would:

(i) result in any breach of any legal or regulatory requirement beyond the control of any member of the Group (or, if applicable, the relevant Security Provider) or result in any breach of corporate benefit, financial assistance, fraudulent preference or thin capitalisation laws or regulations (or analogous restrictions) of any applicable jurisdiction;

(ii) result in a significant risk to the officers of the relevant grantor of Security of contravention of their fiduciary duties and/or of civil or criminal liability; or

(iii) require the consent of any shareholder (that is not wholly-owned directly or indirectly by the Parent or that is not SCH5) or would breach any restriction or provision contained in any joint venture agreement or shareholders' agreement or require (other than agreements solely between members of the Group and/or Affiliates of members of the Group), *provided* that such restriction or provision was not included primarily so that such guarantee or Transaction Security would be exempted pursuant to this exception;

(b) shall only be given (if at all) after taking into account:

(i) the practicality and costs involved in taking or perfecting any such guarantee or Transaction Security and (in the case of Transaction Security) the extent to which such Transaction Security may be unduly burdensome on the relevant member of the Group or interfere with the operation of its business;

(ii) the provisions of each Transaction Security Document will be limited to those obligations required by local law to create or maintain effective Transaction Security and will not impose commercial obligations;

(iii) any adverse taxation implications for the Group as a whole;

(iv) any such guarantee or Transaction Security and extent of its perfection will be agreed taking into account the costs to the Group of providing such guarantee or Transaction Security so as to ensure that it is proportionate to the benefit accruing to the Secured Parties and the principle that the Transaction Security granted in favour of the Secured Parties in respect of the Secured Obligations shall in its nature and scope remain substantially consistent with the Transaction Security created pursuant to the Existing Transaction Security Documents (and to the extent that such costs are disproportionate to the benefit accruing to the Secured Parties and such guarantee or Transaction Security is not required to satisfy such principle, such guarantee or Transaction Security or the extent of perfection shall not be given or made); and

(v) any assets subject to any arrangements with third parties (which arrangements are permitted under the Secured Obligations Documents) which prevent those assets from being secured will be excluded from any Transaction Security and any Transaction Security Document, *provided* that reasonable endeavours for a period of 30 Business Days to obtain consent to the creation of Transaction Security over any such asset shall be used by the relevant Obligor or Group Member if such asset is material (and *provided* that if that Obligor or Group Member has used its reasonable endeavours but has not been able to obtain such consent, its obligation to obtain such consent shall cease on the expiry of that 30 Business Days period), and *provided further* that such arrangements with third parties were not entered into primarily so that such guarantee or Transaction Security would be exempted pursuant to this exception.

1.5 For the avoidance of doubt, in these Agreed Security Principles, "cost" includes, but is not limited to, income tax cost, registration taxes payable on the creation or enforcement or for the continuance of any Security, stamp duties, out-of-pocket expenses, and other fees and expenses directly incurred by the relevant grantor of Security or any of its direct or indirect owners, subsidiaries or Affiliates.

2. **Obligations to be Secured**

2.1 Subject to 1 (*Considerations*) and to paragraph 2.2 below and other than in respect of any Credit-Specific Transaction Security, the obligations to be secured are the Secured Obligations and are to be granted in favour of the Common Security Agent on behalf of each of the Secured Parties.

2.2 The secured obligations will be limited:

(a) to avoid any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalisation rules or the laws or regulations (or analogous restrictions) of any applicable jurisdiction; and

(b) to avoid any risk to officers of the relevant member of the Group that is granting Transaction Security of contravention of their fiduciary duties and/or civil or criminal or personal liability.

3. **General**

The terms of any guarantee or any Transaction Security Document entered into after the date of this Agreement shall be in accordance with the following principles:

(a) where appropriate, defined terms in this Agreement shall be incorporated by reference into each Transaction Security Document;

(b) the parties to this Agreement agree to negotiate the form of each Transaction Security Document in good faith;

(c) any guarantee is subject to any limitations relating to that Additional Debtor set out in any relevant Debtor Accession Deed;

(d) the guarantees and Transaction Security shall only be enforceable upon or following the delivery of an Enforcement Notice to the relevant Debtor or Security Provider;

(e) any representations, warranties or undertakings which are required to be included in any Transaction Security Document shall reflect (to the extent to which the subject matter of such representation, warranty and undertaking is the same as the corresponding representation, warranty and undertaking in this Agreement, the Credit Facility Documents and the Pari Passu Debt Documents) the commercial deal set out in this Agreement (save to the extent that Secured Parties' local counsel deem it necessary to include any further provisions (or deviate from those contained in this Agreement, the Credit Facility Documents and the Pari Passu Debt Documents) in order to protect or preserve the Security granted to the Secured Parties) and will not impose additional commercial obligations;

(f) unless otherwise required under applicable law for the creation or perfection of Transaction Security in accordance with these Agreed Security Principles, the Transaction Security Documents will not contain any repetition of provisions of this Agreement or of the Credit Facility Documents or the Pari Passu Debt Documents, such as notices, costs and expenses, indemnities, Tax gross up and distribution of proceeds (but may, in circumstances where that Transaction Security Document is to be registered, replicate certain covenants contained in this Agreement, the Credit Facility Documents or the Pari Passu Debt Documents where to do so would be in the interests of the Secured Parties); and

(g) information, such as lists of assets (or classes or assets, if customary under local law), will be provided if, and only to the extent, required by local law to be provided in order to perfect or register the applicable Transaction Security and, when requested by the Common Security Agent (acting reasonably), shall be provided annually (unless required more frequently under local law) or, whilst an Event of Default is continuing, on the Common Security Agent's reasonable request.

Schedule 7
Enforcement Principles

1. In this Schedule 7:

"**Enforcement Objective**" means maximising, to the extent consistent with a prompt and expeditious realisation of value, the value realised from Enforcement.

"**Fairness Opinion**" means, in respect of any Enforcement, an opinion from a Financial Adviser that the proceeds received or recovered in connection with that Enforcement are fair from a financial point of view taking into account all relevant circumstances.

"**Financial Adviser**" means any:

(a) independent, reputable, internationally recognised investment bank;

(b) independent, internationally recognised accountancy firm; or

(c) other independent, reputable, internationally recognised, third-party professional services firm which is regularly engaged in providing valuations of businesses or financial assets or, where applicable, advising on competitive sales processes.

2. Any Enforcement of the Common Transaction Security shall be consistent with the Enforcement Objective and, if applicable, the Services and Right to Use Direct Agreement.

3. If applicable, the Common Transaction Security will be enforced and other action as to Enforcement in respect of the Common Transaction Security will be taken such that either:

(a) to the extent the Instructing Group is the Majority Super Senior Creditors and any Pari Passu Liabilities are outstanding, all proceeds of Enforcement are received by the Common Security Agent in cash for distribution in accordance with Clause 19 (*Application of proceeds*); or

(b) to the extent the Instructing Group is the Majority Pari Passu Creditors, either:

(i) all proceeds of enforcement are received by the Common Security Agent in cash for distribution in accordance with Clause 19 (*Application of proceeds*); or

(ii) sufficient proceeds from Enforcement will be received by the Common Security Agent in cash to ensure that, when the proceeds are applied in accordance with Clause 19 (*Application of proceeds*), the Super Senior Discharge Date will occur (unless the Majority Super Senior Creditors agree otherwise).

4. On:

(a) a proposed Enforcement of the Common Transaction Security in relation to assets comprising Charged Property other than shares in a member of the Group over which Transaction Security exists, where the aggregate book value of such assets exceeds US$5,000,000 (or its equivalent in any other currency or currencies); or

(b) a proposed Enforcement of the Common Transaction Security in relation to Charged Property comprising some or all of the shares in a member of the Group over which Transaction Security exists,

which, in either case, is not being effected through a public auction or court process, the Intercreditor Agent shall, if requested by the Majority Super Senior Creditors or the Majority Pari Passu Creditors, appoint a Financial Adviser to provide a Fairness Opinion in relation to that Enforcement, *provided that* the Intercreditor Agent shall not be required to appoint a Financial Adviser nor obtain a Fairness Opinion if a proposed Enforcement:

(i) would result in the receipt of sufficient Enforcement Proceeds in cash by the Common Security Agent to ensure that, after application in accordance with Clause 19 (*Application of proceeds*):

(A) in the case of an Enforcement requested by the Majority Super Senior Creditors, the Final Discharge Date would occur; or

(B) in the case of an Enforcement requested by the Majority Pari Passu Creditors, the Super Senior Discharge Date would occur,

(ii) is in accordance with any applicable law; and

(iii) complies with Clause 17 (*Distressed Disposals*).

5. The Intercreditor Agent shall be under no obligation to appoint a Financial Adviser or to seek the advice of a Financial Adviser unless expressly required to do so by this Schedule 7 or any other provision of this Agreement.

6. In any public or private auction or other competitive sales process, each Pari Passu Creditor may, at its reasonable request, receive the same information, have the same access to management and have the same rights to participate, at the same time and on the same basis, as each other potential bidder in such process.

7. The Fairness Opinion will be conclusive evidence that the Enforcement Objective has been met.

8. The Common Security Agent shall be under no obligation to take any action that would be contrary to its agreements in the Services and Right to Use Direct Agreement.

Schedule 8

Form of Super Senior Hedging Certificate

To: [•] as Intercreditor Agent

From:[*new Super Senior Hedge Counterparty*]/[*existing Super Senior Hedge Counterparty*] and Studio City Investments Limited

Dated:

Dear Sirs

Studio City Investments Limited—Intercreditor Agreement dated 1 December 2016 (as amended and restated from time to time) (the "Intercreditor Agreement")

1. We refer to the Intercreditor Agreement. This is a Super Senior Hedging Certificate. Terms defined in the Intercreditor Agreement have the same meaning in this Super Senior Hedging Certificate.

2. Pursuant to Clause 5.14 (*Allocation of Super Senior Hedging Liabilities*) of the Intercreditor Agreement we request that with effect from the date of your acknowledgement of this Super Senior Hedging Certificate:

   (a) [the Hedging Liabilities owed to [*name of new Super Senior Hedge Counterparty*] under [*details of Hedging Agreement and/or trade confirmation or other equivalent documentation to be inserted*] shall be designated and treated as Super Senior Hedging Liabilities with an Allocated Super Senior Hedging Amount equal to [*insert amount in HKD*][.][; *and/or*

   (b) the Hedging Liabilities owed to [*name of existing Super Senior Hedge Counterparty*] under [*details of Hedging Agreement and/or trade confirmation or other equivalent documentation to be inserted*] shall no longer be designated as Super Senior Hedging Liabilities and the corresponding Allocated Super Senior Hedging Amount of [*insert amount in HKD*] shall be released and be available for designation towards other Hedging Liabilities as Super Senior Hedging Liabilities under the Intercreditor Agreement.]

3. This letter and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law.

Studio City Investments Limited

} _____
By:

[Existing Super Senior Hedge Counterparty]

}

By:

[New Super Senior Hedge Counterparty]

}

By:

Acknowledged and accepted on [*insert date*]:

[*Intercreditor Agent*]

By:

Schedule 9
Hedge Counterparties' guarantee and indemnity

1. Guarantee

Each Debtor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Hedge Counterparty punctual performance by each other Debtor of all that Debtor's obligations under the Hedging Agreements;

(b) undertakes with each Hedge Counterparty that whenever another Debtor does not pay any amount when due under or in connection with any Hedging Agreement, that Debtor shall immediately on demand pay that amount as if it was the principal Debtor; and

(c) agrees with each Hedge Counterparty that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Hedge Counterparty immediately on demand against any cost, loss or liability it incurs as a result of a Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Hedging Agreement on the date when it would have been due. The amount payable by a Debtor under this indemnity will not exceed the amount it would have had to pay under this Schedule 9 if the amount claimed had been recoverable on the basis of a guarantee.

2. Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Debtor under the Hedging Agreements, regardless of any intermediate payment or discharge in whole or in part.

3. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any security for those obligations or otherwise) is made by a Hedge Counterparty in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Debtor under this Schedule 9 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

4. Waiver of defences

The obligations of each Debtor under this Schedule 9 will not be affected by an act, omission, matter or thing which, but for this Schedule 9, would reduce, release or prejudice any of its obligations under this Schedule 9 (without limitation and whether or not known to it or any Hedge Counterparty) including:

(a) any time, waiver or consent granted to, or composition with, any Debtor or other person;

(b) the release of any other Debtor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Debtor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Debtor or any other person;

(e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Hedging Agreement or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any hedging arrangements or the addition of any new hedging arrangements under any Hedging Agreement or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Hedging Agreement or any other document or security; or

(g) any insolvency or similar proceedings.

5. Debtor intent

Without prejudice to the generality of paragraph 4 (*Waiver of defences*), each Debtor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Hedging Agreements and/or any hedging made available for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

6. Immediate recourse

Each Debtor waives any right it may have of first requiring any Hedge Counterparty (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Debtor under this Schedule 9. This waiver applies irrespective of any law or any provision of a Hedging Agreement to the contrary.

7. Appropriations

Until all amounts which may be or become payable by the Debtors under or in connection with the Hedging Agreements have been irrevocably paid in full, each Hedge Counterparty (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Hedge Counterparty (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Debtor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Debtor or on account of any Debtor’s liability under this Schedule 9.

8. Deferral of Debtors’ rights

Until all amounts which may be or become payable by the Debtors under or in connection with the Hedging Agreements have been irrevocably paid in full, no Debtor will exercise any rights which it may have by reason of performance by it of its obligations under the Hedging Agreements or by reason of any amount being payable, or liability arising, under this Schedule 9:

(a) to be indemnified by a Debtor;

(b) to claim any contribution from any other guarantor of any Debtor's obligations under the Hedging Agreements;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Hedge Counterparties under the Hedging Agreements or of any other guarantee or security taken pursuant to, or in connection with, the Hedging Agreements by any Hedge Counterparty;

(d) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which any Debtor has given a guarantee, undertaking or indemnity under paragraph 1 (*Guarantee*);

(e) to exercise any right of set-off against any Debtor; and/or

(f) to claim or prove as a creditor of any Debtor in competition with any Hedge Counterparty.

If a Debtor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Hedge Counterparties by the Debtors under or in connection with the Hedging Agreements to be repaid in full on trust for the Hedge Counterparties and shall promptly pay or transfer the same to the Relevant Hedge Counterparty.

9. Release of Debtors' right of contribution

If any Debtor (a "**Retiring Debtor**") ceases to be a Debtor in accordance with the terms of the Hedging Agreements for the purpose of any sale or other disposal of that Retiring Debtor then on the date such Retiring Debtor ceases to be a Debtor:

(a) that Retiring Debtor is released by each other Debtor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Debtor arising by reason of the performance by any other Debtor of its obligations under the Hedging Agreements; and

(b) each other Debtor waives any rights it may have by reason of the performance of its obligations under the Hedging Agreements to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Hedge Counterparties under any Hedging Agreement or of any other security taken pursuant to, or in connection with, any Hedging Agreement where such rights or security are granted by or in relation to the assets of the Retiring Debtor.

10. Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Hedge Counterparty.

11. Additional Debtor limitations

The guarantee of any Additional Debtor is subject to any limitations relating to that Additional Debtor set out in any relevant Debtor Accession Deed.

The 2016 Credit Facility Agent

BANK OF CHINA LIMITED, MACAU BRANCH

WONG Iao Kun

By: Wong Iao Kun

Address: 13/F, Bank of China Building
Avenida Doutor Mario Soares
Macau

Attn: Mr. James Wong / Ms. Jade Gan
Facsimile: (853) 8792 1659
Email: wong_iaokun@bocmacau.com /gan_qianyu@bocmacau.com

The 2016 Credit Facility Lender

BANK OF CHINA LIMITED, MACAU BRANCH

WONG Iao Kun

By: Wong Iao Kun

Address: 13/F, Bank of China Building
Avenida Doutor Mario Soares
Macau

Attn: Mr. James Wong / Ms. Jade Gan
Facsimile: (853) 8792 1659
Email: wong_iaokun@bocmacau.com /gan_qianyu@bocmacau.com

The Senior Secured 2019 Note Trustee

DEUTSCHE BANK TRUST COMPANY AMERICAS
By: Deutsche Bank National Trust Company

Chris Niesz

By: Chris Niesz
Assistant Vice President

Kathryn Fischer

By: Kathryn Fischer
Assistant Vice President

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
Mail Stop: NYC60-1630
New York, New York 10005
Attn: Corporates Team, Studio City
Facsimile: (732) 578-4635

With a copy to:

Deutsche Bank National Trust Company for Deutsche Bank Trust Company Americas
Trust and Agency Services
100 Plaza One – 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attn: Corporates Team, Studio City
Facsimile: (732) 578-4635

The Senior Secured 2021 Note Trustee

DEUTSCHE BANK TRUST COMPANY AMERICAS
By: Deutsche Bank National Trust Company

Chris Niesz

By: Chris Niesz
Assistant Vice President

Kathryn Fischer

By: Kathryn Fischer
Assistant Vice President

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
Mail Stop: NYC60-1630
New York, New York 10005
Attn: Corporates Team, Studio City
Facsimile: (732) 578-4635

With a copy to:

Deutsche Bank National Trust Company for Deutsche Bank Trust Company Americas
Trust and Agency Services
100 Plaza One – 6th Floor
Mail Stop: JCY03-0699
Jersey City, NJ 07311-3901
Attn: Corporates Team, Studio City
Facsimile: (732) 578-4635

The Original Debtors

The Parent
Executed as a **Deed**
By: **STUDIO CITY INVESTMENTS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place , Wickhams Cay I
Road Town , Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium , 60 Wyndham Street
Central , Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Borrower
Executed as a **Deed**
By: **STUDIO CITY COMPANY LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR
Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS TWO LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS THREE LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax: +852 2537 3618
Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS FOUR LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax: +852 2537 3618
Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP HOLDINGS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax: +852 2537 3618
Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP ONE LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax: +852 2537 3618
Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP TWO LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as **a Deed**
By: **SCIP HOLDINGS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY ENTERTAINMENT LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY SERVICES LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOTELS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOSPITALITY AND SERVICES LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY DEVELOPMENTS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY RETAIL SERVICES LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Intra-Group Lenders
Executed as a **Deed**
By: **STUDIO CITY INVESTMENTS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY COMPANY LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS TWO LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS THREE LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS FOUR LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP HOLDINGS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP ONE LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Wickhams Cay I
Road Town
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British Virgin Islands

Attention: Company Secretary

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP TWO LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
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British Virgin Islands

Attention: Company Secretary

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCIP HOLDINGS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY ENTERTAINMENT LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
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British Virgin Islands

Attention: Company Secretary

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY SERVICES LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
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Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOTELS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOSPITALITY AND SERVICES LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
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60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY DEVELOPMENTS LIMITED**

} **Timothy Green NAUSS**
Signature of Director/Authorised Representative
Name: Timothy Green NAUSS

in the presence of:

Charisa Yeung
Signature of witness:

Name of witness: Charisa Yeung

Address of witness: 26th Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY RETAIL SERVICES LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Original Bondco
Executed as a **Deed**
By: **STUDIO CITY FINANCE LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Existing Subordination Parties
Executed as a **Deed**
By: **STUDIO CITY INVESTMENTS LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Road Town
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British Virgin Islands

Attention: Company Secretary

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY COMPANY LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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British Virgin Islands

Attention: Company Secretary

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS TWO LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
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Attention: Company Secretary

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Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS THREE LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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British Virgin Islands

Attention: Company Secretary

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Executed as a **Deed**
By: **STUDIO CITY HOLDINGS FOUR LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP HOLDINGS LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP ONE LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Executed as a **Deed**
By: **SCP TWO LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCIP HOLDINGS LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Attention: Company Secretary

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Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY ENTERTAINMENT LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY SERVICES LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOTELS LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
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British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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38/F, The Centrium
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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOSPITALITY AND SERVICES LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Wickhams Cay I
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British Virgin Islands

Attention: Company Secretary

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY DEVELOPMENTS LIMITED**

} **TIMOTHY GREEN NAUSS**
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG
Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Road Town
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British Virgin Islands

Attention: Company Secretary

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With a copy to:

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY RETAIL SERVICES LIMITED**

TIMOTHY GREEN NAUSS
Signature of Director/Authorised Representative
Name: TIMOTHY GREEN NAUSS

in the presence of:

CHARISA YEUNG

Signature of witness:

Name of witness: CHARISA YEUNG

Address of witness: 26th FLOOR, GLOUCESTER TOWER, THE LANDMARK
15 QUEEN'S ROAD CENTRAL, HONG KONG

Occupation of witness: SOLICITOR

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR
Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

Yang Peng

By: Yang Peng

Lui Kwok Tai

By: Lui Kwok Tai

Notice details for loan administration matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
Fax: +853 2858 4496

Notice details for credit matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

The Intercreditor Agent

DB TRUSTEES (HONG KONG) LIMITED

Howard Hao-Jan Yu

By: Howard Hao-Jan Yu
Authorised Signatory

James Connell

By: James Connell
Vice President

Address: 60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Attn: The Directors
Facsimile: (852) 2203 7320
Email: loanagency.hkcsg@list.db.com

The Common Security Agent

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

Yang Peng

By: Yang Peng

Lui Kwok Tai

By: Lui Kwok Tai

Notice details for loan administration matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
Fax: +853 2858 4496

Notice details for credit matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

The POA Agent

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

Yang Peng

By: Yang Peng

Lui Kwok Tai

By: Lui Kwok Tai

Notice details for loan administration matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
Fax: +853 2858 4496

Notice details for credit matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

As Acceding Debtor and Intra-Group Lender
(pursuant to an Accession Letter dated 30 July 2018)

EXECUTED and **DELIVERED**
as a **DEED** by
STUDIO CITY (HK) TWO LIMITED
(新濠影匯(香港)第二有限公司)
and signed by
Stephanie Cheung, sole director

Stephanie Cheung

In the presence of:

Mark Agrasut
Signature of witness:

Name of witness: Mark Agrasut

Address of witness: 36/F, The Centrium
60 Wyndham Street, Central, H.K.

Occupation of witness: Solicitor

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Schedule 2
Conditions Precedent

1. Constitutional documents

(a) A copy of the constitutional documents of each Intra-Group Lender, each Debtor and the Original Bondco.

(b) A copy of an up-to-date certificate of incumbency issued not more than one month prior to the date of this Agreement in respect of each Intra-Group Lender and each Debtor (in each case) incorporated in the British Virgin Islands and the Original Bondco, issued by its respective registered agent.

(c) A copy of a certificate of good standing issued not more than one month prior to the date of this Agreement in respect of each Intra-Group Lender and each Debtor (in each case) incorporated in the British Virgin Islands and the Original Bondco issued by Registrar of Corporate Affairs in the British Virgin Islands.

2. Corporate documents

(a) A copy of a resolution of the board of directors of each Intra-Group Lender, each Debtor and the Original Bondco (save if such resolution is not required under the law of incorporation or the constitutional of that entity) approving the terms of, and the transactions contemplated by, the documents referred to in paragraph 3 of this Schedule 2 to which it is a party (the "**Documents**") and resolving that it execute, deliver and perform the Documents; authorising a specified person or persons to execute the Documents; and authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices under or in connection with the Documents.

(b) A copy of the shareholders' resolutions of each Intra-Group Lender and each Debtor (in each case, except for the Borrower, the Parent and each Intra-Group Lender or Debtor incorporated in the Macau SAR) approving the terms of, and the transactions contemplated by, the Documents.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above who will sign (or has signed) any of the Documents.

(d) A certificate of each Intra-Group Lender, each Debtor and the Original Bondco (signed by a director) confirming that borrowing, guaranteeing or securing, as appropriate, the Secured Obligations or the entry into or performance under this Agreement would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.

(e) A certificate of each Intra-Group Lender, each Debtor, the Original Bondco(signed by a director) certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

3. Documents

A copy of this Agreement duly entered into by the parties hereto.

4. Legal Opinions

(a) A legal opinion in agreed form in relation to English law from White & Case, legal advisers to the Intercreditor Agent, substantially in the form distributed to the Intercreditor Agent prior to the signing of this Agreement.

(b) A legal opinion in agreed form in relation to Hong Kong law from White & Case, legal advisers to the Intercreditor Agent, substantially in the form distributed to the Intercreditor Agent prior to the signing of this Agreement.

(c) A legal opinion in agreed form in relation to Macanese law from Henrique Saldanha Advogados & Notários, legal advisers to the Intercreditor Agent, substantially in the form distributed to the Intercreditor Agent prior to the signing of this Agreement.

(d) A legal opinion in agreed form in relation to British Virgin Islands law from Maples and Calder (Hong Kong) LLP, legal advisers to the Intercreditor Agent, substantially in the form distributed to the Intercreditor Agent prior to the signing of this Agreement.

5. Other documents and evidence

Evidence that the agents of each Intra-Group Lender, each Debtor and the Original Bondco under this Agreement for service of process in England have accepted their appointments.

Signatures

The 2016 Credit Facility Agent

BANK OF CHINA LIMITED, MACAU BRANCH

/s/ Wong Iao Kun

By: Wong Iao Kun

Address: 13/F, Bank of China Building
Avenida Doutor Mario Soares
Macau

Attn: Mr. James Wong / Ms. Jade Gan
Facsimile: (853) 8792 1659
Email: wong_iaokun@bocmacau.com / gan_qianyu@bocmacau.com

The 2016 Credit Facility Lender

BANK OF CHINA LIMITED, MACAU BRANCH

/s/ Wong Iao Kun

By: Wong Iao Kun

Address: 13/F, Bank of China Building
Avenida Doutor Mario Soares
Macau

Attn: Mr. James Wong / Ms. Jade Gan
Facsimile: (853) 8792 1659
Email: wong_iaokun@bocmacau.com / gan_qianyu@bocmacau.com

The Debtors

The Parent
Executed as a **Deed**
By: **STUDIO CITY INVESTMENTS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place, Wickhams Cay I
Road Town, Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium, 60 Wyndham Street
Central, Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Borrower
Executed as a **Deed**
By: **STUDIO CITY COMPANY LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR
Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS TWO LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

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With a copy to:

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS THREE LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Wickhams Cay I
Road Town
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British Virgin Islands

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS FOUR LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP HOLDINGS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP ONE LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP TWO LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCIP HOLDINGS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY ENTERTAINMENT LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY SERVICES LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOTELS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOSPITALITY AND SERVICES LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY DEVELOPMENTS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY RETAIL SERVICES LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

EXECUTED as a deed by affixing the common seal of
STUDIO CITY (HK) TWO LIMITED
(新濠影匯(香港)第二有限公司)
in the presence of:

}

/s/ Stephanie Cheung
Director
Name: Stephanie Cheung

Notice details

Address:	Studio City Investments Limited Ocorian Corporate Services (BVI) Limited Jayla Place Wickhams Cay I Road Town Tortola British Virgin Islands
Attention:	Company Secretary
Fax:	+1 284 494 7279
With a copy to:	
Address:	Melco Resorts & Entertainment Limited 38/F, The Centrium 60 Wyndham Street Central Hong Kong SAR
Attention:	Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax:	+852 2537 3618
Telephone:	+852 2598 3600

The Intra-Group Lenders
Executed as a **Deed**
By: **STUDIO CITY INVESTMENTS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY COMPANY LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS TWO LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

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With a copy to:

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60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS THREE LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOLDINGS FOUR LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP HOLDINGS LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP ONE LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Road Town
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British Virgin Islands

Attention: Company Secretary

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Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCP TWO LIMITED**

/s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **SCIP HOLDINGS LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY ENTERTAINMENT LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY SERVICES LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOTELS LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY HOSPITALITY AND SERVICES LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
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60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY DEVELOPMENTS LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

Executed as a **Deed**
By: **STUDIO CITY RETAIL SERVICES LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

EXECUTED as a deed by affixing the common seal of

STUDIO CITY (HK) TWO LIMITED

(新濠影匯(香港)第二有限公司)

in the presence of:

/s/ Stephanie Cheung

Director

Name: Stephanie Cheung

Notice details

Address:	Studio City Investments Limited Ocorian Corporate Services (BVI) Limited Jayla Place Wickhams Cay I Road Town Tortola British Virgin Islands
Attention:	Company Secretary
Fax:	+1 284 494 7279
With a copy to:	
Address:	Melco Resorts & Entertainment Limited 38/F, The Centrium 60 Wyndham Street Central Hong Kong SAR
Attention:	Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer
Fax:	+852 2537 3618
Telephone:	+852 2598 3600

The Original Bondco
Executed as a **Deed**
By: **STUDIO CITY FINANCE LIMITED**

} /s/ Inês Nolasco Antunes
Signature of Director/Authorised Representative
Name: Inês Nolasco Antunes

in the presence of:

/s/ Macy Wong
Signature of witness:

Name of witness: Macy Wong

Address of witness: Avenida da Praia Grande, n° 594, 15° andar A, em Macau

Notice details

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) Limited
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Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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38/F, The Centrium
60 Wyndham Street
Central
Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

Fax: +852 2537 3618

Telephone: +852 2598 3600

The Intercreditor Agent

DB TRUSTEES (HONG KONG) LIMITED

/s/ Leung Fong Io

By: Leung Fong Io
Authorized Signatory

/s/ Yu, Howard Hao-Jan

By: Yu, Howard Hao-Jan
Authorized Signatory

Address: 60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Attn: The Directors
Facsimile: (852) 2203 7320
Email: loanagency.hkcsg@list.db.com

The Common Security Agent

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

By: /s/ Chan Kam Lun

By: /s/ Mao Chonghe

Notice details for loan administration matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
Fax: +853 2858 4496

Notice details for credit matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

The POA Agent

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MACAU) LIMITED

By: /s/ Chan Kam Lun

By: /s/ Mao Chonghe

Notice details for loan administration matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Linda Chan / Selene Ren / Ice Chen
Telephone: +853 8398 2452 / 8398 2499 / 8398 2446
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Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

Description of rights of each class of securities registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act")

American Depositary Shares ("ADSs"), each representing four Class A ordinary shares of Studio City International Holdings Limited ("we," "our," "our company," or "us"), are listed and traded on the New York Stock Exchange and, in connection therewith, the Class A ordinary shares are registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This exhibit contains a description of the rights of (i) the holders of Class A ordinary shares and (ii) the holders of the ADSs. Ordinary shares underlying the ADSs are held in Hong Kong by the custodian, Deutsche Bank AG, Hong Kong Branch, on behalf of Deutsche Bank Trust Company Americas as depositary, and holders of ADSs will not be treated as holders of ordinary shares.

Description of Ordinary Shares

The following is a summary of material provisions of our currently effective amended and restated memorandum and articles of association (the "Memorandum and Articles of Association"), as well as the Companies Act (as amended) of the Cayman Islands (the "Companies Act"), insofar as they relate to the material terms of the Class A ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire Memorandum and Articles of Association, which has been filed with the Securities and Exchange Commission (the "SEC") as an exhibit to our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No. 001-38699) filed with the SEC on March 29, 2019.

Type and Class of Securities

Each Class A ordinary share has US$0.0001 par value. The number of Class A ordinary shares that have been issued as of the last day of the financial year for the annual report on Form 20-F to which this description is attached or incorporated by reference as an exhibit is provided on the cover page of such annual report on Form 20-F.

Rights of Ordinary Shares

General

All of our outstanding ordinary shares, including our Class A ordinary shares, are fully paid and non-assessable. Some of the ordinary shares are issued in registered form only with no share certificates. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Under Article 4 of our memorandum of association, the objects for which we were established are unrestricted and we have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act.

Dividends

The holders of our Class A ordinary shares are entitled to such dividends as may be declared by our board of directors subject to the Companies Act and our articles of association. Our articles of association require notice of any dividend that may have been declared to be given to each holder of our Class A ordinary shares and, pursuant to our articles of association, all dividends unclaimed for one year after having been declared may be forfeited by resolution of the directors for the benefit of the Company.

Voting Rights

Each of our Class A ordinary shares entitles its holder to one vote on all matters to be voted on by shareholders generally. Holders of our Class A and Class B ordinary shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by our chairman or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 20% of the paid up voting share capital of our company.

A quorum required for a meeting of shareholders consists of one or more shareholders who hold at least 50 percent of our ordinary shares at the meeting present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders' meetings are held at least annually and may be convened by our board on its own initiative or, failing a request by our board, upon a request to the directors by shareholders holding in aggregate at least 20 percent of our ordinary shares. Advance notice of at least seven clear days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution will be required for important matters such as changing our name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Subject to the restrictions in our memorandum and articles of association and the Participation Agreement, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required; or
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

Our board of directors is required to refuse to register any purported transfer of Class B ordinary shares made otherwise than in compliance with the Participation Agreement. If our directors refuse to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

Exchange Right of New Cotai LLC ("New Cotai")

Subject to certain conditions, New Cotai and its permitted transferees thereof may exchange their Participation Interest in MSC Cotai LLC for a number of Class A ordinary shares. If New Cotai exchanges all or a portion of the Participation Interest for Class A ordinary shares, it will also be deemed to have surrendered an equal number of Class B ordinary shares, and any Class B ordinary shares so surrendered will be canceled for no consideration.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of Class A ordinary shares will be distributed among the holders of the Class A ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. Holders of our Class B ordinary shares do not have any right to receive a distribution upon a liquidation or winding up of the Company.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time and place of payment. The ordinary shares that have been called upon and remain unpaid on the specified time are subject to forfeiture. Shareholders are not liable for any capital calls by the Company except to the extent there is an amount unpaid on their shares.

Redemption of Ordinary Shares

Subject to the provisions of the Companies Act, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as the directors may determine.

Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration

Our memorandum and articles of association prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to our shares;
- exercising voting or other rights conferred by our shares; and
- receiving any remuneration in any form from us or an affiliated company for services rendered or otherwise.

Such unsuitable person or its affiliate must sell all of the shares, or allow us to redeem or repurchase the shares on such terms and manner as the directors may determine and agree with the shareholders, within such period of time as specified by a gaming authority.

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or our board determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority or our board, as applicable, to own them. An "unsuitable person" is any person who is determined by a gaming authority to be unsuitable to own or control any of our shares or who causes us or any affiliated company to lose or to be threatened with the loss of any gaming license, or who, in the sole discretion of our board, is deemed likely to jeopardize our or any of our affiliates' application for, receipt of approval for right to the use of, or entitlement to, any gaming license.

The terms “affiliated companies,” “gaming authority” and “person” have the meanings set forth in our articles of association.

Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate

Our memorandum and articles of association provide that shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by us, out of funds legally available for that redemption, by appropriate action of our board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by our board having regard to relevant gaming laws. From and after the redemption date, the securities will not be considered outstanding and all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price and the right to receive any dividends declared prior to any receipt of any written notice from a gaming authority declaring the suitable person to be an unsuitable person but not yet paid. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or, if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by our board. The price for the shares will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on an automated quotation system, or if the closing price is not then reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. Our right of redemption is not exclusive of any other rights that we may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect.

Our memorandum and articles of association require any unsuitable person and any affiliate of an unsuitable person to indemnify us and our affiliated companies for any and all losses, costs and expenses, including legal fees, incurred by us and our affiliates as a result of, or arising out of, the unsuitable person’s or affiliate’s continuing ownership or control of shares, the neglect, refusal or other failure to comply with the provisions of our memorandum and articles of association relating to unsuitable persons, or failure to promptly divest itself of any shares in us when required by the relevant gaming laws or our memorandum and articles of association.

Requirements to Change the Rights of Holders of Ordinary Shares

Variations of Rights of Shares. All or any of the rights attached to any class of shares may, subject to the provisions of our memorandum and articles of association and the Companies Act, be varied or abrogated either with the written consent of the holders of at least a majority of the issued shares of that class or with the approval of the holders of at least a majority of the shares of that class present in person or by proxy at a separate general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution (but subject to other provisions of our memorandum and of articles of association):

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution may prescribe

- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- sub-divide our existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

We may by special resolution (subject to our memorandum and articles) reduce our share capital and any capital redemption reserve in any manner authorized by law.

Exempted Company

We are an exempted company incorporated with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except for the exemptions and privileges listed below:

- annual reporting requirements are minimal and consist mainly of a statement that the company has conducted its operations mainly outside of the Cayman Islands and has complied with the provisions of the Companies Act;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with or without par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Differences in Corporate Law

The Companies Act is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Act differs from laws applicable to Delaware corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes: (i) a "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company; and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by: (i) a special resolution of the shareholders of each constituent company; and (ii) such other authorization, if any, as may be specified in such constituent company's articles of association.

A merger between a parent company incorporated in the Cayman Islands and its subsidiary or subsidiaries incorporated in the Cayman Islands does not require authorization by a resolution of shareholders of the constituent companies provided a copy of the plan of merger is given to every shareholder of each subsidiary company to be merged unless that shareholder agrees otherwise. For this purpose, a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The plan of merger or consolidation must be filed with the Registrar of Companies in the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger and consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares if they follow the required procedures, subject to certain exceptions. The fair value of the shares will be determined by the Cayman Islands court if it cannot be agreed among the parties. Court approval is not required for a merger or consolidation effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands.

While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a take-over offer is made and accepted by holders of not less than 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith or collusion

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. Derivative actions have been brought in the Cayman Islands courts. In most cases, the company will be the proper plaintiff in any claim based on a breach of duty owed to it, and a claim against (for example) the company's officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against the company where the individual rights of that shareholder have been infringed or are about to be infringed.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components, the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director must act in a manner he or she reasonably believes to be in the best interests of the corporation. A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company, and therefore it is considered that he or she owes the following duties to the company: a duty to act bona fide in the best interests of the company, a duty not to make a profit out of his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, there are indications that the courts are moving towards an objective standard with regard to the required skill and care.

Under our memorandum and articles of association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his or her interest.

Shareholder Action by Written Resolution. Under the Delaware General Corporation Law, a corporation's certificate of incorporation may eliminate the right of shareholders to act by written consent. Our memorandum and articles of association allow shareholders to act by written resolutions.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled for a single director, which increases the shareholder's voting interest with respect to electing such director. As permitted under Cayman Islands law, our memorandum and articles of association do not provide for cumulative voting.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, subject to the Shareholders' Agreement, directors can be removed by special resolution of the shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions entered into must be bona fide in the best interests of the company, for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting interest of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under our memorandum and articles of association, if our company is wound up, the liquidator of our company may distribute the assets with the sanction of an ordinary resolution of the shareholders and any other sanction required by law.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may (subject to qualifications in the memorandum and articles of association) vary the rights attached to any class with the consent in writing of the holders of a majority of the issued shares of the relevant class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of such class by a majority of the votes cast at such a meeting.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Our memorandum and articles of association may be amended by a special resolution of shareholders.

Waiver of Certain Corporate Opportunities. Under our memorandum and articles of association, the Company has renounced any interest or expectancy of the Company in, or in being offered an opportunity to participate in, certain opportunities where such opportunities come into the possession of one of our directors other than in his or her capacity as a director (as more particularly described in our memorandum and articles of association). This is subject to applicable law and may be waived by the relevant director.

Inspection of Books and Records. Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records. Holders of our shares have no general right under Cayman Islands law to inspect or obtain copies of our register of members or our corporate records (other than the memorandum and articles of association). However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-Takeover Provisions in our Memorandum and Articles of Association. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders. Such shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue these preference shares, the price of our ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially adversely affected. However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-Resident or Foreign Shareholders. There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Description of American Depositary Shares

For information regarding our ADSs, please refer to the Description of American Depositary Shares (incorporated by reference to our registration statement on Form F-1 (File No. 333-227232), as amended, initially filed with the SEC on September 7, 2018).

Exhibit 8.1

Studio City International Holdings Limited
List of Significant Subsidiaries
As of December 31, 2021

1. MSC Cotai Limited, incorporated in the British Virgin Islands
2. SCP Holdings Limited, incorporated in the British Virgin Islands
3. SCP One Limited, incorporated in the British Virgin Islands
4. SCP Two Limited, incorporated in the British Virgin Islands
5. Studio City Company Limited, incorporated in the British Virgin Islands
6. Studio City Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
7. Studio City Entertainment Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
8. Studio City Finance Limited, incorporated in the British Virgin Islands
9. Studio City Holdings Limited, incorporated in the British Virgin Islands
10. Studio City Holdings Three Limited, incorporated in the British Virgin Islands
11. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
12. Studio City Investments Limited, incorporated in the British Virgin Islands

Exhibit 12.1

Certification by the Property General Manager

I, Kevin Richard Benning, certify that:

1. I have reviewed this annual report on Form 20-F of Studio City International Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2022

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Property General Manager

Exhibit 12.2

Certification by the Chief Financial Officer

I, Geoffrey Stuart Davis, certify that:

1. I have reviewed this annual report on Form 20-F of Studio City International Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 31, 2022

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Property General Manager
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Studio City International Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin Richard Benning, Property General Manager of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2022

By: /s/ Kevin Richard Benning
Name: Kevin Richard Benning
Title: Property General Manager

Exhibit 13.2

Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Studio City International Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Geoffrey Stuart Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2022

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer