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 001-33178

MELCO RESORTS & ENTERTAINMENT 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)

Amy Kuzdowicz, Senior Vice President, Chief Accounting Officer 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 three ordinary shares	MLCO	The Nasdaq Stock Market LLC (The Nasdaq Global Select Market)

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.

1,456,547,942 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:

- "2015 Credit Facilities" refers to the HK$13.65 billion (equivalent to US$1.75 billion) senior secured credit facilities agreement dated June 19, 2015, entered into by Melco Resorts Macau, as borrower, comprising (i) a Hong Kong dollar term loan facility of HK$3.90 billion (equivalent to US$500 million) with a term of six years and (ii) a HK$9.75 billion (equivalent to approximately US$1.25 billion) revolving credit facility, and following the repayment of all outstanding loan amounts, together with accrued interest and associated costs on May 7, 2020, other than the HK$1.0 million (equivalent to approximately US$128,000) which remained outstanding under the term loan facility and the HK$1.0 million (equivalent to approximately US$128,000) revolving credit facility commitment which remained available under the revolving credit facility, all other commitments under the 2015 Credit Facilities were cancelled;
- "2020 Credit Facilities" refers to the senior facilities agreement dated April 29, 2020, entered into between, among others, MCO Nominee One, our subsidiary and as borrower, and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators, under which lenders have made available HK$14.85 billion (equivalent to US$1.90 billion) in a revolving credit facility for a term of five years;
- "2020 Studio City Notes" refers to the US$825.0 million aggregate principal amount of 8.50% senior notes due 2020 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 Studio City Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of its outstanding 2020 Studio City Notes which commenced on January 22, 2019 and settled on February 11, 2019;
- "2021 Senior Notes" refers to the US$1.0 billion aggregate principal amount of 5.00% senior notes due 2021 issued by Melco Resorts Finance on February 7, 2013 and fully redeemed on June 14, 2017;
- "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 Studio City Project Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million (equivalent to approximately US$30.0 million), which consist of a HK$233.0 million (equivalent to approximately US$29.9 million) revolving credit facility and a HK$1.0 million (equivalent to 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 Studio City Notes" refers to the US$600.0 million aggregate principal amount of 7.25% senior notes due 2024 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 Studio City Notes Tender Offer" refers to the conditional tender offer by Studio City Finance to purchase for cash any and all of the outstanding 2024 Studio City Notes, which commenced and settled in January 2021;
- "2025 Senior Notes" refers to the US$1.0 billion aggregate principal amount of 4.875% senior notes due 2025 issued by Melco Resorts Finance, of which US$650.0 million in aggregate principal amount was issued on June 6, 2017 and US$350.0 million in aggregate principal amount was issued on July 3, 2017;
- "2025 Studio City Notes" refers to the US$500 million aggregate principal amount of 6.00% senior notes due 2025 issued by Studio City Finance on July 15, 2020;
- "2026 Senior Notes" refers to the US$500.0 million aggregate principal amount of 5.250% senior notes due 2026 issued by Melco Resorts Finance on April 26, 2019;

- "2027 Senior Notes" refers to the US$600.0 million aggregate principal amount of 5.625% senior notes due 2027 issued by Melco Resorts Finance on July 17, 2019;
- "2028 Senior Notes" refers to the US$850 million aggregate principal amount of 5.750% senior notes due 2028 issued by Melco Resorts Finance, of which US$500.0 million in aggregate principal amount was issued on July 21, 2020 (the "First 2028 Senior Notes") and US$350.0 million in aggregate principal amount was issued on August 11, 2020 (the "Additional 2028 Senior Notes");
- "2028 Studio City Notes" refers to the US$500 million aggregate principal amount of 6.50% senior notes due 2028 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, equivalent to approximately US$30.0 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 Senior Notes" refers to the US$1.15 billion aggregate principal amount of 5.375% senior notes due 2029 issued by Melco Resorts Finance, of which US$900.0 million in aggregate principal amount was issued on December 4, 2019 ("First 2029 Senior Notes") and US$250.0 million in aggregate principal amount was issued on January 21, 2021 ("Additional 2029 Senior Notes");
- "2029 Studio City Notes" refers to the US$1.1 billion aggregate principal amount of 5.00% senior notes due 2029 issued by Studio City Finance, of which US$750.0 million in aggregate principal amount was issued on January 14, 2021 ("First 2029 Studio City Notes") and US$350.0 million in aggregate principal amount was issued on May 20, 2021 ("Additional 2029 Studio City Notes");
- "ADSs" refers to our American depositary shares, each of which represents three ordinary shares;
- "Altira Hotel" refers to our former subsidiary, Altira Hotel Limited, a Macau company through which we operated hotel and certain other non-gaming businesses at Altira Macau and which has been merged with Altira Resorts;
- "Altira Macau" refers to an integrated resort located in Taipa, Macau;
- "Altira Resorts" refers to our subsidiary, Altira Resorts Limited (formerly known as Altira Developments Limited), a Macau company through which we hold the land and building for Altira Macau and operate hotel and certain other non-gaming businesses at Altira Macau;
- "AUD" and "Australian dollar(s)" refer to the legal currency of Australia;
- "board" and "board of directors" refer to the board of directors of our Company or a duly constituted committee thereof;
- "CGC" means the Cyprus Gaming and Casino Supervision Commission, also known as the Cyprus Gaming Commission;
- "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;
- "City of Dreams Manila" refers to an integrated resort located within Entertainment City, Manila;
- "City of Dreams Mediterranean" refers to the integrated resort project in Cyprus, which is currently under development and is expected to be the largest and premier integrated resort in Europe upon its opening;

- "COD Resorts" refers to our subsidiary, COD Resorts Limited (formerly known as Melco Crown (COD) Developments Limited), a Macau company through which we hold the land and buildings for City of Dreams, operate hotel and certain other non-gaming businesses at City of Dreams and provide shared services within the Company;
- "Crown Resorts" refers to Crown Resorts Limited, a company listed on the Australian Securities Exchange;
- "Cyprus Acquisition" refers to our acquisition of a 75% equity interest in ICR Cyprus from Melco International with the issuance of 55.5 million ordinary shares as consideration pursuant to the definitive agreement entered into between us and Melco International on June 24, 2019 and completed on July 31, 2019;
- "Cyprus License" refers to the gaming license granted by the government of Cyprus to Integrated Casino Resorts on June 26, 2017 to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term;
- "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;
- "DSEC" refers to the Statistics and Census Service of Macau, a department of the government of Macau;
- "EUR" and "Euro(s)" refer to the legal currency of the European Union;
- "Greater China" refers to mainland China, Hong Kong and Macau, collectively;
- "HIBOR" refers to the Hong Kong Interbank Offered Rate;
- "HK$" and "H.K. dollar(s)" refer to the legal currency of Hong Kong;
- "HKSE" refers to The Stock Exchange of Hong Kong Limited;
- "ICR Cyprus" refers to ICR Cyprus Holdings Limited, a company incorporated under the laws of Cyprus, and which we acquired a 75% equity interest upon the completion of the Cyprus Acquisition;
- "Integrated Casino Resorts" refers to Integrated Casino Resorts Cyprus Limited, a company incorporated under the laws of Cyprus and which became our subsidiary upon the completion of the Cyprus Acquisition;
- "MCO Nominee One" refers to our subsidiary, MCO Nominee One Limited;
- "Melco International" refers to Melco International Development Limited, a Hong Kong-listed company;
- "Melco Leisure" refers to Melco Leisure and Entertainment Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Melco International;
- "Melco Philippine Parties" refers to Melco Resorts Leisure, MPHIL Holdings No. 1 and MPHIL Holdings No. 2;
- "Melco Resorts Finance Notes" refers to, collectively, the 2025 Senior Notes, the 2026 Senior Notes, the 2027 Senior Notes, the 2028 Senior Notes and the 2029 Senior Notes;
- "Melco Resorts Finance" refers to our subsidiary, Melco Resorts Finance Limited (formerly known as MCE Finance Limited), a Cayman Islands exempted company with limited liability;
- "Melco Resorts Leisure" refers to our subsidiary, Melco Resorts Leisure (PHP) Corporation (formerly known as MCE Leisure (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;

- “Melco Resorts Macau” refers to our subsidiary, Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited), a Macau company and the holder of our gaming subconcession;
- “Mocha Clubs” refer to, collectively, our clubs with gaming machines, which are now the largest non-casino based operations of electronic gaming machines in Macau;
- “MPHIL Holdings No. 1” refers to our subsidiary, MPHIL Holdings No. 1 Corporation (formerly known as MCE Holdings (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;
- “MPHIL Holdings No. 2” refers to our subsidiary, MPHIL Holdings No. 2 Corporation (formerly known as MCE Holdings No. 2 (Philippines) Corporation), a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Philippine License;
- “MRP” refers to our subsidiary, Melco Resorts and Entertainment (Philippines) Corporation (formerly known as Melco Crown (Philippines) Resorts Corporation), the shares of which have been delisted from the Philippine Stock Exchange since June 11, 2019 due to MRP’s public ownership having fallen below the minimum requirement of the Philippine Stock Exchange for more than six months;
- “Nobu Manila” refers to the hotel development located in City of Dreams Manila branded as Nobu Hotel Manila;
- “Nüwa Manila” refers to the hotel development located in City of Dreams Manila branded as Nüwa Hotel Manila, formerly branded as the Crown Towers hotel;
- “our subconcession” and “our gaming subconcession” refers to the Macau gaming subconcession held by Melco Resorts Macau;
- “PAGCOR” refers to the Philippines Amusement and Gaming Corporation, the Philippines regulatory body with jurisdiction over all gaming activities in the Philippines except for lottery, sweepstakes, cockfighting, horse racing and gaming inside the Cagayan Export Zone;
- “PAGCOR Charter” refers to the Presidential Decree No. 1869, of the Philippines;
- “Pataca(s)” or “MOP” refer to the legal currency of Macau;
- “Philippine License” refers to the regular gaming license dated April 29, 2015 issued by PAGCOR to the Philippine Licensees in replacement of the Provisional License for the operation of City of Dreams Manila;
- “Philippine Licensees” refers to holders of the Philippine License, which include the Melco Philippine Parties and the Philippine Parties;
- “Philippine Parties” refers to SM Investments Corporation, Belle Corporation and PremiumLeisure and Amusement, Inc.;
- “Philippine peso(s)” and “PHP” refer to the legal currency of the Philippines;
- “Renminbi” and “RMB” refer to the legal currency of the PRC;
- “SC ADSs” refers to the American depositary shares of SCI, each of which represents four Class A ordinary shares of SCI;
- “SCI” refers to our subsidiary, Studio City International Holdings Limited, an exempted company registered by way of continuation in the Cayman Islands, the American depositary receipts of which are listed on the New York Stock Exchange;
- “share(s)” and “ordinary share(s)” refer to our ordinary share(s), par value of US$0.01 each;
- “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 and which is also an indirect subsidiary of SCI;
- “Studio City Company Notes” refers to, collectively, the (i) US$350.0 million aggregate principal amount of 5.875% senior secured notes due 2019 (the “2019 Studio City Company Notes”), (ii) the US$850.0 million aggregate principal amount of 7.250% senior secured notes due 2021 (the “2021 Studio City Company Notes”), each 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 (in the case of the 2019 Studio City Company Notes) and the redemption of all remaining outstanding amounts in August 2020 (in the case of the 2021 Studio City Company Notes), and (iii) the US$350.0 million aggregate principal amount of 7.00% senior secured notes due 2027 (the “2027 Studio City Company Notes”) issued by Studio City Company on February 16, 2022;
- “Studio City Finance” refers to our subsidiary, Studio City Finance Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- “Studio City Hotels” refers to our subsidiary, Studio City Hotels Limited, which is a company incorporated in Macau with limited liability and which is also an indirect subsidiary of SCI;
- “Studio City Investments” refers to our subsidiary, Studio City Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- “Studio City IPO” refers to the initial public offering of a total of 33,062,500 SC ADSs, comprising the 28,750,000 SC ADSs sold initially and the 4,312,500 SC ADSs sold pursuant to the over-allotment option, at the price of US$12.50 per SC ADS;
- “Studio City Notes” refer to, collectively, the 2025 Studio City Notes, the 2028 Studio City Notes, the 2029 Studio City Notes and the 2027 Studio City Company Notes;
- “Studio City 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 (equivalent to approximately US$1.3 billion) and revolving credit facility of HK$775,420,000 (equivalent to approximately US$100 million), and which was amended, restated and extended by the 2021 Studio City Senior Secured Credit Facility;
- “the Philippines” refers to the Republic of the Philippines;
- “TWD” and “New Taiwan dollar(s)” refer to the legal currency of Taiwan;
- “US$” 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”, “the Company” and “Melco” refer to Melco Resorts & Entertainment 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"	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 our point-loyalty programs) 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 our point-loyalty programs) 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 our point-loyalty programs) 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 our point-loyalty programs) 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, may become highly leveraged and operate across various geographies including Macau, a market with intense competition and where the Macau Legislative Assembly is currently considering a proposal to amend the key gaming legislation, the Philippines, a market that is expected to experience growth over the next several years, and Cyprus, a new market with significant growth potential, 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;
- restrictions or conditions on visitation by citizens of the PRC to Macau, the Philippines and Cyprus, 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 our casinos;
- our ability to obtain an extension of our Macau gaming subconcession until December 31, 2022 and successfully tender for a new gaming concession in Macau;
- our ability to obtain or maintain all required governmental approvals, authorizations and licenses for our operations;
- our compliance with conditions and covenants under the existing and future indebtedness;
- laws, rules and regulations which could bar the trading of the American depositary shares of our company and of SCI 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;
- our future business development, results of operations and financial condition;
- the expected growth of the gaming and leisure market in Macau, the Philippines and Cyprus;
- 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;
- the availability of credit for gaming patrons;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau, the Philippines and Cyprus;
- fluctuations in occupancy rates and average daily room rates in Macau and the Philippines;
- 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;
- increased competition from other casino hotel and resort projects in Macau and elsewhere in Asia, including the concessionaires (Sociedade de Jogos de Macau, S.A., or SJM, Wynn Resorts (Macau) S.A., or Wynn Macau, Galaxy Casino, S.A., or Galaxy) and subconcessionaires (including MGM Grand Paradise, S.A., or MGM Grand, and Venetian Macau Limited, or Venetian Macau) in Macau;
- our ability to develop the additional land on which Studio City is located in accordance with Studio City land concession requirements, our business plan, completion time and within budget;
- our development of City of Dreams Mediterranean and our entering into new development and construction projects and new ventures in or outside of Macau, the Philippines or Cyprus;
- construction cost estimates for our development projects, including projected variances from budgeted costs;
- government policies, laws and regulations relating to the leisure and gaming industry, including proposed amendments to the gaming law, the extension of current concessions and subconcessions contracts and the tender for new gaming concessions in Macau, and the legalization of gaming in other jurisdictions;
- 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, the Philippines and Cyprus;
- our ability to retain and increase our customers;
- our ability to offer new services and attractions;
- the outcome of any current and future litigation; 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

The majority of our current revenues are denominated in H.K. dollars, whereas our current expenses are denominated predominantly in Patacas, H.K. dollars, the Philippine peso and Euros. Unless otherwise noted, all translations from H.K. dollars to U.S. dollars and from U.S. dollars to H.K. dollars in this annual report on Form 20-F were made at a rate of HK$7.798487 to US$1.00.

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. This annual report on Form 20-F also contains translations of certain Renminbi, the Philippine peso, Euro and Australian dollar amounts into U.S. dollars. Unless otherwise stated, all translations from Renminbi, Euros and Philippine peso to U.S. dollars in this annual report on Form 20-F were made at RMB6.376006 to US$1.00, EUR0.883108 to US$1.00 and PHP50.774308 to US$1.00, respectively.

We make no representation that any RMB, EUR, PHP or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB or EUR or PHP, 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

Melco Resorts & Entertainment Limited is a Cayman Islands holding company. We conduct our operations primarily in Macau, as well as in Cyprus and the Philippines. Our operations in the PRC are currently limited to a wholly-owned subsidiary that hosts the domain names of our PRC websites and other online platforms which promote our non-gaming amenities in the PRC, and we do not have any material 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 primarily operating in Macau, as well as certain risks associated with operating in Cyprus and the Philippines. 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 regulatory approvals for new gaming concessions and changes to gaming laws in the markets in which we operate including the recently proposed amendments to Macau's gaming laws, as well as the lack of inspection rights 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 and Operations

- Risks relating to the COVID-19 outbreak and other epidemics and pandemics.
- Risks relating to our significant projects in various phases of development, including construction risks.
- Risks relating to generating a substantial portion of revenues and cash from Macau and the Philippines.
- Risks relating to operating in a highly regulated industry, including complying with regulatory requirements for and restrictions on the development of Studio City and City of Dreams Mediterranean.
- Risks relating to regional political, social, economic and legal and regulatory risks in Macau, the Philippines and Cyprus, and uncertainties in the legal systems in the PRC.
- Risks relating to us being delisted from the Nasdaq and SCI 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 inadequate transportation infrastructure that may hinder increase in visitation to our properties
- Risks relating to natural disasters and extreme weather phenomena.
- Risks relating to facing intense competition.
- Risks relating to dependence on the continued efforts of our senior management and retaining qualified personnel.
- Risks relating to inadequate insurance coverage.
- Risks relating to operating in the gaming industry, including risk of cheating and counterfeiting, inability to collect receivables from credit customers.

- Risks relating to mergers, acquisitions, strategic transactions, investments and developing new branded products or entering into new business lines.
- Risks relating to fluctuations in currency exchange rates of currencies used in our business and availability of credit.
- Risks relating to failure to comply with anti-corruption laws and anti-money laundering policies.
- Risks relating to cybersecurity risks and failure to protect the integrity and security of data, including customer information.
- Risks relating to having a significant majority of operations in 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 protection or alleged infringement of intellectual property rights.
- Risks relating to environmental, social and governance and sustainability related concerns

Risks Relating to Operating in the Gaming Industry in Macau

- Risks relating to the Melco Resorts Macau's Subconcession Contract.
- Risks relating to restrictions on export of Renminbi.
- Risks relating to adverse changes or developments in gaming laws or other regulations in Macau.
- Risks relating to limits on the maximum number of gaming tables in Macau.

Risks Related to Operating in the Gaming Industry in the Philippines

- Risks related to tenancy relationships as the land and buildings comprising the site of City of Dreams Manila are leased.
- Risks relating to the regulatory requirements for and restrictions on the operation of City of Dreams Manila.
- Risks relating to a suspension of VIP gaming operations at City of Dreams Manila under certain circumstances.

Risks Relating to Operating in the Gaming Industry in Cyprus

- Risks relating to the continued partnership and cooperation of The Cyprus Phassouri (Zakaki) Limited for the operation of our Cyprus casinos.
- Risks relating to the regulatory requirements for and restrictions on our operations in Cyprus and the development of City of Dreams Mediterranean.

Risks Relating to Our Corporate Structure and Ownership

- Risks relating to the substantial influence our controlling shareholder has over us.
- Risks relating to competing with Melco International on casino projects.
- Risks relating to SCI's ability to remain in compliance with the New York Stock Exchange requirements for its continued listing.

Risks Relating to Our Financing and Indebtedness

- Risks relating to our current, projected and potential future indebtedness and our need for additional financing.
- Risks relating to the inability to generate sufficient cash flow to meet our debt service obligations.
- Risks relating to compliance with credit facilities and debt instruments.

Risks Relating to Our Business and Operations

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 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 the PRC), 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.

In the Philippines, Metro Manila was subject to varying degrees of community quarantine and related restrictions periodically throughout a significant part of 2021 which affected our operations there. For approximately 12 weeks in 2021, City of Dreams Manila's casino was closed entirely. During the period that City of Dreams Manila's casino was opened in 2021, varying degrees of restrictions were imposed to limit operating capacities. Our three hotels at City of Dreams Manila and certain dining establishments at City of Dreams Manila were also subject to restrictions on operating capacities and other social distancing and health and safety requirements throughout a significant part of 2021. Such measures have had, and may continue to have, an adverse effect on the operations of City of Dreams Manila.

In Cyprus, the ongoing COVID-19 outbreak led to restrictions being imposed throughout 2021 by the government of Cyprus that included, curfews, restrictions on gatherings, sports, food and beverage and retail businesses, restrictions of inbound flights to Cyprus and closure of various other businesses, including our casino operations in Cyprus. These restrictions included a full lockdown and night curfew in January 2021 and another lockdown imposed from late April to early May 2021. As a result, our casino operations in Cyprus were also closed from January 1, 2021 to May 16, 2021. Inbound travel to Cyprus has gradually eased since May 2021 with countries categorized based on their epidemiological situation such that the entry requirements may range from free entry to requiring proof of vaccination status, results of COVID-19 tests, the EU Digital COVID Certificate for EU passport holders and legal residents of Cyprus or the grant of special permission for entry, depending on the travel history of the inbound traveller. Since June 2021, the authorities have also eased certain pandemic prevention restrictions within Cyprus such that most businesses may operate close to pre-lockdown levels, although restrictions such as reduced capacity of people allowed in indoor areas and other health protective measures remain in place. The surge in COVID-19 cases since December 2021 led to, among others, the introduction of certain gathering restrictions and enhanced COVID-19 test requirements for entry into venues such as restaurants and other entertainment venues in Cyprus, although our casinos in Cyprus remained open and certain restrictions have been eased from February 21, 2022. Our operations in Cyprus are currently still subject to certain COVID-19 health and safety measures, which are likely to remain in place for the duration of the pandemic. Such measures have had, and will likely continue to have, an adverse effect on the operations of our Cyprus properties.

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, including regular booster doses of 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 cause 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. For the years ended December 31, 2021, 2020 and 2019, our operating revenues generated amounted to US$2.01 billion, US$1.73 billion and US$5.74 billion, respectively. Lower operating revenues in 2021 and 2020 than in 2019 were mainly due to the effects of COVID-19. As such disruptions are ongoing, they could materially impact our business, prospects, financial condition and results of operations.

Our operating history may not serve as an adequate basis to judge our future operating results and prospects. We have significant projects in various phases of development and therefore are subject to significant risks and uncertainties.

Our business operating history is shorter than some of our competitors and therefore may not serve as an adequate basis for your evaluation of our business and prospects. City of Dreams commenced operations in June 2009 and Morpheus, the third phase of City of Dreams, opened in June 2018. In addition, City of Dreams Manila commenced operations in December 2014 and Studio City commenced operations in October 2015. We also operate a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and are developing City of Dreams Mediterranean in Cyprus, a project in which we acquired a 75% equity interest in

July 2019 and is expected to open during the second half of 2022. Furthermore, we have significant projects, such as the remaining development of the land on which Studio City is located and City of Dreams Mediterranean in Cyprus as described above, both of which are in various phases of development.

We face certain risks, expenses and challenges in operating gaming businesses in intensely competitive markets. Some of the risks relate to our ability to:

- fulfill conditions precedent to draw down or roll over funds from current and future credit facilities;
- respond to economic uncertainties, including the social and economic disruptions caused by the COVID-19 outbreak;
- comply with covenants under our existing and future debt issuances and credit facilities;
- raise additional capital, as required;
- respond to changing financing requirements;
- operate, support, expand and develop our operations and our facilities;
- attract and retain customers and qualified employees;
- 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 the gaming business as well as regulatory compliance as a public company;
- respond to competitive and/or deteriorating market conditions;
- respond to changes in our regulatory environment and government policies; and
- renew or extend leases or right to use agreements for existing Mocha Clubs or identify suitable locations and enter into new leases or right to use agreements for new Mocha Clubs or existing Mocha Clubs which we may relocate.

If we are unable to complete any of these tasks or successfully manage one or more of the risks, we may be unable to operate our businesses in the manner we contemplate and generate revenues from such projects in the amounts and by the times we anticipate. We may also be unable to meet the conditions to draw on our existing or future financing facilities in order to fund various activities, which may result in a default under our existing or future financing facilities. If any of these events were to occur, it could cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

We generate a substantial portion of our cash flow from our properties in Macau and the Philippines and, as a result, we are subject to greater risks than a gaming company which operates in more geographical regions.

We are a parent company with limited business operations of our own. We conduct most of our business operations through our direct and indirect subsidiaries. Our primary sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries that are derived from the earnings and cash flow generated by our operating properties.

While we commenced operation of our temporary casino and satellite casinos in Cyprus, we primarily depend on our properties in Macau and City of Dreams Manila for our cash flow. Given that our operations are and will be primarily conducted based on our principal properties in Macau and one property in Manila prior to the opening of City of Dreams Mediterranean, we are and will be subject to greater risks resulting from limited diversification of our businesses and sources of revenues as compared to gaming companies with more operating properties in various geographic regions. These risks include, but are not limited to:

- changes in Macau, the PRC and Philippine laws and regulations, including gaming laws and regulations or interpretations thereof, as well as the PRC travel and visa policies;

- dependence on the gaming, tourism and leisure market in Macau and the Philippines;
- limited diversification of businesses and sources of revenues;
- a decline in air, land or ferry passenger traffic to Macau or the Philippines 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;
- a decline in economic and political conditions in Macau, the PRC, the Philippines or Asia, or an increase in competition within the gaming industry in Macau, the Philippines or generally in Asia;
- inaccessibility to Macau or the Philippines 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 Chinese, Macau and/or Philippine governments;
- any enforcement or legal measures taken by the Chinese government to deter gaming activities and/or marketing thereof;
- natural and other disasters, including typhoons, earthquakes, volcano eruptions, outbreaks of infectious diseases, terrorism, violent criminal activities or disruption affecting Macau or the Philippines;
- lower than expected rate of increase or decrease in the number of visitors to Macau or the Philippines;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau and the Philippine markets;
- 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 our properties.

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

All of our current and future construction projects are and will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects.

All of our current and future construction projects are and will be subject to a number of risks, including:

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- 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;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;
- lack of sufficient, or delays in availability of, financing;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;

- 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, 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;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these events could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of any existing or future construction projects which we might undertake. We cannot guarantee that our construction costs or total project costs for existing or future projects will not increase beyond amounts initially budgeted.

We could encounter substantial cost increases or delays in the development of our projects, which could prevent or delay the opening of such projects.

We have certain projects under development or intended to be developed pursuant to our expansion plan. The completion of these projects is subject to a number of contingencies, including adverse developments in applicable legislation, delays or failures in obtaining necessary government licenses, permits or approvals, 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. The occurrence of any of these developments could increase the total costs or delay or prevent the construction or opening of new projects, which could materially and adversely affect our business, financial condition and results of operations. For example, construction work at our City of Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. We may also require additional financing to develop our projects. Our ability to obtain such financing depends on a number of factors beyond our control, including market conditions such as the economic disruptions caused by the effect of the global COVID-19 outbreak, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies and interest rates. In particular, the development of the City of Dreams Mediterranean project is still ongoing and still requires significant additional capital investments. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations" for a discussion of the risks relating to the financing of the development of the City of Dreams Mediterranean project.

There is no assurance that the actual construction costs related to our projects will not exceed the costs we have projected and budgeted. In addition, construction costs, particularly labor costs, are increasing in Macau and in Cyprus, where we are developing the remaining development project at Studio City in Macau and City of Dreams Mediterranean in Cyprus, respectively, and we believe that they are likely to continue to increase due to the significant building activity and the ongoing labor shortage in Macau and the increase in building activity and labor shortage in Cyprus, respectively. In addition, immigration and labor regulations as well as travel restrictions imposed as a result of a COVID-19 outbreak in Macau or the PRC may limit or restrict our

contractors' ability to obtain sufficient laborers from the PRC to make up for any shortages in available labor in Macau and help reduce construction costs and in the case for Cyprus, our contractors may have to make up for any shortages in available labor from other European countries which could increase our labor costs and which may also be impacted by the travel restrictions imposed as a result of the COVID-19 outbreak. For example, the COVID-19 outbreak has caused, among others, disruptions to the supply and import of labor and also equipment and materials for our projects in Macau and Cyprus. Continuing increases in construction costs in Macau and Cyprus will increase the risk that construction will not be completed on time, within budget or at all, which could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

Construction is subject to hazards that may cause personal injury or loss of life, thereby subjecting us to liabilities and possible losses, which may not be covered by insurance.

The construction of large-scale properties, including the types of projects we are or may be involved in, 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 development project at Studio City and certain façade-related works were suspended for approximately two weeks. We believe, and require, 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. If accidents occur during the construction of any of our projects, we may be subject to 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.

We are developing the remaining development project at 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. In accordance with the Studio City land concession and the extension granted by the Macau government, 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$721.0 million 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). 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 conditions such as the economic disruptions caused by the effect of the global COVID-19 outbreak and lenders' perceptions of, and demand for the debt financing for, the remaining development project at 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 any disruptions from the COVID-19 outbreak, worldwide supply chain disruptions and constraints or inclement weather, among other factors. Any further extension of the development period for the remaining development 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 may 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 a material adverse effect on the operation of our Studio City Casino, including its suspension or cessation, which may 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 initially put forth proposed law amending the gaming law, 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. At present, Studio City, and not Melco Resorts Macau, owns 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, Studio City would be required to transfer the Studio City Casino premises to Melco Resorts Macau. For that purpose, Studio City 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 the Macau government’s consents, approvals and authorizations. If the proposed law is adopted in its current form and Studio City is 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 of its operations, which will materially and adversely affect our business and prospects, results of operations and financial condition.

Studio City Casino is operated by us through the Services and Right to Use Arrangements under our subconcession. Changes in Macau’s gaming law or the requirements applicable to any new concession granted to us 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 our Studio City Casino.

Melco Resorts Macau and our subsidiary, Studio City Entertainment Limited (“**Studio City Entertainment**”), have entered into a services and right to use agreement pursuant to which the Melco Resorts Macau agrees to operate Studio City Casino (together with the reimbursement agreement 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**”) since Studio City does not hold a gaming license in Macau. Under such arrangements, Melco Resorts Macau pays gaming taxes and the costs incurred in connection with its on-going operations from Studio City Casino’s gross gaming revenues. Studio City receives the residual amount and recognizes such residual amount as revenue from provision of gaming related services.

As noted above, the Macau government has proposed amending its gaming law which, if adopted in its initially proposed form, would require, among other things, that Studio City transfer the premises of the Studio

City Casino to Melco Resorts Macau as the concessionaire for such casino within a three-year transition period. However, even if we are able to obtain all consents, approvals and/or authorizations from the Macau government and complete the necessary procedures to effect such transfer, it is not clear from the proposed law how this would affect the status of the existing services agreements or the arrangements implemented in such agreements after the three-year transition period. There is a risk that after the three-year transition period the existing Services and Right to Use Arrangements may terminate or may be required to be amended or replaced to comply with the amended gaming law or other applicable regulations. If the Services and Right to Use Arrangements are terminated, 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 the new applicable law may not be comparable to our current arrangements and may not be acceptable to us in whole or in part. Moreover, even if these provisions of the proposed law are not adopted in its initially proposed form or at all, upon the award of new concessions, the Macau government's approval of 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 any of the above materializes, it may have a material adverse effect on the operations of the Studio City Casino and, in turn, affect our financial condition and results of operations.

We are developing the City of Dreams Mediterranean project in Cyprus and are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period.

Our subsidiary, Integrated Casino Resorts, was granted the Cyprus License by the government of Cyprus on June 26, 2017 to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. Following the extension granted by the government of Cyprus, the Cyprus License currently requires us to open the integrated casino resort in Limassol, namely City of Dreams Mediterranean, by September 30, 2022, and if we fail to meet such timeline, Integrated Casino Resorts is required to pay the government of Cyprus EUR10,000 (equivalent to approximately US$11,324) for each day of delay and up to a maximum of EUR1.0 million (equivalent to approximately US$1.1 million). If such delay continues for 100 business days, the government of Cyprus has the right to terminate the Cyprus License immediately without any obligation to offer any compensation to us. The development of City of Dreams Mediterranean is still ongoing and there is no guarantee that we will complete the development of the City of Dreams Mediterranean project and open by the deadline. The COVID-19 outbreak has also caused significant disruptions to the construction work at City of Dreams Mediterranean. For example, construction work at City of Dreams Mediterranean was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. There is no assurance that the Cyprus government will not impose additional restrictions due to the COVID-19 outbreak, which could cause further significant disruptions to the construction work at City of Dreams Mediterranean. Prior to the COVID-19 outbreak, we estimated that City of Dreams Mediterranean would open at the end of 2021. With the disruptions from the COVID-19 outbreak, we have applied for, and the government of Cyprus has granted, an extension of the relevant period to September 30, 2022. If the scheduled opening date of City of Dreams Mediterranean is further delayed and extended beyond the current estimated date, we will have to apply for a further extension of the relevant period. Any application for an extension of the relevant period shall be subject to the review and approval of the government of Cyprus at its discretion and there can be no assurance that the government of Cyprus will grant us any necessary extension or not exercise its right to terminate the Cyprus License in the circumstances highlighted above. In the event that no further extension is granted by the government of Cyprus and the Cyprus License is terminated, we could lose all or substantially all of our investment in Cyprus and may not be able to continue to operate our operations in Cyprus as planned, which may materially and adversely affect our business and prospects, results of operations and financial condition.

Our business in Macau, the Philippines and Cyprus is subject to certain regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitation to our properties and have a material adverse effect on our results of operations.

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, natural disasters such as typhoons, tsunamis and earthquakes, and outbreaks of widespread health epidemics or pandemics, including the COVID-19 outbreak, have and may continue to negatively affect travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which such acts or events may affect us, directly or indirectly, in the future. See also “— 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.” We derive a significant majority of our revenues from our Macau business and a significant number of our customers come from, and are expected to continue to come from, the PRC. Accordingly, our results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in Macau and the PRC and our business is sensitive to the willingness and ability of our customers to travel. In particular, our operating results may be adversely affected by:

- changes in Macau’s and the PRC’s political, economic and social conditions, including any slowdown in economic growth in the PRC;
- tightening of travel or visa restrictions to Macau or from the PRC, including due to the outbreak of infectious disease, such as the COVID-19 outbreak, or austerity measures which may be imposed by the Chinese government;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the tax laws and regulations.

For example, our business and operations are affected by the travel or visa restrictions imposed by the PRC on its citizens from time to time. Even before the COVID-19 outbreak, the Chinese government imposed restrictions on exit visas granted to resident citizens of the PRC for travel to Macau. The government further restricts the number of days that resident citizens of the PRC may spend in Macau for certain types of travel. Such travel and visa restrictions, and any changes imposed by the Chinese government from time to time, could disrupt the number of visitors from the PRC to our properties.

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 our gaming subconcession, the proposed extension of such subconcession from June 26, 2022 to December 31, 2022 (which the Macau government recently announced) 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 we will be obligated to pay the Macau government in order to continue operations. 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. The results of any such negotiations could have a material adverse effect on our results of operations and financial condition. In addition, the demand for gaming activities and related services and luxury amenities that we provide through our operations is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global and regional economic conditions. An economic downturn may reduce consumers’ willingness to travel and reduce their spending overseas, which would adversely impact us as we depend on visitors from the PRC and

other countries to generate a substantial portion of our revenues. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, high energy and food prices, the increased cost of travel, weak segments of the job market, perceived or actual disposable consumer income and wealth, fears of recession and changes in consumer confidence in the economy or fears of armed conflict or future acts of terrorism. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could materially and adversely affect our business, results of operations and financial condition.

In addition, our business and results of operations may be materially and adversely affected by any changes in the PRC's economy, including any decrease in the pace of economic growth. 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 Chinese 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 our properties. 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.

City of Dreams Manila is located in the Philippines and is subject to certain economic, political and social risks within the Philippines. The Philippines has in the past experienced severe political and social instability, including acts of political violence and terrorism. Any future political or social instability in the Philippines could adversely affect the business operations and financial conditions of City of Dreams Manila. In addition, the Philippines will hold its national elections in May 2022 which could result in changes in the administration and may affect the present leadership of our regulators such as PAGCOR. Any changes in the policies of the government or laws or regulations, or in the interpretation or enforcement of these laws and regulations, such as anti-smoking policies or legislation, may negatively impact consumption patterns of visitors to City of Dreams Manila and could adversely affect our business operations and financial condition.

In addition, demand for, and the prices of, gaming and entertainment products are directly influenced by economic conditions in the Philippines, including growth levels, interest rates, inflation, levels of business activity and consumption, and the amount of remittances received from overseas Filipino workers. Any deterioration in economic and political conditions in the Philippines or elsewhere in Asia could materially and adversely affect our Company's business in the Philippines, as well as the prospects, financial condition and results of our operations in the Philippines.

Our business in the Philippines will also depend significantly on revenues from foreign visitors and be affected by the development of Manila and the Philippines as a tourist and gaming destination. Such revenues from foreign visitors and development of Manila and the Philippines may be disrupted by events that reduce foreigners' willingness to travel to or create substantial disruption in Metro Manila and raise substantial concerns about visitors' personal safety, such as power outages, civil disturbances, terrorist attacks and outbreak of widespread health epidemics or pandemics, among others. The Philippines has also experienced a significant number of major catastrophes over the years, including typhoons, volcanic eruptions and earthquakes, which have caused road closures and work stoppages in the affected areas as well as cancellation of flights. We cannot

predict the extent to which our business in the Philippines and tourism in Metro Manila in general will be affected by any of the above occurrences or fears that such occurrences will take place. We cannot guarantee that any disruption to our Philippine operations will not be protracted, that City of Dreams Manila will not suffer any damages and that any such damage will be completely covered by insurance or at all. Should the Philippines fail to continue to develop as a tourist destination or should Entertainment City or Manila fail to become a widely recognized regional gaming destination, City of Dreams Manila may fail to attract a sufficient number of visitors, which would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows. Any of these occurrences may disrupt our operations in the Philippines.

The subtropical climate and location of both Macau and the Philippines render them susceptible to typhoons, heavy rainstorms and other natural disasters, while Cyprus is also susceptible to heavy rainstorms and other natural disasters. In the event of a major typhoon, or other natural disasters in Macau or the Philippines, our properties may be severely damaged, our operations may be materially and adversely affected and our properties may even be required to temporarily cease operations by regulatory authorities. Any flooding, unscheduled 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 any of our properties and material adverse effect on our business operations and financial condition.

Our operations in Cyprus are subject to certain economic, political and social risks within Cyprus, particularly in the occupied part of Cyprus. There are ongoing political, social and economic issues in Cyprus relating to the division of the island following the Turkish invasion of Cyprus in 1974, with the occupied part of Cyprus controlled by Turkey and its military. These issues have been escalated due to the discovery and exploration of natural gas in Cyprus' economic zones as well as in the economic zones around Cyprus. Turkey has unilaterally created its own economic zones overlapping the Cyprus ones and has initiated exploratory drilling in the area. Any future political or social instability in Cyprus could adversely affect the business operations and financial conditions of our casinos in Cyprus, as well as the development of City of Dreams Mediterranean. In addition, changes in government policies, laws or regulations, or in the interpretation or enforcement of these laws and regulations, may negatively impact consumption patterns of visitors to our facilities in Cyprus and could adversely affect our business operations and financial condition. On the economic front, Cyprus was affected by a financial crisis in 2013 caused partly by the wider European sovereign debt crisis since 2011. Although Cyprus has emerged from the financial crisis relatively quickly after a few years of recession, its relatively small and open economy means it remains susceptible to rapid changes in economic conditions in the neighboring regions or globally.

In addition, the global macroeconomic environment is facing significant challenges, including the economic disruptions caused by the effect of the responses to 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 severe 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 continuation of international trade conflicts, including the trade disputes between the United States and China and the potential further escalation of trade tariffs and related retaliatory measures between these two countries and globally. 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 China have continued to escalate since 2020 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 places where we operate 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 Chinese 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, which has led to sanctions and export controls 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.

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 Nasdaq 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 Nasdaq 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 Nasdaq and prohibited from over-the-counter trading in the U.S. from 2024 to 2023.

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

A significant number of the customers of our properties come from, and are expected to continue to come from, the PRC. Any travel restrictions imposed by the PRC could negatively affect the number of patrons visiting our properties from the PRC. Since mid-2003, under the Individual Visit Scheme, or IVS, Chinese citizens from certain cities have been able to travel to Macau individually instead of as part of a tour group. The Chinese government has restricted and loosened IVS travel frequently and may continue to do so from time to time and it is unclear whether such measures will become more restrictive in the future. A decrease in the number of visitors from the PRC could adversely affect our results of operations. See also "— 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" and "— 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." for discussions of how the COVID-19 outbreak has affected the policies and measures adopted by the PRC and Macau governments.

In addition, certain policies and campaigns implemented by the Chinese government may lead to a decline in the number of patrons visiting our properties in Macau 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 Chinese government in recent years have resulted in an overall dampening effect on the behavior of Chinese consumers and a decrease in their spending, particularly in luxury good sales and other discretionary spending. For example, the Chinese government's ongoing anti-corruption campaign has had an overall dampening effect on the behavior of Chinese consumers and their spending patterns both domestically and abroad. In addition, the number of patrons visiting our properties may be affected by the Chinese government's focus on deterring marketing of gaming to Chinese citizens by casinos and its initiatives to tighten monetary transfer regulations, increase monitoring of various transactions, including bank or credit card transactions, and reduce the amount that China-issued ATM cardholders can withdraw in each withdrawal and impose a limit on the annual aggregate amount that may be withdrawn. The Chinese government has also developed its digital currency and has performed certain test trials in its application within the PRC. If a digital currency is adopted by the Macau government for gaming operations in Macau, there could be a material and adverse impact on our operations, especially our VIP rolling chip operations, if limitations on transactions per player are also introduced in conjunction with the adoption of the digital currency.

Regulatory scrutiny of gaming promoters in the PRC and Macau has also affected our business. See "— We depend upon gaming promoters for a portion of our gaming revenues in the Philippines and Cyprus and, until December 2021, also depended on gaming promoters in Macau. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters in the Philippines and Cyprus, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are

unable to find alternative means to attract VIP rolling chip patrons in markets such as Macau where gaming promoters have become subject to restrictions on doing business due to legal requirements, our results of operations could be materially and adversely impacted" and "— Our business in Macau, the Philippines and Cyprus is subject to certain regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitation to our properties and have a material adverse effect on our results of operations".

We derive a significant majority of our revenues from our Macau gaming business and any disruptions or downturns in the Macau gaming market may have a material impact on our business.

Prior to 2014, we derived substantially all of our revenues from our business and operations in Macau. We now also generate revenues from our Philippine and Cyprus operations, but continue to derive a significant majority of our revenues from our Macau gaming business and may be materially affected by any disruptions or downturns in the Macau gaming market. While the Macau gaming market has generally improved since the third quarter of 2016 to the last quarter of 2018, the Macau gaming market, according to the DICJ, experienced a decline in gross gaming revenues from 2014 to 2016. We believe such decline was primarily driven by a deterioration in gaming demand from the PRC, which provides a core customer base for the Macau gaming market, as well as other restrictions including the imposition of travel restrictions and the implementation of smoking restrictions in casinos. According to the DICJ, gross gaming revenues in Macau declined by 3.4% on a year-over-year basis in 2019. We believe such year-over-year decline in 2019 was mainly driven by a decline in VIP gaming revenues in Macau and the slowdown in the Chinese economy. More recently, governments' policies and responses to the COVID-19 outbreak have also resulted in a significant decline in inbound tourism in Macau since the COVID-19 outbreak in early 2020. See "— 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." for a discussion of the impact of the COVID-19 outbreak on our business in Macau.

We believe that disruptions from the COVID-19 outbreak are ongoing. Our business, financial condition and results of operations may be materially and adversely affected by such decline or other disruptions in the Macau gaming market. The COVID-19 outbreak has had, and will likely to continue to have, an adverse effect on the Macau gaming market. See "— 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."

The gaming industries in Macau, the Philippines and Cyprus are highly regulated.

Gaming is a highly regulated industry in Macau. Our Macau gaming business is subject to various laws and increased audits and inspections from regulators, such as those relating to licensing, tax rates and other regulatory obligations, such as anti-money laundering measures, which may change or become more stringent. Changes in laws may result in additional regulations being imposed on our gaming operations in Macau and our future projects. Our operations in Macau are also exposed to the risk of changes in the Macau government's policies that govern operations of Macau-based companies and the Macau government's interpretation of, or amendments to, our gaming subconcession. Any such adverse developments in the regulation of the Macau gaming industry could be difficult to comply with and could significantly increase our costs, which could cause our projects to be unsuccessful.

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 limits 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 our actual gross gaming revenue for the relevant period, our financial performance and results of operation may be materially and adversely affected. See "— Risks Relating to Operating in the Gaming Industry in Macau — Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful."

The Philippine gaming industry is also highly regulated, including the amendment to the existing Philippines Anti-Money Laundering Act, as amended ("Philippine AMLA"), whereby casinos are included as covered persons subject to reporting and other requirements under the Philippine AMLA. The Anti-Money Laundering Council and PAGCOR have also recently released regulations and guidelines on compliance. Amendments to existing anti-money laundering regulations have been signed into law, expanding the coverage of the Philippine AMLA and including Philippine offshore gaming operators in the list of covered persons, which includes the Melco Philippine Parties. The authority of the Anti-Money Laundering Council was also expanded to including the power to apply for search and seizure orders, issue subpoenas, and preserve, manage or dispose assets pursuant to a freeze order or judgment of forfeiture. While we have adjusted our anti-money laundering policies for our Philippine operations to the revised rules and regulations, we cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or any such current or future policies will be effective in preventing our Philippines operations from being exploited for money laundering purposes. City of Dreams Manila is also subject to increased audits and inspections from regulators, including those relating to anti-money laundering requirements and measures. City of Dreams Manila may legally operate under the Philippine License, which requires a number of periodic approvals from and reports to PAGCOR. PAGCOR may refuse to approve proposals by us and our gaming promoters, or modify previously approved proposals and may require us and/or our gaming promoters to perform acts with which we disagree. The Philippine License requires, among others, 95.0% of City of Dreams Manila's total employees to be locally hired. PAGCOR could also exert a substantial influence on our human resource policies, particularly with respect to the qualifications and salary levels for gaming employees, especially in light of the fact that employees assigned to the gaming operations are required by PAGCOR to obtain a Gaming Employment License. As a result, PAGCOR could have influence over City of Dreams Manila's gaming operations. Moreover, because PAGCOR is also an operator of casinos and gaming establishments in the Philippines, it is possible that conflicts in relation to PAGCOR's operating and regulatory functions may exist or may arise in the future. In addition, we and our gaming promoters may not be able to obtain, or maintain, all requisite approvals, permits and licenses that various Philippine and local government agencies may require. Any of the foregoing could adversely affect our business, financial condition and results of operations in the Philippines.

Furthermore, our licenses and permits from various Philippine government agencies, such as those related to labor, public works, safety, fire, buildings, health and environmental, are required to be renewed annually. There is no guarantee that the requirements for such permits and licenses will remain the same, or that the relevant Philippine government agencies will not impose additional and more onerous requirements. This may affect our ability to renew our licenses and permits, which could adversely affect our business in the Philippines.

Gaming in Cyprus is a highly regulated new market and subject to various regulations of the European Union that are being developed and adopted in Cyprus. We have to review and amend our anti-money laundering policies for our operations in Cyprus when new laws and regulations come into force from time to time, including, for instance, a revised anti-money laundering Direction issued by the CGC in December 2021. The CGC has and will continue to conduct business-wide anti-money laundering and counter-terrorist financing inspections at our Cyprus casinos and review our anti-money laundering policies. As a result of these inspections and reviews, we have made, and expect we will need to continue to make, certain adjustments to our policies and compliance procedures from time to time. Being a new gaming regime, there are also fewer precedents on the interpretation of these laws and regulations. Our Cyprus License also requires us to submit periodic reports to the CGC in areas that include our operations, regulatory compliance, consumer complaints and financial and tax

reporting. If we are unable to fully comply with any of the foregoing requirements, we could be subject to fines or other penalties.

Furthermore, our operations in Cyprus require various licenses and permits granted from various governmental or regulatory bodies in Cyprus, such as those related to labor, food and beverages, safety, fire, buildings, health and environmental, some of which are required to be renewed annually. There is no guarantee that the requirements for such permits and licenses will remain the same, or that the relevant Cyprus governmental or regulatory bodies will not impose additional and more onerous requirements. This may affect our ability to renew our licenses and permits or we may not be able to obtain any additional licenses or permits required to conduct our business as our business and operations expand in a timely manner or at all, which could adversely affect our business in the Cyprus.

In addition, current laws and regulations in Macau, the Philippines and Cyprus concerning gaming and gaming concessions and licenses, for the most part, have been enacted or amended recently and there are limited precedents on the interpretation of these laws and regulations. These laws and regulations are complex, and a court or 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 interpretation.

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

We derive a significant majority of our revenues from our Macau business and a significant number of our customers come from, and are expected to continue to come from, the PRC. Accordingly, 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, that 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 in Macau or elsewhere 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 "— 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." for discussions relating to the PRC Data Security Law.

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.

We face intense competition in Macau, the Philippines and elsewhere in Asia and Europe and may not be able to compete successfully.

The hotel, resort and gaming industries are highly competitive. The competitors of our business in Macau and the Philippines include many of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are larger than we are and may have more diversified resources, better brand recognition and greater access to capital to support their developments and operations in Macau, the Philippines and elsewhere.

In the Philippine gaming market, we compete with hotels and resorts owned by both Philippine nationals and foreigners. PAGCOR, an entity owned and controlled by the government of the Philippines, also operates gaming facilities across the Philippines. Our operations in the Philippines face competition from gaming operators in other more established gaming centers across the region, particularly those of Macau and Singapore, and other major gaming markets located around the world, including Australia and Las Vegas, as we attract similar pools of customers and tourists. A number of such other operators have a longer track record of gaming operations and such other markets have more established reputations as gaming markets. Our operations in the Philippines may not be successful in its efforts to attract foreign customers and independent gaming promoters to City of Dreams Manila, and to promote Manila as a gaming destination.

In Macau, some competitors have opened new properties, expanded operations and/or have announced intentions for further expansion and developments in Cotai, where City of Dreams and Studio City are 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 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 China Ltd., a subsidiary of Las Vegas Sands Corporation, opened the Parisian Macao in September 2016. Wynn Macau opened the Wynn Palace in Cotai in August 2016. MGM Grand Paradise opened MGM Cotai in February 2018. 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. See “Item 4. Information on the Company — B. Business Overview — Market and Competition.”

In Cyprus, we hold a 30-year casino gaming license, which commenced from June 2017 and as to which the first 15 years are exclusive. Although we hold the exclusive license to operate casinos in the Republic of Cyprus until 2032, we may face competition from a large number of sports betting shops in Cyprus, online sports betting or other illegal casinos in Cyprus closed down by the Cyprus government, and from a large number of casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

We also compete to some extent with casinos located in other countries, such as Singapore, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand and elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, in December 2016, a law which conceptually enables the development of integrated resorts in Japan took effect. Certain other countries, such as Taiwan and Thailand, may also in the future legalize casino gaming and may not be subject to as stringent regulations as the Macau, Philippine and/or Cyprus markets. We 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. In addition, certain gaming promoters may become our competitors by operating their own gaming operations, which may result in the diversion of their junket players to their gaming operations. The proliferation of gaming venues in Asia could also significantly and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Currently, Macau is the only region in the Greater China area offering legal casino gaming. Although the Chinese 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.

Our regional competitors also include casino resorts that Melco International may develop elsewhere in Asia Pacific outside Macau or elsewhere in the world. Melco International may develop different interests and strategies for projects in Asia or elsewhere in the world which conflict with the interests of our business in Macau, the Philippines and Cyprus or otherwise compete with us for gaming and leisure customers. See "— Risks Relating to Our Corporate Structure and Ownership."

Inadequate transportation infrastructure in the Philippines, Macau or Cyprus may hinder increases in visitations to the Philippines, Macau or Cyprus.

City of Dreams Manila is located within Entertainment City, a controlled development in the City of Paranaque. Other than Solaire and Okada Manila, there are currently no other integrated tourism resorts which have begun operations in Entertainment City. It is unlikely that Manila's existing transportation infrastructure is capable of handling the increased number of tourist arrivals that may be necessary to support visitor traffic to large scale integrated resorts within Entertainment City, such as City of Dreams Manila. Although the NAIA Expressway and the newly constructed Skyway Stage-3 Expressway helped alleviate the traffic congestion within the area surrounding Entertainment City and the Philippine government continues to examine viable alternatives to ease traffic congestion in Manila, there is no guarantee that these measures will succeed, or that they will sufficiently eliminate the traffic problems or other deficiencies in Manila's transportation infrastructure. Traffic congestion and other problems in Manila's transportation infrastructure could adversely affect the tourism industry in the Philippines and reduce the number of potential visitors to City of Dreams Manila, which could, in turn, adversely affect our business and prospects, financial condition and results of our operations.

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 our projects in Macau. For example, there has 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 our Macau properties.

Cyprus is an island in the Eastern Basin of the Mediterranean Sea. It is the third largest island in the Mediterranean after the Italian islands of Sicily and Sardinia. Cyprus has two international airports with flights to other European countries as well as outside of Europe such as Russia, the Middle East and Africa. Cyprus' existing transportation infrastructure may be incapable of handling the increased number of tourist arrivals that may be necessary to support visitor traffic to our temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos or City of Dreams Mediterranean (which is currently under development). There is no guarantee that any measures taken by the government of Cyprus will successfully increase air traffic into Cyprus or sufficiently eliminate the traffic problem or other deficiencies in Cyprus' transportation infrastructure.

The governments in Macau and the Philippines could grant additional rights to conduct gaming in the future, which could significantly increase competition and cause us to lose or be unable to gain market share.

In Macau, Melco Resorts Macau is one of the six companies authorized by the Macau government to operate gaming activities. Pursuant to the terms of Macau Law No. 16/2001, or 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 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 Melco Resorts Macau is able to secure a 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 us and could cause us 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 us to lose or be unable to maintain or gain market share and, as a result, adversely affect our business.

In the Philippines, PAGCOR has issued regular gaming licenses to the Philippine Licensees and one other company and additional provisional gaming licenses to two other companies in the Philippines for the development and operation of integrated casino resorts. PAGCOR has granted a provisional license to a fifth operator located near the Entertainment City in mid-2018 which was eventually cancelled due to certain issues involving the site for the planned integrated casino resort. PAGCOR has also licensed private casino operators in special economic zones, including four in the Clark Ecozone, one in Poro Point, La Union, one in Binangonan, Rizal and one in the Newport City CyberTourism Zone, Pasay City. The Philippine License granted by PAGCOR to the Philippine Licensees is non-exclusive, and there is no assurance that PAGCOR will not issue additional gaming licenses, or that it will limit the number of licenses it issues. Any additional gaming licenses issued by PAGCOR could increase competition in the Philippine gaming industry, which could diminish the value of the Philippine Licensees' Philippine License. This could materially and adversely affect our business, financial condition and results of operations in the Philippines.

Any simultaneous planning, design, construction and development of any projects 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 projects. Members of our senior management will be involved in planning and developing our projects 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 such projects, as well as our operating properties, which may result in delays in the construction or opening of any of our current or future projects, cause construction cost overruns or cause the performance of our operating properties to be lower than expected, which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continuing efforts of our senior management, and our business may be severely disrupted if we lose their services.

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau, the Philippine and the Cyprus markets possessed by members of our board of directors, our senior management team, as well as other management personnel. We may experience changes in our key management in the future, including for reasons beyond our control. The 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 key management personnel could be difficult, and competition for personnel of similar experience could be intense in Macau, the Philippines and Cyprus. In addition, we do not currently carry key person insurance on any members of our senior management team.

The success of our business depends on our ability to attract and retain an adequate number of qualified personnel. A limited labor supply, increased competition and any increase in demands from our employees could cause labor costs to increase.

The pool of experienced gaming and other skilled and unskilled personnel in Macau, the Philippines and Cyprus is limited. Our demand remains high for personnel occupying sensitive positions that require qualifications sufficient to meet gaming regulations and other requirements or skills and knowledge that would need substantial training and experience. Competitive demand for qualified personnel is expected to continue due to the increased number of properties recently opened and expected to open in close proximity to our properties in Macau, the Philippines and Cyprus. Notably, we have started a substantial recruitment drive in the last quarter of 2021 particularly for managerial and construction related positions, in anticipation of the opening of the City of Dreams Mediterranean in 2022. The limited supply and increased competition in the labor market could cause our labor costs to increase.

Macau government policy prohibits us from hiring non-Macau resident dealers and supervisors. In addition, the Macau government has continuously stressed that it will continue to monitor the proportion of management positions held by Macau residents and implement measures to ensure such proportion remains no less than 85% of senior and mid-management positions. Due to the increased competition in the labor market and the relevant regulatory restrictions, we cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate our properties, or that costs to recruit and retain such personnel will not increase significantly. In addition, we have previously been subject to certain labor demands in Macau. The inability to attract, retain and motivate qualified employees and management personnel and to continuously optimize our workforce based on changing business demands could have a material adverse effect on our business.

Further, the Macau government is currently enforcing a labor policy pursuant to which the ratio of local to foreign workers that may be recruited is determined on a case-by-case basis and, in relation to construction works, must be at least 1:1 unless otherwise authorized by the Macau government. Such a policy could have a material adverse effect on our ability to complete works on our properties, such as the remaining development of the land on which Studio City is located. Moreover, if the Macau government enforces similar restrictive ratios in other areas, such as the gaming, hotel and entertainment sectors, or imposes additional restrictions on the hiring of foreign workers generally, including as a result of the COVID-19 outbreak, this could have a material adverse effect on the operation of our properties.

In the Philippines, the Philippine License requires that at least 95% of City of Dreams Manila's total employees be locally hired. Our inability to recruit a sufficient number of employees in the Philippines to meet this provision or to do so in a cost-effective manner may cause us to lower our hiring standards, which may have an adverse impact on City of Dreams Manila's service levels, reputation and business. In addition, in February 2019, Kilusan ng Manggagawang Makabayan (KMM-Katipunan) Melco Resorts Leisure (PHP) Corporation — Table Games Division — Chapter, or KMM-MELCO TGD, was certified by the Philippines Department of Labor to represent the rank-and-file employees of the Table Games Division of City of Dreams Manila as the former's sole and exclusive bargaining agent and a collective bargaining agreement was subsequently signed between City of Dreams Manila and the KMM-Katipunan in February 2020. More recently, KMM-Katipunan also sought to organize and represent the employees of the Security Division of City of Dreams Manila and filed a petition in February 2021 to request an election by the relevant employees. However, a majority of the members of the Security Division voted against the unionization of their division at the certification election. Any demand or activities of such collective bargaining agent, or any additional collective bargaining agents that may be certified by the Philippines Department of Labor in the future, could have a material adverse effect on the business and operations of City of Dreams Manila or our financial condition and results of operations.

In Cyprus, there is also a risk that our employees may organize or become part of a collective bargaining agreement or trade union. There is also a shortage of experienced gaming and other skilled and

unskilled personnel as Cyprus is a new gaming market and we also compete with other local hotels and resorts for non-gaming personnel in the hospitality sector. There is also a shortage of labor in the construction sector given the robust building activities in Cyprus and the difficulty in applying for work permits for non-EU citizens. As a result, our contractors may have to make up for any shortages in available labor from Greece or other European countries which may be challenging due to the COVID-19 related travel restrictions imposed by the government of Cyprus and could also increase our labor costs.

Moreover, casino resort employers may also contest the hiring of their former employees by us. There can be no assurance that any such claim will not be successful or other similar claims will not be brought against us or any of our affiliates in the future. In the event any such claim is found to be valid, we could suffer losses and face difficulties in recruiting from competing operators. If found to have basis by courts, these allegations could also result in possible civil liabilities on us or our relevant officers if such officers are shown to have deliberately and willfully condoned a patently unlawful act.

Our insurance coverage may not be adequate to cover all losses that we may suffer from our operations. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. In addition, we maintain various types of insurance policies for our Philippine and Cyprus business and operations, including mainly property damage, business interruption, general liability and crime insurance policies. In the Philippines, we also maintain a surety bond required by PAGCOR, which secures the prompt payment by Melco Resorts Leisure of the monthly licensee fees due to PAGCOR. These insurance policies provide coverage that is subject to policy terms, conditions and limits. There is no assurance that we 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 we may be unable to obtain the insurance policies we deem necessary for the operation of our projects on commercially practicable terms, or at all, or we may need to reduce our policy limits or agree to certain exclusions from our coverage.

We cannot assure you that any such insurance policies we 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 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 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 the Philippines, Macau and Cyprus where we operate, 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, the Philippines and Cyprus and our insurers in Macau, the Philippines and Cyprus may need to secure reinsurance in order to provide adequate cover for our property and development projects. Our credit agreements, Melco Resorts Macau's subconcession contract with Wynn Macau relating to the gaming concession in Macau (the "Subconcession Contract"), the Philippine License granted by PAGCOR and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in Macau and the Philippines, respectively, unless otherwise authorized by the respective

counter-parties. Failure to maintain adequate coverage could be an event of default under our credit agreements, the Subconcession Contract or the Philippine License and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Gaming inherently involves elements of chance that are beyond our control, and as a result our revenues may be volatile and the winnings of our patrons could exceed our casino winnings at particular times during our operations.

The gaming industry is characterized by the element of chance. In addition to the element of chance, theoretical expected win rates are also affected by other factors, including players' skills and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume and mix of bets placed by our players, the amount of time players spend on gambling and the number of our players. As a result, our actual win rates may differ greatly over short time periods, such as from quarter to quarter, and could cause our quarterly results to be volatile. Each of these factors, alone or in combination, have the potential to negatively impact our win rates, and our business, financial condition and results of operations could be materially and adversely affected.

Our revenues are mainly derived from the difference between our casino winnings and the winnings of our casino patrons. Since there are inherent elements of chance in the gaming industry, we do not have full control over our winnings or the winnings of our casino patrons. If the winnings of our patrons exceed our casino winnings, we may record a loss from our gaming operations, and our business, financial condition and results of operations could be materially and adversely affected.

Our gaming business is subject to the risk of cheating and counterfeiting.

All gaming activities at our table games are conducted exclusively with gaming chips which, like real currency, are subject to the risk of alteration and counterfeiting. We incorporate 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 our gaming chips and introduce, use and cash in altered or counterfeit gaming chips in our gaming areas. Any negative publicity arising from such incidents could also tarnish our reputation and may result in a decline in our business, financial condition and results of operation.

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. Our existing surveillance and security systems, designed to detect cheating at our casino operations, may not be able to detect all such cheating in time or at all, particularly if patrons collude with our employees. In addition, our gaming promoters or other persons could, without our knowledge, enter into betting arrangements directly with our casino patrons on the outcomes of our games of chance, thus depriving us of revenues.

Our operations are reviewed to detect and prevent cheating. Each game has a theoretical win rate and statistics are examined with these in mind. Cheating may give rise to negative publicity and such action may materially affect our business, financial condition, operations and cash flows.

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 in 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, Ebola and COVID-19. 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 in the PRC or elsewhere in the world 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 "— 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.

Health and safety or food safety incidents at our properties may lead to reputational damage and financial exposures.

We provide goods and services to a significant number of customers on a daily basis at our properties in Macau, Manila and Cyprus. In particular, with attractions, entertainment and food and beverage offerings at our properties, 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 our properties. See "— We are subject to risks relating to litigation, disputes and regulatory investigations which may adversely affect our profitability, financial condition, reputation and prospects."

Unfavorable fluctuations in the currency exchange rates of the H.K. dollar, U.S. dollar, or the Pataca, the Philippine peso or the Euro and other risks related to foreign exchange and currencies, including restrictions on conversions and/or repatriation of foreign currencies, could adversely affect our indebtedness, expenses, profitability and financial condition.

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollars. The majority of our

current revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. Our current expenses are denominated predominantly in Patacas, H.K. dollars and the Philippine pesos. In addition, we have revenues, assets, debt and expenses denominated in Philippine pesos and in Euros relating to our businesses in the Philippines and Cyprus, respectively. We also have subsidiaries, branch offices and assets in various countries, including Taiwan, which are subject to foreign exchange fluctuations and local regulations that may impose, among others, limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. In addition, a significant portion of our indebtedness, including the Melco Resorts Finance Notes and Studio City Notes, and certain expenses, are or will be denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars.

The value of the H.K. dollar, the Pataca, the Philippine peso and the Euro against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar, the Pataca, the Philippine peso or the Euro to the U.S. dollar may have a material adverse effect on our revenues and financial condition. For example, to the extent that we are required to convert U.S. dollar financings into H.K. dollars or Patacas for our operations, fluctuations in exchange rates between the H.K. dollar or Pataca against the U.S. dollar could have an adverse effect on the amounts we receive from the conversion.

While we maintain a certain amount of our operating funds in the same currencies in which we have obligations in order to reduce our exposure to currency fluctuations, we have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the years ended December 31, 2021 and 2020. In addition, we may face regulatory, legal and other risks in connection with our assets and operations in certain jurisdictions that may impose limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. We will consider our overall procedure for managing our foreign exchange risk from time to time, but we cannot assure you that any such procedures will enable us to obtain and achieve effective hedging of our foreign exchange risk, which could materially and adversely affect our financial condition and operating results.

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

We may undertake mergers, acquisitions, strategic transactions or investments that are not realized or may result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us to regulatory and legal inquiries and proceedings or investigations.

We have made, and may in the future make, acquisitions, investments, divestments or strategic transactions in companies or projects to expand or complement our existing operations. From time to time, we engage in discussions and negotiations with companies regarding acquisitions, investments, divestments or other strategic transactions, which may be material or significant, in such companies or projects. For example, the discussions and negotiations between us and Melco International led to our acquisition of 75% ownership interest in ICR Cyprus from Melco International, through which we expanded our operations to Cyprus. With this acquisition, our business has been expanded to the European region and includes the development of the City of Dreams Mediterranean, a new integrated casino resort project in Cyprus. Our expanded operations and

developments in Cyprus require significant resources and investments and we may in the future make other acquisitions, investments or strategic transactions that require significant capital commitments and resources.

Any integration process that would follow any of our acquisitions, investments or strategic transactions, including our acquisition of 75% equity interest in ICR Cyprus, may prove more difficult than anticipated. We may be subject to liabilities or claims that we are not aware of at the time of the investment or acquisition, and we may not realize the benefits anticipated at the time of the investment or acquisition. Any benefits anticipated at the time of the investment or acquisition may also not be realized, or may be impacted, due to factors beyond our control. For example, in February 2020, we announced our decision to not pursue the acquisition of an additional 9.99% ownership interest in Crown Resorts due to the impact of the COVID-19 outbreak, and in April 2020, we announced the sale of our 9.99% equity interest in Crown Resorts to a third party and ceased to be a shareholder of Crown Resorts following such sale. These difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and liabilities, result in losses, including in material amounts, and may adversely affect our businesses, financial condition and operating results. Even if we do identify suitable opportunities, we may not be able to make such acquisitions or investments on commercially acceptable terms or adequate financing may not be available on commercially acceptable terms, if at all, and we may not be able to consummate a proposed acquisition or investment.

We may also, from time to time, receive inquiries from regulatory and legal authorities and become subject to regulatory and legal proceedings or investigations in connection with our acquisitions, investments, divestments or strategic transactions in companies or projects, which may delay or materially impact the completion of such acquisitions, investments, divestments or strategic transactions. For example, in connection with the definitive purchase agreement we entered into with CPH Crown Holdings Pty Limited in May 2019 to acquire a total of an approximately 19.99% ownership interest in Crown Resorts for the total purchase price of AUD1,759.6 million (equivalent to approximately US$1,275.6 million) and pursuant to which we acquired an approximately 9.99% ownership interest in Crown Resorts on June 6, 2019 and were to acquire an additional 9.99% ownership interest in Crown Resorts by September 30, 2019, as a result of the relevant Australian regulatory process, we and CPH Crown Holdings Pty Limited agreed to defer our acquisition of the additional 9.99% ownership interest in Crown Resorts. Any such regulatory and legal proceedings or investigations may materially and adversely affect our business, operations, financial condition and prospects.

We face risks relating to any expansion of our operations and entry into new markets through mergers, acquisitions, strategic transactions or investments.

We have expanded our operations and entered into new markets in the past through acquisitions and strategic transactions. See also "— We may undertake mergers, acquisitions, strategic transactions or investments that are not realized or may result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us to regulatory and legal inquiries and proceedings or investigations."

We may continue to evaluate and consider a wide array of potential strategic transactions as part of our overall business strategy. Any future expansion of our operations or our entry into new markets through mergers, acquisitions, strategic transactions or investments may subject us to:

- additional costs for complying with local laws, rules, regulations and policies as well as other local practices and customs in new markets, including establishing business and regulatory compliance programs;
- currency exchange rate fluctuations or currency restructurings;
- limitations or penalties on the repatriation of earnings;
- unforeseen changes in regulatory requirements;
- uncertainties as to local laws and enforcement of contract and intellectual property rights; and

- changes in government, economic and political policies and conditions, political or civil unrest, acts of terrorism or the threat of international boycotts.

These factors and the impact of these factors on our business and operations are difficult to predict and may have material adverse effect on our business and prospects, financial condition and results of operations.

We are subject to risks relating to litigation, disputes and regulatory investigations and proceedings which may adversely affect our profitability, financial condition, reputation and prospects.

We are, and may in the future be, subject to legal actions, disputes and regulatory investigations in the ordinary course of our business. We are also subject to risks relating to legal, administrative and regulatory proceedings and investigations which we or our affiliates are or may be a party to from time to time, or which could develop in the future, as well as fines or other penalties which may be imposed on us in connection with any requisite permit, license or other approval for our business and operations. Any adverse outcome may cause material disruptions to our normal business operations. In addition, administrative and regulatory proceedings can be costly and time-consuming and may divert management attention and resources from our operations. We could incur significant defense costs and, in the event of an adverse outcome, be required to pay damages and interest to the prevailing party and, depending on the jurisdiction of the litigation, be held responsible for the costs of the prevailing party. Our reputation may also be adversely affected by our involvement or the involvement of our affiliates in litigation, administrative and regulatory proceedings. In addition, we and our affiliates operate or have interests in a number of jurisdictions in which regulatory and government authorities have wide discretion to take procedural actions in support of their investigations and regulatory proceedings, including seizures and freezing of assets and other properties that are perceived to be connected or related to such investigations or regulatory proceedings. Given such wide discretion, regulatory or government authorities may take procedural or other actions that may affect our assets and properties in connection with any investigation or legal, administrative or regulatory proceeding involving us, any of our affiliates, or third parties, which may materially affect our business, financial condition or results of operations.

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.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct, and expect to continue to conduct, our gaming activities at our casinos on a credit basis as well as a cash basis. Consistent with customary practice, we grant credit to certain premium direct players, and in markets where we engage gaming promoters and the grant of credit is permitted such as the Philippines, we grant credit to gaming promoters. Gaming promoters bear the responsibility for issuing credit and subsequently collecting the credit they granted. We extend credit, often on an unsecured basis, to certain gaming promoters and VIP patrons whose level of play and financial resources warrant such an extension in our opinion. High-end patrons typically are extended more credit than patrons who wager lower amounts. Any slowdown in the economy could adversely impact our VIP patrons, which could in turn increase the risk that these clients may default on credit extended to them. In Cyprus, a new gaming market, we also grant credit to a small number of selected premium direct players.

We may not be able to collect all of our gaming receivables from our credit customers. We expect that we will be able to enforce our gaming receivables only in a limited number of jurisdictions including Macau, the

Philippines, Cyprus and under certain circumstances, Hong Kong. As most of our customers in Macau are visitors from other jurisdictions, we may not have access to a forum in which we will be able to collect all of our gaming receivables because, among other reasons, courts in many jurisdictions, do not enforce gaming debts. Further, we may be unable to locate assets in other jurisdictions against which recovery of gaming debts can be sought. The collectability of receivables from our credit customers, and, in particular, our international credit customers, could be negatively affected by future business or economic trends or by significant events in the jurisdictions in which these customers reside, or in which their assets are located. As a result of the COVID-19 outbreak, we have increased our estimated allowance for credit losses. We may also have to determine whether aggressive enforcement actions against a customer will unduly alienate the customer and cause the customer to cease playing at our casinos. We could suffer a material adverse impact on our operating results if receivables from our credit customers are deemed uncollectible. In addition, in the event a credit customer suffers losses in connection with any gaming activities at our properties and receivables from such customer are uncollectible, Macau gaming taxes, Philippines license fees or Cyprus gaming taxes (as the case may be) will still be payable on the resulting gaming revenues, notwithstanding any receivables owed by such customer to us may be uncollectible. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which approximate fair values.

Our business and financial plans may be negatively impacted by any contraction in the availability of credit.

Our business and financing plans may be dependent upon the completion of future financings. Any severe contraction of liquidity in the global credit markets may make it difficult and costly to obtain new lines of credit or to refinance existing debt, and may place broad limitations on the availability of credit from credit sources as well as lengthen the recovery cycle of extended credit. 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. Any deterioration in the credit environment may cause us to have difficulty in obtaining additional financing on acceptable terms, or at all, which could adversely affect our ability to complete current and future projects. Tightening of liquidity conditions in credit markets may also constrain revenue generation and growth and could have a material adverse effect on our business, financial condition and results of operations.

Rolling chip patrons and VIP gaming customers may cause significant volatility in our revenues and cash flows.

A significant proportion of our casino revenues in Macau is generated from the rolling chip segment of the gaming market. Similarly, City of Dreams Manila also attracts foreign gaming visitors, particularly VIP players who typically place large individual wagers. The loss or a reduction in the play of the most significant of these rolling chip patrons or VIP gaming customers could have an adverse effect on our business. In addition, revenues and cash flows derived from high-end gaming of this type are typically more volatile than those from other forms of gaming primarily due to high bets and the resulting high winnings and losses. As a result, our business, results of operations and cash flows from operations may be more volatile from quarter to quarter than that of our competitors and consequently may require higher levels of cage cash in reserve to manage this volatility.

We depend upon gaming promoters for a portion of our gaming revenues in the Philippines and Cyprus and, until December 2021, also depended on gaming promoters in Macau. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters in the Philippines and Cyprus, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are unable to find alternative means to attract VIP rolling chip patrons in markets such as Macau where gaming promoters have become subject to restrictions on doing business due to legal and regulatory requirements, our results of operations could be materially and adversely impacted.

Historically, VIP rolling chip patrons introduced to us by gaming promoters were responsible for a significant portion of our gaming revenues in Macau. However, significantly increased regulatory scrutiny of

gaming promoters in Macau has resulted, and may continue to result, in restrictions on their activities and the cessation of business of many gaming promoters. In addition, changes to the legal and regulatory framework in the PRC has also affected gaming promoters in Macau. For example, amendments to the PRC's criminal laws, which provide that anyone that organizes trips for Chinese citizens for the purpose of gambling outside of the PRC, 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 holding that a gaming operator was jointly liable with a gaming promoter for the refund of funds deposited with such gaming promoter, and separately the Macau authorities have 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. In December 2021, we terminated our arrangements with all gaming promoters in Macau. For the year ended December 31, 2021, approximately 14.0% of our casino revenues were derived from customers sourced through our gaming promoters in Macau. In the event gaming promoters remain subject to such restrictions and regulatory scrutiny in Macau and we are unable to successfully attract VIP rolling chip patrons without such promoters or expand our mass market segment in Macau, our business, financial condition and results of operations could be affected materially and adversely. For a further discussion of restrictions on gaming promoters in Macau, see "— Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful."

For the year ended December 31, 2021, approximately 1.0% of our casino revenues were derived from customers sourced through our gaming promoters in the Philippines. In the last quarter of 2021, we terminated our arrangements with seven out of ten gaming promoters in the Philippines, and the remaining three gaming promoters have customers mostly from within the Philippines. In the event we are unable or choose not to partner with additional gaming promoters in the Philippines or are unable to successfully operate our VIP rolling chip operations with reduced reliance on customers introduced by gaming promoters or expand our mass market segment in the Philippines, our business, financial condition and results of operations could be affected materially and adversely.

For our operations in Cyprus, there are currently two licensed gaming promoters although only one of them is currently active due to the COVID-19 outbreak. For the year ended December 31, 2021, approximately 11.9% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters.

If we are unable to utilize, maintain, resume and/or develop relationships with gaming promoters and, in the case of Cyprus, if the number of licensed gaming promoters do not significantly increase in the future, our ability to grow our gaming revenues will be hampered and we will have to seek alternative ways to develop and maintain relationships with rolling chip patrons, which may not be as profitable as relationships developed through gaming promoters. As competition intensifies, we may therefore need to offer better terms to gaming promoters, including extensions of credit, which may increase our overall credit exposure or, in the case of Macau and to some extent the Philippines, to find alternate ways of attracting such patrons which may not be as effective as gaming promoters or may increase our marketing expenses.

In addition, in markets where we use gaming promoters, such promoters may encounter difficulties in attracting patrons to come to our casinos. For example, gaming promoters may experience decreased liquidity, limiting their ability to grant credit to their patrons, resulting in decreased gaming volume in the affected casinos. Credit already extended by our gaming promoters may become increasingly difficult to collect.

We are impacted by the reputation and integrity of the parties with whom we engage in business activities, including gaming promoters and we cannot assure you that these parties will always maintain high standards or suitability throughout the term of our association with them. Failure to maintain such high standards or suitability may cause us and our shareholders to suffer harm to our own and our shareholders' reputation, as well as impair relationships with, and possibly result in sanctions from, gaming regulators.

The reputation and integrity of the parties with whom we engage in business activities are important to our own reputation and our ability to continue to operate in compliance with the permits and licenses required for our businesses. These parties include, but are not limited to, those who are engaged in gaming-related activities, such as gaming promoters, developers and hotel, restaurant and night club operators with whom we have or may enter into services or other types of agreements. Under the Macau Gaming Law, if we enter into new arrangements with gaming promoters in the future, Melco Resorts Macau has an obligation to supervise gaming promoters who operate at our Macau properties to ensure their compliance with applicable laws and regulations and serious breaches or repeated misconduct by these gaming promoters could result in the termination of its subconcession.

For parties we deal with in gaming-related activities, where relevant, the gaming regulators also undertake their own probity checks and will reach their own suitability findings in respect of the activities and parties with which we intend to associate. In addition, we also conduct our internal due diligence and evaluation process prior to engaging such parties. Notwithstanding such regulatory probity checks and our own due diligence, we cannot assure you that the parties with whom we are associated will always maintain the high standards that gaming regulators and we require or that such parties will maintain their suitability throughout the term of our association with them. In addition, if any of our gaming promoters violate applicable laws, the government may, at its discretion, take enforcement action against the gaming promoters and could also seek to impose liability on us for the conduct of the gaming promoters. Also, if a party associated with us falls below the gaming regulator's suitability standard or if their probity is in doubt, this may be negatively perceived when assessed by the gaming regulators. As a result, we and our shareholders may suffer reputational harm, as well as impaired relationships with, and possibly sanctions or other measures or actions from, the relevant gaming regulators with authority over our operations.

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 and our businesses in different jurisdictions are subject to a number of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, or 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. Breach of these anti-corruption laws carries severe criminal and civil sanctions as well as other penalties and reputational harm. 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 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, there is no assurance that our employees, consultants, contractors and agents, and those of our affiliates, will adhere to the anti-corruption compliance programs, 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 programs or applicable laws 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 gaming licenses, or lead to other adverse consequences on our business, prospects, financial condition and results of operations. As we are 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. We also deal in significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by us could have a negative effect on our results of operations.

A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations.

We have registered and have the right to use the trademarks, including "Altira," "Mocha Club," "City of Dreams," "Nüwa," "The Countdown," "Morpheus," "City of Dreams Manila," "Studio City," "Melco Resorts Philippines," "C2" and "Melco Resorts & Entertainment" in Macau, the Philippines, Cyprus and/or other jurisdictions. We have also registered in Macau, the Philippines, Cyprus and other jurisdictions certain other trademarks and service marks used in connection with the operations of our hotel casino projects in Macau, City of Dreams Manila and Cyprus. We endeavor to establish and protect our intellectual property rights through trademarks, service marks, domain names, licenses and other contractual provisions. The brands we use in connection with our properties have gained recognition. Failure to possess, obtain or maintain adequate protection of our intellectual property rights could negatively impact our brands and could have a material adverse effect on our business, financial condition and results of operations. For example, third parties may misappropriate or infringe our intellectual property, which may include but not be limited to the use of our intellectual property by offshore gaming websites, including those that may attempt to defraud members of the public. While we may take legal or other appropriate actions against these unauthorized offshore websites, such as by reporting the sites to the appropriate governmental or regulatory authorities, such actions may not be effective or significant expenses could be incurred and such unauthorized activities may draw businesses away from our operations and/or tarnish our reputation, all of which may adversely affect our business, financial condition and results of operations.

The infringement or alleged infringement of intellectual property rights belonging to third parties could adversely affect our business.

We face the potential risk of claims that we have infringed upon the intellectual property rights of third parties, which could be expensive and time-consuming to defend. In addition, we may be required to cease using certain intellectual property rights or selling or providing certain products or services, pay significant damages or 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 our business, financial condition and future prospects. Furthermore, if litigation were to result from such claims, our business could be interrupted.

We cannot assure you that anti-money laundering policies that we have implemented, and compliance with applicable anti-money laundering laws, will be effective to prevent our casino operations from being exploited for money laundering purposes.

The free ports, offshore financial services and free movement of capital have created an environment whereby casinos in Macau or Cyprus could be exploited for money laundering purposes. We also deal with significant amounts of cash in our regular casino operations in Macau, the Philippines and Cyprus. As our Macau, Philippine and Cyprus operations are subject to various reporting and anti-money laundering regulations and increased audits and inspections from regulators, we have implemented anti-money laundering policies to address those requirements. Philippine laws on anti-money laundering have been amended to include casinos as covered institutions and the Anti-Money Laundering Council and PAGCOR have also recently released corresponding regulations and guidelines on compliance. The Cyprus House of Representatives have also enacted the Prevention and Suppression of Money Laundering and Terrorist Financing Law 2007 to 2021(188(I)/

2007) to transpose the European Union's Fifth Anti-Money Laundering Directive 2018/843 into national law of Cyprus. The CGC also issued an updated anti-money laundering Direction in December 2021 which requires us to implement more compliance measures, primarily to meet additional obligations relating to our monitoring and control obligations and CGC reporting requirements. While we have adjusted our anti-money laundering policies for our Philippine and Cyprus operations to these new rules and regulations, their implementation or application, as well as any further changes to anti-money laundering laws and regulations in Macau, the Philippines and Cyprus may require us to adopt changes to our own anti-money laundering policies.

We cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or these policies will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of Macau, the Philippines or Cyprus.

There can be no assurance that, despite the anti-money laundering measures we have adopted and undertaken, we would not be subject to any accusation or investigation related to any possible money laundering activities. In addition, we expect to be required by relevant regulatory authorities from Macau, the Philippines, Cyprus and other jurisdictions that regulate our business activities to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations during which regulatory authorities may make inquiries and take other actions such as compliance audits at their discretion. Any incident of money laundering, accusation of money laundering or regulatory investigations into possible money laundering activities involving us, our employees, our gaming promoters, our customers or others with whom we are 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, of the Philippine License or the Cyprus License. For more information regarding anti-money laundering regulations in Macau, the Philippines and Cyprus, see "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Anti-Money Laundering and Terrorism Financing Regulations", "Item 4. Information on the Company — B. Business Overview — Regulations — Philippines Regulations — Anti-Money Laundering Regulations in the Philippines." and "Item 4. Information on the Company — B. Business Overview — Regulations — Cyprus Regulations — Anti-Money Laundering Law and Regulations."

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 employees and information relating to our operations. The systems and processes we have implemented to protect customers, employees and company information are subject to the 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 employees or employees of third-party vendors, ransomware attacks that encrypt, exfiltrate or otherwise render data unusable or unavailable or other forms of cybercrimes that includes 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 cybersecurity 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 services 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 cybersecurity attacks or other reasons at our properties 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 employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers', suppliers' and employees' 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 employees, customers, suppliers or website visitors could harm our reputation and credibility and reduce our ability to attract and retain employees, suppliers and customers. 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 — Regulations — Macau Regulations — 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 noncompliance

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 ("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 have a wholly-owned subsidiary that hosts domain names of our PRC websites and other online platforms which promote our non-gaming amenities in the PRC, 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.

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 the PRC as well as certain personal information processing activities outside the PRC, 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 the PRC, 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 with jurisdiction over our gaming operations in Macau, the Philippines and Cyprus to take action against us or our related licensees, including actions that could affect the ability or terms upon which our subsidiaries hold their gaming licenses and/or subconcession, our suitability to continue as a shareholder of those subsidiaries and/or the suitability of key personnel to remain with us. 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.

Our new branded products or new business lines may not be successful.

In 2018, we launched our new property at City of Dreams under the Morpheus brand. We have also recently launched the Nüwa brand in both Macau and the Philippines and the C2 brand in Cyprus and intend to rebrand The Countdown. We may continue introducing new brand names and brand identities in the future, such as City of Dreams Mediterranean in Cyprus, which may be time-consuming and expensive, or may not have the intended effect, any of which could have a material adverse effect on our business, results of operations and financial condition. We may also launch new products or enter into new business or service lines that are subject to different business or regulatory risks than our existing gaming business. These new initiatives may subject us to additional costs for complying with a new set of laws, rules, regulations and policies and/or requirements imposed by new governmental and regulatory bodies. Given our relative lack of experience in these new business ventures, there is also no assurance that they will be successful.

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 and our ability to accept certain customers, 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 Chinese 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 the PRC. 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.

In addition, 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. As these new and growing lists of sanctions and measures are extensive and rapidly changing, they could be difficult to comply with and could also significantly increase our business and compliance costs as well as have a negative impact on our business and our ability to accept certain customers, including for our business in Cyprus where historically a significant number of tourists have come from Russia.

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 ("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 "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — Our business in Macau, the Philippines and Cyprus is subject to certain regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitation to our properties and have a material adverse effect on our results of operations." for a discussion of risks relating to natural disasters that could be exacerbated by climate change.

We are also subject to the changes in related laws and regulations 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

Melco Resorts Macau's Subconcession Contract expires in June 2022 and if we are unable to secure an extension of the subconcession and thereafter a new concession, we would be unable to operate casino gaming in Macau.

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. On March 11, 2022, Melco Resorts Macau 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 Macau Resorts Macau 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 of 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. We cannot assure you that Melco Resorts Macau will be able to secure the extension of the subconcession and thereafter a new concession, on terms favorable to us, or at all. In accordance with current legislation on reversion of casino premises, all of our casino premises and gaming-related equipment under Melco Resorts Macau's subconcession will revert to the Macau government without compensation at the end of the subconcession. We would then cease to generate revenues from such operations. 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 Studio City Notes and the Melco Resorts Finance Notes, we would also be required to offer to repurchase the Studio City Notes and the Melco Resorts Finance 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 "— Changes in our share ownership, including a change of control of our shares or our subsidiaries' shares, could result in our subsidiaries' inability to draw loans or cause events of default under our subsidiaries' indebtedness, or could require our subsidiaries to prepay or make offers to repurchase certain indebtedness, as well as potentially negatively affect our ability to obtain an extension of our subconcession or obtain a new concession in Macau."

Our business and operations in Macau are dependent upon our subconcession and, if we fail to comply with the complex legal and regulatory regime in Macau, our subconcession may be subject to revocation.

Under the terms of the Subconcession Contract, we are obligated to comply with all laws, regulations, rulings and orders promulgated by the Macau government from time to time. In addition, we must comply with all the terms of the Subconcession Contract which contains various general covenants and provisions, such as general and special duties of cooperation, special duties of information and obligations in relation to the execution of our investment plan, as to which the determination of compliance is subjective and depend, in part, on our ability to maintain continuing communications and good faith negotiations with the Macau government to

ensure that we are performing our obligations under the subconcession in a manner that would avoid any violations. The initially proposed law amending the Macau gaming law also contemplates imposing various covenants and obligations the determination of which are discretionary or subjective. We cannot assure you that we will perform such covenants in a way that satisfies the requirements of the Macau government.

Melco Resorts Macau's subconcession further provides that the Macau government is allowed to request various changes in the plans and specifications of our Macau properties and impose business and corporate requirements that may be binding on us. The proposed law amending the gaming law would, if adopted, also grant the Macau government authority to require revisions and specifications to be made to properties operated by concessionaires, including us. In addition, the Chief Executive of Macau has the right to require that we increase Melco Resorts Macau's share capital or that we provide certain deposits or other guarantees of performance with respect to the obligations of our Macau subsidiaries (which right would continue under the proposed amendments to the gaming law, if adopted). Melco Resorts Macau must also first obtain the Macau government's approval before raising certain financing. As a result, we cannot assure you that we 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 our subconcession, any new concession or the law amending the gaming law or other related regulations.

The harshest penalty that may be imposed on us for failure to comply with the complex legal and regulatory regime in Macau and the terms of the Subconcession Contract is revocation of the subconcession. Under the subconcession, the Macau government has the right to unilaterally terminate the subconcession in the event of non-compliance by Melco Resorts Macau with its basic obligations under the subconcession and applicable Macau laws. If such a termination were to occur, all of our casino premises and gaming equipment will revert to the Macau government without compensation to us and Melco Resorts Macau would be unable to operate casino gaming in Macau, which would 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 our projects. We would also be unable to recover the US$900 million consideration paid to Wynn Macau for the issue of the subconcession. For a list of termination events, see "Item 4. Information on the Company — B. Business Overview — Regulations — Gaming Licenses — The Subconcession Contract in Macau." These events could lead to the termination of Melco Resorts Macau's subconcession without compensation to Melco Resorts Macau. In many of these instances, the Subconcession Contract does not provide for a specific cure period within which any such events may be cured and the granting of any cure period, if at all, would be at the discretion of the Macau government.

Currently, there is no precedent on how the Macau government will treat the termination of a concession or subconcession and many of the laws and regulations relating to termination of a concession or subconcession have not yet been applied by the Macau government. Accordingly, the scope and enforcement of the provisions of Macau's gaming regulatory system cannot be fully assessed.

Studio City faces significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations.

Studio City commenced operations in October 2015. While we have made significant capital investments for the development of Studio City, its land grant conditions, including, among others, completing the development of the land on which Studio City is located, require additional capital investments for Studio City.

Furthermore, Studio City operates in a challenging competitive environment. For example, some of our competitors in Macau have expanded operations or have announced intentions for further expansion and developments in Cotai, where Studio City is located. See "— We face intense competition in Macau, the Philippines and elsewhere in Asia and Europe and may not be able to compete successfully." Moreover, we face risks and uncertainties related to changes to the Chinese and Macau governments' policies and regulations

relating to gaming markets, including those affecting gaming table allocation and caps, smoking restrictions, exchange controls and repatriation of capital, measures to control inflation and monetary transfers and travel restrictions.

In December 2021, continuation of the VIP rolling chip operations at the Studio City Casino by Melco Resorts Macau was extended to December 31, 2022, subject to early termination with 30 days' prior notice. There is no assurance or expectation that any additional gaming tables will be allocated to Studio City Casino, including any VIP gaming tables.

In addition, Studio City may find it challenging to comply with the terms imposed under its financing arrangements, especially during periods of challenging market conditions (including changes in the PRC's economy). The 2028 Studio City Senior Secured Credit Facility and the indentures governing the Studio City Notes impose certain operating and financial restrictions, including limitations on the ability to pay dividends, incur additional debt, make investments, create liens on assets or issue preferred stock. If we are unable to comply with such restrictions, it could cause repayment of our debt to be accelerated. In addition, such terms may also impair our ability to obtain additional financing for developing and completing the remaining project for the land of Studio City by December 27, 2022, in which case in the event no further extension is granted to complete such development 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 land and building and we may not be able to continue to operate Studio City. See "— The agreements governing our credit facilities and debt instruments contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests" and "We are developing the remaining development project at 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."

All of the foregoing trends, risks and uncertainties may have a material adverse impact on our business, financial condition and results of operations.

Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi.

Gaming operators in Macau are currently prohibited from accepting wagers in Renminbi, the currency of China. There are currently restrictions on the export of the Renminbi outside of the PRC, including to Macau. For example, a Chinese citizen traveling abroad is only allowed to take a total of RMB20,000 (equivalent to approximately US$ 3,137) plus the equivalent of up to US$5,000 out of China. The annual limit of RMB100,000 (equivalent to approximately US$15,684) is the aggregate amount that can be withdrawn overseas by any person from Chinese bank accounts and it was set by the Chinese government, with effect on January 1, 2018. In addition, the Chinese 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 China-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 the PRC to Macau. Furthermore, 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 (equivalent to approximately US$14,939) as determined by the Chief Executive of Macau are required to declare such amount to the customs authorities. 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 our operations.

In addition, the value of RMB against the U.S. dollar and other currencies may fluctuate and may be affected by, among other things, changes in political and economic conditions and the foreign exchange policies adopted by the PRC government. In 2021, the value of RMB appreciated approximately 2.0% against the U.S. dollar. It remains difficult to predict how market forces or PRC or U.S. government policy, including the ongoing trade disputes between the PRC and the US governments may further exacerbate the devaluation of the RMB against the U.S. dollar and other currencies in the future. Given that we derive a significant majority of our revenues from our Macau gaming business and a significant number of our gaming customers come from, and are expected to continue to come from, the PRC, any further devaluation of the RMB against the U.S. dollar and other currencies may affect the visitation and level of spending of these gaming customers and could in turn have a material adverse effect on our revenues and financial condition.

Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful.

Our operations in Macau are also exposed to the risks of changes in laws and policies. Current laws in Macau, 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. See "— The gaming industries in Macau, the Philippines and Cyprus are highly regulated." For example, under the initially proposed law amending the Macau gaming law, it is contemplated that if the actual gross gaming revenue of a concessionaire does not reach a set minimum limit, the concessionaire must pay a special premium to the Macau government. For additional information, see "— The gaming industries in Macau, the Philippines and Cyprus are highly regulated."

While we currently do not have gaming promoter arrangements for our Macau business following their cessation in December 2021, if we 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. For example, 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 our 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 our VIP rolling chip operations. 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 initially put forth for review by the Macau government 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 become applicable, may result in the imposition of liabilities, fines and other penalties and may materially and adversely affect our subconcession or new concession. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — 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 — Regulations — Macau Regulations — Gaming Regulations."

Also, since 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. Our properties currently have 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 — Regulations — Macau Regulations — Smoking Regulations."

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. 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 interpretation, which could have a material adverse effect on the operation of our properties 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 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 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.

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

The Macau government has imposed a cap on gaming tables and restricts the number of gaming tables that may be operated in Macau. A cap of 5,500 tables up to the end of the first quarter of 2013 was implemented. In addition, for a period of ten years commencing from the second quarter of 2013, the number of gaming tables to be authorized by the Macau government was limited to an average annual increase of 3%. According to the DICJ, the number of gaming tables 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 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. Given such announcements by the Macau government, we may not be able to obtain Macau government's approval to expand our existing casinos or gaming areas or operate a sufficient number of gaming tables at our properties in Macau. In addition, under the proposed law amending the Macau gaming law, if adopted in its initially proposed 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 also 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. Current and future restrictions on gaming tables may have a material impact on our gaming revenues, overall business and operations and may adversely affect our development projects and the future expansion of our business.

Melco Resorts Macau's tax exemption from Complementary tax on income from gaming operations under the subconcession tax expires on June 26, 2022, and we may not be able to extend it.

Companies in Macau are subject to Complementary tax of up to 12% of taxable income, as defined in relevant tax laws. We are also subject to a 35% special gaming tax on our gaming revenues as well as other levies of 4% imposed under the Subconcession Contract. Such other levies may be subject to change in the event the Subconcession Contract is renegotiated and as a result of any change in relevant laws. The Macau government granted to Melco Resorts Macau the benefit of a corporate tax holiday on gaming profits in Macau until 2021, which was extended until June 26, 2022 by dispatch of the Chief Executive. In addition, the Macau government has granted to one of our subsidiaries in Macau the Complementary tax exemption until 2021 on

profits generated from income received from Melco Resorts Macau, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. The dividend distributions of such subsidiary to its shareholders continue to be subject to Complementary tax. We have applied for an extension of such Complementary tax exemption for the period from January 1, 2022 to June 26, 2022 and such application is pending approval by the Macau government. We cannot assure you that the corporate tax holiday benefits will be extended beyond their expiration dates.

During the five-year period from 2017 through 2021, an annual payment of MOP18.9 million (equivalent to approximately US$2.4 million) was payable by Melco Resorts Macau with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributed by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant year. Upon the payment of such payment amount, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. We have applied for an extension of such arrangement from January 1, 2022 to June 26, 2022 at an amount to be set by the Macau government but we cannot assure you that the same arrangement will be applied during such period or beyond or that, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Risks Relating to Operating in the Gaming Industry in the Philippines

The land and buildings comprising the site occupied by City of Dreams Manila is leased by Melco Resorts Leisure and thus subject to risks associated with tenancy relationships.

Melco Resorts Leisure entered into a lease agreement on October 25, 2012, which became effective on March 13, 2013 (as amended or supplemented, the “Lease Agreement”), pursuant to which it leases from Belle Corporation the land and buildings occupied by City of Dreams Manila, which, in turn, leases part of the land from the Philippine government’s social security system (the “Social Security System”). Numerous potential issues or causes for disputes may arise from a tenancy relationship, such as with respect to the provision of utilities on the premises, rental lease payments, or any adjustments thereto, and the maintenance and normal repair of the buildings, any of which could result in an arbitrable dispute between Belle Corporation and Melco Resorts Leisure. There can be no assurance that any such dispute would be resolved or settled amicably or expediently or that Melco Resorts Leisure will not encounter any material issues with respect to its tenancy relationship with Belle Corporation. On March 22, 2021, the parties entered into a supplemental agreement to make certain adjustments to the rental payments paid and payable by Melco Resorts Leisure for 2020 and 2021 as a result of the disruptions caused by the COVID-19 outbreak. We are currently in discussions with Belle Corporation regarding new lease rates that will apply to the land and Phase 1 Building of the leased premises. There can be no assurance that any material issue arising out of the tenancy relationship can always be resolved swiftly and on terms acceptable to us. Furthermore, if any dispute arises, Belle Corporation, as lessor, could discontinue essential services necessary for the operation of City of Dreams Manila, or seek relief to oust Melco Resorts Leisure from possession of the leased premises. Any prolonged or substantial dispute between Belle Corporation and Melco Resorts Leisure, or any dispute arising under the lease agreement between Belle Corporation and the Social Security System, could have a material adverse effect on the operations of City of Dreams Manila, which could in turn adversely affect our business, financial condition and results of operations. In addition, any negative publicity arising from disputes with, or non-compliance by, Belle Corporation with the Lease Agreement could have a material adverse effect on our business and prospects, financial condition and results of operations.

Furthermore, the Lease Agreement may be terminated under certain circumstances, including Melco Resorts Leisure’s non-payment of rent, or if either party fails to substantially perform any material covenants under the Lease Agreement and fails to remedy such non-performance in a timely manner, which could cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

If the termination of certain agreements which Belle Corporation previously entered into with another casino operator and other third parties is not effective, such operator and third parties may seek to enforce these agreements against Belle Corporation or MRP as a co-licensee of Belle Corporation, which could adversely impact City of Dreams Manila and MRP.

Melco Resorts Leisure is designated as the sole operator under the provisional gaming license issued by PAGCOR on December 12, 2008 for the development of an integrated tourism resort and to establish and operate a casino within Entertainment City in Manila, the Philippines, under which the Melco Philippine Parties and the Philippine Parties are co-licensees pursuant to the Amended Certificate of Affiliation and Provisional License dated January 28, 2013 (the "Provisional License"). Prior to this, Belle Corporation and the other Philippine Parties elected to terminate such contracts and the operator with whom Belle Corporation previously contracted, on behalf of itself and such third-party contractors, signed a waiver releasing the Philippine Parties from all obligations thereunder. Although Belle Corporation agreed to indemnify the Melco Philippine Parties from any loss suffered in connection with the termination of such contracts, there can be no assurance that Belle Corporation will honor such agreement. Any issues which may arise from such contracts and their counterparties, or any attempt by another operator or any other third party contractor to enforce provisions under such contracts, could interfere with MRP's operations or cause reputational damage, which could in turn materially and adversely affect our business, financial condition and results of operations.

Compliance with the terms of the Philippine License, MRP's ability to operate City of Dreams Manila and the success of City of Dreams Manila as a whole are dependent on the actions of the other Philippine Licensees over which MRP has no control.

Although Melco Resorts Leisure is the sole operator of City of Dreams Manila, the ability of the Melco Philippine Parties to operate City of Dreams Manila, as well as the fulfillment of the terms of the Philippine License granted by PAGCOR in relation to City of Dreams Manila, depends to a certain degree on the actions of the Philippine Parties. For example, the Philippine Parties, as well as the Melco Philippine Parties, are responsible for meeting a certain debt to equity ratio as specified in the Philippine License. The failure of any of the Philippine Parties to comply with these conditions would constitute a breach of the Philippine License. As the Philippine Parties are separate corporate entities over which MRP has no control, there can be no assurance that the Philippine Parties will remain in compliance with the terms of the Philippine License of their obligations and responsibilities under cooperation agreement (as amended) entered into between the Philippine Parties and the Melco Philippine Parties on October 25, 2012, which became effective on March 13, 2013. In the event of any non-compliance, there can be no assurance that the Philippine License will not be suspended or revoked. In addition, if any of the Philippine Parties fails to comply with any of the conditions to the Philippine License, MRP may be forced to take action against the Philippine Parties under the cooperation agreement between the Philippine Parties and the Melco Philippine Parties or to enter into negotiations with PAGCOR for amendments to the Philippine License. There can be no assurance that any attempt to amend the Philippine License would be successful. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Furthermore, under the cooperation agreement between the Philippine Parties and the Melco Philippine Parties, the Philippine Parties are required to contribute the land and building structures for City of Dreams Manila. There can be no assurance that the title to the land and building structures for City of Dreams Manila will not be challenged by third parties or the Philippine government in the future. Any such event, each of which is beyond MRP's control, may curtail the ability of MRP to operate City of Dreams Manila in an efficient manner or at all and could have a material adverse effect on our business, financial condition and results of operations.

Melco Resorts Leisure's right to operate City of Dreams Manila is subject to certain limitations.

Melco Resorts Leisure's right to operate City of Dreams Manila is subject to certain limitations under the operating agreement for the management and operation of City of Dreams Manila, entered into among Melco

Resorts Leisure and the Philippine Parties. For example, Melco Resorts Leisure is prohibited from entering into any contract for City of Dreams Manila outside the ordinary course of the operation and management of City of Dreams Manila with an aggregate contract value exceeding US$3.0 million (such contract value to be increased by 5.0% each year on each anniversary date of the operating agreement, with the threshold at approximately US$4.4 million for the year ended December 31, 2021) without the consent of the other Philippine Licensees. In addition, Melco Resorts Leisure is required to remit specified percentages of the mass market and VIP gaming earnings before interest, tax, depreciation and amortization and other defined adjustments or net revenues derived from City of Dreams Manila to PremiumLeisure and Amusement Inc.

If Melco Resorts Leisure is unable to comply with any of the provisions of the operating agreement, the other parties to the operating agreement may bring lawsuits and seek to suspend or replace Melco Resorts Leisure as the sole operator of City of Dreams Manila, or terminate the operating agreement. Moreover, the Philippine Parties may terminate the operating agreement if Melco Resorts Leisure materially breaches the operating agreement. Termination of the operating agreement, whether resulting from Melco Resorts Leisure's or the Philippine Parties' non-compliance with the operating agreement, could cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

Melco Resorts Leisure may be forced to suspend VIP gaming operations at City of Dreams Manila under certain circumstances.

Under the operating agreement for City of Dreams Manila, Melco Resorts Leisure must periodically calculate, on a 24-month basis, the respective amounts of VIP gaming earnings before interest, tax, depreciation and amortization and other defined adjustments derived from City of Dreams Manila (the "PLAI VIP EBITDA") and VIP gaming net win derived from City of Dreams Manila pursuant to the operating agreement (the "PLAI VIP Net Win") and report such amounts to the Philippine Parties. If the PLAI VIP EBITDA is less than the PLAI VIP Net Win, the Philippine Licensees must meet within ten business days to discuss and review City of Dreams Manila's financial performance and agree on any changes to be made to the business operations of City of Dreams Manila and/or to the payment terms under the operating agreement. If such an agreement cannot be reached within 90 business days, Melco Resorts Leisure must suspend VIP gaming operations at City of Dreams Manila.

Any suspension of VIP gaming operations at City of Dreams Manila could materially and adversely impact gaming revenues from City of Dreams Manila. Moreover, suspension of VIP gaming operations could effectively lead Melco Resorts Leisure to limit or suspend certain non-gaming operations focusing on VIP players, such as the VIP hotel and VIP lounge, which would further reduce revenues from City of Dreams Manila. Any suspension of VIP gaming operations, even for a brief period of time, could also damage the reputation and reduce the attractiveness of City of Dreams Manila as a premium gaming destination, particularly among premium direct players and other VIP players, as well as gaming promoters, which could have a material adverse effect on our business, financial condition and results of operations.

MRP's strategy to attract Premium Market customers to City of Dreams Manila may not be effective.

A part of MRP's strategy for City of Dreams Manila is to capture a share of the premium gaming market in the region. Compared to general market patrons, whose typical wagers are relatively low, premium market patrons usually have higher minimum bets. Despite its targeted marketing efforts, there can be no assurance that the premium market customers will be incentivized to play in City of Dreams Manila rather than in comparable properties in Macau or elsewhere in the region, as these players may be unfamiliar with the Philippines or refuse to change their normal gaming destination. If MRP is unable to expand in the premium market as it intends, this would adversely affect its and/or our business and results of operations.

Changes in public acceptance of gaming in the Philippines may adversely affect City of Dreams Manila.

Public acceptance of gaming changes periodically in various gaming locations in the world and represents an inherent risk to the gaming industry. In addition, the Philippine Catholic Church, community

groups, non-governmental organizations and individual government officials have, on occasion, taken strong and explicit stands against gaming. PAGCOR has in the past been subject to lawsuits by individuals trying to halt the construction of casinos in their communities. Church leaders have on occasion called for the abolition of PAGCOR. There can be no guarantee that negative sentiments will not be expressed in the future against City of Dreams Manila or integrated casino resorts in general, which may reduce the number of visitors to City of Dreams Manila and may materially and adversely affect our business, financial condition and results of operations.

MRP may be unable to successfully register City of Dreams Manila as a tourism enterprise zone with the Philippine Tourism Infrastructure and Enterprise Zone Authority, an agency of the Philippine Department of Tourism ("TIEZA").

While Melco Resorts Leisure intends to apply for a designation as a tourism enterprise with TIEZA, there can be no assurance that TIEZA will approve the designation of Melco Resorts Leisure as a tourism enterprise. If Melco Resorts Leisure is unable to register as a tourism enterprise with TIEZA, it will not be entitled to certain fiscal incentives provided to some of Melco Resorts Leisure's competitors that are registered as tourism enterprises under TIEZA. For example, MRP's liability for value added tax ("VAT") on its sales largely depends on whether it may avail itself of tax incentives under TIEZA. If tax incentives under TIEZA are not available to MRP, it will be liable for VAT, which may result in a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

In addition, if Melco Resorts Leisure is able to register as a tourism enterprise with TIEZA, it will then be required to withdraw its current registration as a tourism economic zone enterprise with the Philippine Economic Zone Authority. The process of shifting from a tourism economic zone enterprise under the Philippine Economic Zone Authority to a tourism enterprise under TIEZA is uncertain. There is also uncertainty with respect to the fiscal incentives that may be provided to a registered tourism enterprise under TIEZA. Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

However, several legislative bills were previously passed and are currently pending in the Philippine legislature with a view towards rationalizing fiscal incentives currently granted to certain enterprises and activities, including tourism enterprises. It is uncertain whether these bills will be passed into law, or what the effect, if any, will be on the incentives currently granted to qualified tourism enterprises under the Republic Act No. 9593, of the Philippines, or the Tourism Act of 2009.

MRP's gaming operations are dependent on the Philippine License issued by PAGCOR.

PAGCOR regulates all gaming activities in the Philippines except for lottery, sweepstakes, jueteng, horse racing and gaming inside the Cagayan Export Zone. City of Dreams Manila's gaming areas may only legally operate under the Philippine License granted by PAGCOR, which imposes certain requirements on the Melco Philippine Parties and their service providers. The Philippine License is also subject to suspension or termination upon the occurrence of certain events. The requirements imposed by the Philippine License include, among others:

- payment of monthly license fees to PAGCOR;
- maintenance of a debt-to-equity ratio (based on calculation as agreed with PAGCOR) for each of the Philippine Licensees of no greater than 70:30;
- at least 95.0% of the total employees of City of Dreams Manila must be Philippine citizens;
- 2.0% of certain casino revenues must be remitted to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- operation of only the authorized casino games approved by PAGCOR.

Moreover, certain provisions and requirements of the Philippine License are open to different interpretations and have not been interpreted by Philippine courts or made subject to more detailed interpretative rules. There is no guarantee that the Melco Philippine Parties' proposed mode of compliance with these or other requirements of the Philippine License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation between PAGCOR and MRP with respect to the Philippine License could result in sanctions against the Melco Philippine Parties, including fines or other penalties, such as suspension or termination of the Philippine License. There can be no assurance that the Philippine Licensees will be able to continuously comply with all of the Philippine License's requirements, or that the Philippine License will not be modified to contain more onerous terms or amended in such a manner that would cause the Philippine Licensees to lose interest in the operation of City of Dreams Manila. If the Philippine License is materially altered or revoked for any reason, including the failure by any of the Philippine Licensees to comply with its terms, MRP may be required to cease City of Dreams Manila's gaming operations, which could have a material adverse effect on our business, financial condition and results of operations. In addition, a failure in the internal control systems of MRP may cause PAGCOR to adversely modify or revoke the Philippine License. Finally, the Philippine License will terminate in 2033, coinciding with the PAGCOR Charter's termination, and there is no guarantee that the PAGCOR Charter or the Philippine License will be renewed.

In addition, City of Dreams Manila's gaming operation is highly regulated in the Philippines. As PAGCOR is also a gaming operator, there can be no assurance that PAGCOR will not withhold certain approvals from the Melco Philippine Parties in order to favor its own gaming operations. PAGCOR may also modify or impose additional conditions on its licensees or impose restrictions or limitations on Melco Resorts Leisure's casino operations that would interfere with Melco Resorts Leisure's ability to provide VIP services, which could adversely affect MRP's business, financial condition and results of operations.

City of Dreams Manila may be required to obtain an additional legislative franchise, in addition to its Philippine License.

On August 2, 2017, House Bill No. 6111 was filed which proposed the creation of the Philippine Amusements and Gaming Authority, or PAGA, which, if adopted, would replace PAGCOR as the regulatory agency of gaming activities in the Philippines. Also under House Bill No. 6111, the holders of gaming licenses in the Philippines, including the Philippine Licensees, would be required to obtain from the Philippine Congress a legislative franchise to operate gambling casinos, gaming clubs and other similar gambling enterprises within one year from the date of the proposed law's effectiveness. Non-compliance would result in the operations of holders of gaming licenses in the Philippines, including the Philippine Licensees, to be considered as illegal. On October 2, 2017, House Bill No. 6514 was filed whose provisions are essentially similar to House Bill No. 6111, particularly on the need for holders of gaming licenses in the Philippines, including the Philippine Licensees, to obtain from the Philippine Congress a legislative franchise within one year from the date of the proposed law's effectiveness.

It is not yet known if House Bills 6111 and 6514, in their current form, will be approved by the House of Representatives, Senate or signed into law by the President. However, it is likely that the present bills would not be acted upon by the current Philippines Congress whose term will end in May 2022, in which case, a new House Bill will have to be filed if this proposal is to be pursued by the incoming Philippines Congress. In the event that House Bills 6111 and 6514 are signed into law, City of Dreams Manila may be required to obtain an additional legislative franchise in addition to its Philippine License and there can be no assurance that such a franchise, which requires legislative approval, will be granted. In addition, the Philippine License may be subject to amendment or repeal by the Philippine Congress. In the event City of Dreams Manila is not granted any required franchise, or the Philippine License is materially amended or repealed, the operation of City of Dreams Manila may cease, which could, in turn, have a material adverse effect on our business, financial condition and results of operations.

Changes to fiscal incentives and other forms of taxes that may be implemented by the Philippines government from time to time may have a material adverse effect on our Philippine subsidiaries

For the gaming-related transactions in our Philippines operations, Melco Resorts Leisure currently enjoys exemptions from national, local, direct and indirect (i.e. VAT) taxes in the Philippines pursuant to the PAGCOR charter and is subject to license fees which are inclusive of the 5% franchise tax payable to PAGCOR based on gross gaming revenue in the Philippines, in lieu of all other taxes. Further, Melco Resorts Leisure, by virtue of its being registered with the Philippine Economic Zone Authority as a Tourism Economic Zone Enterprise, enjoys a tax and duty exemption on importation and VAT zero-rating on its local purchases of certain capital equipment used in registered activities. Our Philippines subsidiaries are also liable for VAT on certain transactions. On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was signed and took effect on April 11, 2021 and is applicable to income derived from our non-gaming operations in the Philippines. CREATE reduced the minimum corporate income tax from 2% to 1% from July 1, 2020 to June 30, 2023 and the corporate income tax rate from 30% to 25% starting July 1, 2020.

Any future amendments of CREATE, such as changes on the application of value-added and corporate income taxes and tax rates or changes to the fiscal incentives provided to Melco Resorts Leisure pursuant to its registration with the Philippine Economic Zone Authority as a Tourism Economic Zone Enterprise, may have significant negative impact on our Philippines business. Our Philippine subsidiaries may also be subject to other forms of taxes that may be implemented by the Philippine government from time to time, which could have a material adverse effect on our business, financial condition and results of operations.

MRP is exposed to risks in relation to MRP's previous business activities and industry.

Prior to our acquisition of MRP, MRP's primary business was the manufacture and processing of pharmaceutical products. The pharmaceuticals industry is highly regulated in the Philippines and abroad. There can be no assurance that MRP will not be involved in or subject to claims, allegations or suits with respect to its previous activities in the pharmaceutical industry for which MRP may not be insured fully or at all. Although MRP has indemnities as to certain liabilities or claims or other protections put in place, any adverse claim or liability imputed to MRP with respect to its previous business activities could have a material adverse effect on its business and prospects, financial condition, results of operations and cash flow.

Our Philippine operations may be adversely affected by policy changes in the Philippines.

Our Philippine operations may be adversely affected by changes in policies due to changes in government personnel in the Philippines, including but not limited to any changes following elections in the Philippines. There can be no assurance that newly elected or appointed officials will not modify previous policies in relation to the development and operation of integrated tourism resorts in the Philippines, tax incentives extended to their developers or operators or policies on gaming and tourism in the Philippines in general. Newly elected or appointed officials may also impose more stringent or additional conditions on gaming licenses or seek to discourage Philippine citizens from gambling by imposing restrictions. We are unable to predict whether new officials will seek to further alter or impose stricter conditions relating to gaming in the Philippines. Adverse changes in policies and regulations by the current administration or any officials elected or appointed in the future in the Philippines could disrupt the operations of our Philippine subsidiaries and materially and adversely affect our financial condition and results of operations.

Risks Relating to Operating in the Gaming Industry in Cyprus

Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations.

Our operations in Cyprus include a temporary casino in Limassol and the license to operate four satellite casinos and the development of City of Dreams Mediterranean. In July 2019, we acquired a 75% equity

interest in ICR Cyprus from Melco International, our controlling shareholder, while the remaining 25% equity interest in ICR Cyprus is held by The Cyprus Phassouri (Zakaki) Limited. We have entered into a shareholders' agreement with The Cyprus Phassouri (Zakaki) Limited regarding certain commercial and financial arrangements pursuant to which we will, as more fully set out in additional management and service contracts, (i) provide certain corporate-level management services to ICR Cyprus and its subsidiaries for a fixed amount of EUR 2 million (equivalent to approximately US$2.3 million) per annum and (ii) have the right to receive an allotment of preference shares in the gaming license-holding subsidiary of ICR Cyprus, which will provide the right to a preferential dividend, among other terms.

We will require the continued partnership and cooperation of The Cyprus Phassouri (Zakaki) Limited for the operation of our Cyprus casinos. The temporary casino in Limassol and two satellite casinos in Nicosia and Larnaca opened in 2018 (the Larnaca satellite casino ceased operations in June 2020), the third satellite casino opened in 2019 in Ayia Napa and our fourth satellite casino in Paphos opened in February 2020. In addition, our City of Dreams Mediterranean project, which requires significant investment of capital and other resources, is still under development and is required to open by September 30, 2022 under the terms of the Cyprus License, following an extension granted by the government of Cyprus. Our operations in Cyprus are also subject to ongoing compliance with various laws, regulations, licenses, permits and renewals of those licenses and permits. Given our relatively short operating history and limited experience in Cyprus, which also represents our first significant business venture outside of Asia, it may be difficult for us to comply with the applicable laws and regulations or to secure all necessary licenses and permits in Cyprus, which could be time-consuming and significantly increase our costs. In addition, Cyprus is a new gaming market and we may not achieve the intended results or return through our operations in Cyprus.

While we have already made significant capital investments for the development and operation of our operations in Cyprus, the ongoing development of City of Dreams Mediterranean requires further significant additional capital investments. Based on our current plan for the development of City of Dreams Mediterranean integrated resorts project, we currently expect a project budget of approximately US$550 million to US$600 million (inclusive of the land cost but exclusive of any pre-opening costs and financing costs). The development of City of Dreams Mediterranean may be funded through various sources, including equity, cash on hand, operating free cash flow as well as other financing, including by way of shareholder loans and external debt financings. We will be required to obtain approval from, or the consent of, or notify relevant government authorities, including the CGC, in order to enter into such debt financings. Given that this is the first significant integrated casino resort project to be developed in Cyprus, we may face difficulty in obtaining the necessary approvals or consents in a timely manner or at all. Our ability to obtain such 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 lenders' perceptions of, and demand for, the debt financing for our City of Dreams Mediterranean project. Under the shareholders' agreement entered into between us and The Cyprus Phassouri (Zakaki) Limited regarding ICR Cyprus, the shareholders are obligated to use all commercially reasonable endeavors, subject to certain terms and conditions, to source debt financing of up to EUR437 million (equivalent to approximately US$495 million) for the development of City of Dreams Mediterranean. To the extent there is a shortfall in the amount of third-party debt available (or available on commercially-acceptable terms), we are obligated to fund the shortfall up to the full amount of EUR437 million (equivalent to approximately US$495 million) on terms which are, subject to certain terms and conditions, no less favorable to the project than any commercially-acceptable terms available in the commercial lending market. In connection therewith, a shareholder loan agreement for up to EUR275 million (equivalent to approximately US$311 million) was entered into by a subsidiary of the Company as lender, and Integrated Casino Resorts as borrower in March 2020. There is no guarantee that we can secure the necessary additional capital investments, including any debt financing, required for the ongoing development of the City of Dreams Mediterranean project in a timely manner or at all. In addition, our plan for the City of Dreams Mediterranean project may be subject to additional risks, particularly labor shortages and disruptions to global supply chains exacerbated by the COVID-19 outbreak and resulting disruptions as well as further revisions and changes to certain design elements which remain subject to further refinement and development. For example, construction work at our City of

Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak and following the suspension, construction work at the site was also subject to the additional health and safety requirements imposed by the Cyprus government due to the COVID-19 outbreak. There is also no assurance that the Cyprus government will not impose additional restrictions due to the COVID-19 outbreak, which could cause further significant disruptions to the construction work at City of Dreams Mediterranean.

All of these uncertainties increase the risk that construction in Cyprus will not be completed on time and that our construction costs will increase. We were granted a nine-month extension of the deadline for commencement of operations at the City of Dreams Mediterranean by the CGC from the original deadline of December 31, 2021 to September 30, 2022. However, if we fail to commence operations of City of Dreams Mediterranean by September 30, 2022 and are not granted any further extension by the government of Cyprus, and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our Cyprus operations as planned. In such event, we would also be required to pay a penalty to the Cyprus government and/or may have the Cyprus License terminated if such delay continues beyond a grace period of 100 business days. See "— 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 and our ability to accept certain customers, which could materially and adversely affect our competitiveness and business operations." for discussions of events relating to Cyprus.

All of the foregoing trends, risks and uncertainties may have a material adverse impact on our business, financial condition and results of operations.

Cyprus' gaming operations are dependent on the Cyprus License issued by CGC and any failure to comply with the terms of the Cyprus License could have a material adverse effect on our business, financial condition and results of operations.

Our current operations in Cyprus, including a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and the development of City of Dreams Mediterranean, are dependent on the Cyprus License granted by the government of Cyprus to Integrated Casino Resorts on June 26, 2017. Under the Cyprus License, Integrated Casino Resorts has been granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant with the right for exclusivity in Cyprus for the first 15 years of the term. The Cyprus License imposes certain requirements and conditions on Integrated Casino Resorts and its service providers, including the threat of suspension or termination of the Cyprus License upon the occurrence of certain events. Such requirements include, among others:

- in connection with the operation of the temporary casino and City of Dreams Mediterranean, payment to the government of Cyprus of an annual license fee of EUR2.5 million (equivalent to approximately US$2.8 million) per year for the first four-year period commencing from June 26, 2017, the grant date of the Cyprus License, and an annual license fee of EUR5.0 million (equivalent to approximately US$5.7 million) per year for the second four-year period. Upon completion of the above eight-year period and for each four-year period thereafter, the government of Cyprus may review the annual license fee payable for each four-year term, provided that the annual license fee payable per year shall be no less than EUR 5.0 million (equivalent to approximately US$5.7 million) and subject to a maximum percentage increase;
- in connection with the operation of the satellite casino in Nicosia, payment to the government of Cyprus of an annual license fee of EUR1.0 million (equivalent to approximately US$1.1 million) per year since its commencement of operations;

- in connection with the operation of each of the satellite casinos in Larnaca (which ceased operation in June 2020), Ayia Napa and Paphos, payment to the government of Cyprus of an annual license fee of EUR0.5 million (equivalent to approximately US$0.6 million) per year since their operations commenced; and
- payment to the government of Cyprus of a monthly casino tax of an amount equal to 15% of the gross gaming revenue, such casino tax not to be increased during the initial 15-year exclusivity period under the Cyprus License.

Following the extension granted by the government of Cyprus, we are also currently required under the Cyprus License to complete the City of Dreams Mediterranean project and commence operations by September 30, 2022. In the event we are not able to commence operations by September 30, 2022 without a further extension granted by the government of Cyprus and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our Cyprus operations as planned. In such event, we would also be required to pay a penalty to the Cyprus government and/or may have the Cyprus License terminated if such delay continues beyond a grace period of 100 business days.

Moreover, given that the Cyprus License is the first casino license granted in Cyprus, certain provisions and requirements of the Cyprus License have not yet been interpreted by Cyprus courts and may thereby be subject to different interpretations. There is no guarantee that Integrated Casino Resorts' proposed mode of compliance with these or other requirements of the Cyprus License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation of such Cyprus License requirements between the CGC and/or the government of Cyprus on the one hand and Integrated Casino Resorts on the other could result in sanctions against Integrated Casino Resorts, including fines or other penalties such as suspension or even termination of the Cyprus License.

There can be no assurance that we will be able to continuously comply with all of the requirements under the Cyprus License, or that the Cyprus License will not be modified to contain more onerous terms or in such other manner that would cause us to lose our interest in our Cyprus operations, particularly when the initial 15-year exclusivity period expires in 2032. If the Cyprus License is materially altered or revoked for any reason, including due to any failure by us to comply with its terms, we may be required to cease our gaming operations in Cyprus, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Corporate Structure and Ownership

Our controlling shareholder has a substantial influence over us, and its interests in our business may be different than yours. We have had, and may continue to have, transactions with our controlling shareholder and its affiliates and such transactions may create conflicts of interest between us and our controlling shareholder.

As of March 25, 2022, Melco International's beneficial ownership in our Company was approximately 55.8 %. There are risks associated with the possibility that Melco International may: (i) have economic or business interests or goals that are inconsistent with ours; (ii) have operations and projects elsewhere in Asia or elsewhere in the world that compete with our businesses in Macau, the Philippines and in other countries and for available resources and management attention; (iii) take actions contrary to our policies or objectives; or (iv) have financial difficulties. In addition, there is no assurance that the laws and regulations relating to foreign investment in Melco International's governing jurisdictions will not be altered in such a manner as to result in a material adverse effect on our business and operating results.

In addition, Melco International has the power, among other things, to elect or appoint all of the directors to our board, including our independent directors, appoint and change our management, affect our legal

and capital structure and our day-to-day operations, approve material mergers, acquisitions, dispositions and other business combinations and approve any other material transactions and financings. These actions may be taken in many cases without the approval of other shareholders and the interests of Melco International may conflict with your interests as minority shareholders.

We have entered into various related party transactions with Melco International and its affiliates and subsidiaries. For example, we acquired a 75% equity interest in ICR Cyprus from Melco International on July 31, 2019. Prior to this acquisition, we had entered into arrangements with Melco International to provide planning, design, construction and other services to Melco International and its subsidiaries in connection with the City of Dreams Mediterranean project. We may, from time to time, enter into additional agreements and arrangements with Melco International or its affiliates or subsidiaries in connection with other projects. We may, from time to time, purchase, acquire or invest in other assets, companies or projects held or sponsored by Melco International or its affiliates or subsidiaries or Melco International may make such purchases, acquisitions or investments in assets, companies or projects that our company holds. The consideration or amount of such purchase, acquisition or investment may be material or significant. While we believe the terms of agreements and arrangements we have with Melco International or its affiliates or subsidiaries are commercially reasonable, the determination of such commercial terms are subject to judgment and estimates and we may have obtained different terms had we entered into such agreements or arrangements with independent third parties.

Melco International may pursue additional casino projects in Asia, Europe or elsewhere, which, along with its current operations, may compete with our projects in Macau, the Philippines and Cyprus, which could have material adverse consequences to us and the interests of our minority shareholders.

Melco International may take action to construct and operate new gaming projects located in other countries in the Asian region, Europe or elsewhere, which, along with its current operations, may compete with our projects in Macau, the Philippines and Cyprus and could have adverse consequences to us and the interests of our minority shareholders. We could face competition from these other gaming projects as well as competition from regional competitors. We expect to continue to receive significant support from Melco International in terms of its local experience, operating skills, international experience and high standards. Should Melco International decide to focus more attention on casino gaming projects located in other areas of Asia or elsewhere 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, the Philippines and/or Cyprus, Melco International may make strategic decisions to focus on their other projects rather than us, which could adversely affect our growth.

Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. We cannot guarantee you that Melco International will make strategic and other decisions which do not adversely affect our business.

Changes in our share ownership, including a change of control of our shares or our subsidiaries' shares, could result in our subsidiaries' inability to draw loans or cause events of default under our subsidiaries' indebtedness, or could require our subsidiaries to prepay or make offers to repurchase certain indebtedness, as well as potentially negatively affect our ability to obtain an extension of our subconcession or obtain a new concession in Macau.

Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of ownership over our shares as well as our obligations relating to our control and/or ownership of certain of our subsidiaries and their 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 of us held by Melco International and the aggregate direct or indirect shareholdings of certain of our subsidiaries held by us or certain of our subsidiaries (as the case may be) 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. Other applicable change of control events under the credit facility agreements include steps being taken in connection with the liquidation or dissolution of certain of our subsidiaries.

The terms of the Studio City Notes and the Melco Resorts Finance Notes also contain change of control provisions whereby the occurrence of a relevant change of control event will require us to offer to repurchase the Studio City Notes or the Melco Resorts Finance Notes (as the case may be) (and, in the case of a change of control event under the Melco Resorts Finance Notes, which is accompanied by a ratings decline) 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, the Studio City Notes and Melco Resorts Finance Notes 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. For example, Melco International has pledged 727,733,982 ordinary shares of our Company held by it in connection with a credit facility entered into by it. If Melco International is unable to comply with certain covenants under such credit facility, it could result in the relevant lenders enforcing the pledge, which could result in a change of control in our Company that would trigger the above provisions under our credit facilities, the Studio City Notes and Melco Resorts Finance Notes.

Such a change of control would also potentially adversely affect our ability to obtain an extension of the subconcession and/or the grant of a new concession in Macau. In the event we are unable to obtain an extension of the subconcession and/or the grant of a new concession in Macau, our business, financial condition, cash flows and prospects may be materially and adversely affected, including as a result of the fact that, in such case, an event of default or a mandatory prepayment obligation would arise under our credit facilities and result in 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 Studio City Notes and the Melco Resorts Finance Notes, we would also be required to offer to repurchase the Studio City Notes and the Melco Resorts Finance 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. We may not have sufficient funds to make such payments or be able to refinance such indebtedness or obtain additional debt to satisfy these obligations on acceptable terms, or at all. See also "— Melco Resorts Macau's Subconcession Contract expires in June 2022 and if we are unable to secure an extension of the subconcession and thereafter a new concession, we would be unable to operate casino gaming in Macau." and "— We may not be able to generate sufficient cash flow to meet our debt service obligations."

Studio City International Holdings Limited may be unable to remain in compliance with the New York Stock Exchange ("NYSE") requirements for its continued listing and as a result the SC ADSs may be delisted from trading on the New York Stock Exchange, which could have a material effect on us and the liquidity of the SC ADSs and its Class A ordinary shares.

Our subsidiary, Studio City International Holdings Limited ("Studio City International" or "SCI"), completed the Studio City IPO in 2018 and its SC ADSs have been listed on the New York Stock Exchange since then. In February 2020, Studio City International received a notice from the New York Stock Exchange notifying it that it was 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 Studio City International's capital stock be no less than 400 shareholders, or the NYSE Notice. Pursuant to the NYSE Notice, Studio City International 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 it 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, Studio City International submitted a business plan in May 2020, or the NYSE Business Plan. On July 2, 2020, Studio City International was notified the NYSE Business Plan was accepted by the New York Stock Exchange. In such notification, the New York Stock Exchange also notified it that it was not in compliance with the requirement under Section 802.01A of the NYSE Manual which requires the number of total shareholders of Studio City International'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 Event, and subject to the procedures set forth in Sections 801 and 802 of the NYSE Manual for the Additional NYSE Non-Compliance Event.

On May 7, 2021, the NYSE notified Studio City International 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 Studio City International that it had regained compliance with the Additional NYSE Non-Compliance Event. The NYSE also indicated that Studio City International will be subject to a 12-month monitoring period within which Studio City International 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 Studio City International 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 its compliance with the continued listing requirements of the New York Stock Exchange. If Studio City International is delisted from the New York Stock Exchange, the SC ADSs or its ordinary shares may be eligible for trading on an over-the-counter market in the United States. In the event that Studio City International is not able to obtain a listing on another U.S. stock exchange or quotation service for its ADSs, it may be extremely difficult for holders of the SC ADSs and its shareholders to sell their SC ADSs or ordinary shares in Studio City International. Moreover, if the SC 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 the SC ADSs and its shareholders may not be able to sell their SC ADSs or ordinary shares in Studio City International 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 Studio City International's shares are subject to suitability and financial capacity reviews by the DICJ, any direct or indirect sales of SC ADSs or ordinary shares in Studio City International representing 5% or more of its outstanding share capital may require prior approval by the Macau government.

Risks Relating to Our Financing and Indebtedness

Our current, projected and potential future indebtedness could impair our financial condition, which could further exacerbate the risks associated with our significant leverage.

We have incurred and expect to incur, based on current budgets and estimates, secured and unsecured long-term indebtedness.

Our outstanding indebtedness as of December 31, 2021 includes:

- HK$3.12 billion (equivalent to approximately US$399.7 million) under the 2020 Credit Facilities;
- HK$1.0 million (equivalent to approximately US$0.1 million) under the 2015 Credit Facilities;
- HK$1.0 million (equivalent to approximately US$0.1 million) under the 2028 Studio City Senior Secured Credit Facility;
- US$1.00 billion from Melco Resorts Finance's issuance of the 2025 Senior Notes;
- US$1.15 billion from Melco Resorts Finance's issuance of the 2029 Senior Notes;

- US$1.10 billion from Studio City Finance's issuance of the 2029 Studio City Notes;
- US$500.0 million from Studio City Finance's issuance of the 2025 Studio City Notes;
- US$500.0 million from Studio City Finance's issuance of the 2028 Studio City Notes;
- US$500.0 million from Melco Resorts Finance's issuance of the 2026 Senior Notes;
- US$600.0 million from Melco Resorts Finance's issuance of the 2027 Senior Notes; and
- US$850.0 million from Melco Resorts Finance's issuance of the 2028 Senior Notes.

Our expected long-term indebtedness includes:

- financing for a significant portion of any future projects or phases of projects, including the 2027 Studio City Company Notes. Additionally, we may incur indebtedness for the remaining project for the land on which Studio City is located and for the development of City of Dreams Mediterranean, depending upon our cash flow position during the construction period;

Our significant indebtedness could have material consequences. For example, it could:

- make it difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions, including the economic disruptions caused by the effect of the global COVID-19 outbreak;
- impair our ability to obtain additional financing in the future for working capital needs, capital expenditures, acquisitions or general corporate purposes;
- require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available to us for our operations or expansion of our existing operations;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage as compared to our competitors, to the extent that they are not as leveraged;
- subject us to higher interest expenses in the event of increases in interest rates to the extent a portion of our indebtedness bears interest at variable rates;
- cause us to incur additional expenses by hedging interest rate exposures of our indebtedness and exposure to hedging counterparty failures to pay under such hedging arrangements, which would reduce the funds available to us to fund our operations; and
- in the event we or one of our subsidiaries were to default, 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.

Any of the above or other consequences or events could have a material adverse effects on our ability to satisfy our other obligations.

We may require additional financing to complete our investment projects or in our business operations, which may not be available on satisfactory terms or at all.

We have funded our capital investment projects through, among others, cash generated from our operations, credit facilities, issuance of debt securities and other debt and equity financings. For example, we used such capital resources to fund the development of the remaining land for our Studio City development project, and we may require additional financing in the future for our capital investment projects, which we may

raise through debt or equity financing. We may also require additional financing in the future to fund our business operations. For example, the law amending the Macau gaming law put forth by the Macau government in January 2022 contemplates that the concessionaire's registered share capital shall not be less than MOP5 billion (equivalent to approximately US$622.5 million), which may be satisfied in cash or in the form of bank draft. Melco Resorts Macau currently has a share capital of approximately MOP1 billion (equivalent to approximately US$124.5 million). Depending on the final requirements under the proposed amendments to the Macau gaming law, we may require additional debt or equity financing to meet the new proposed requirement. We may be required to obtain approval from, or consent of, or notify relevant government authorities or third parties in order to enter into such financings. There are no assurances that we would be able to obtain any 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 above may also be subject to, among others, the terms of credit facilities, the Melco Resorts Finance Notes and the Studio City Notes and any future financings. In addition, our ability to obtain 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 global COVID-19 outbreak, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies and interest rates. For example, changes in rating outlooks may subject us to rating agency downgrades, which could make it more difficult for us to obtain financing on acceptable terms. Potential interest rate hikes from central banks across the world which are anticipated to accelerate starting in 2022 would increase our borrowing costs. The recent sell-off in Chinese property bonds has also negatively impacted the market for high yield bonds of issuers in other sectors connected with the PRC, including those issued by Macau gaming operators. As a result, we cannot assure you that we will be able to obtain sufficient financing on terms satisfactory to us, or at all, to finance our capital investment projects. 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 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.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make scheduled payments due on our existing and anticipated indebtedness obligations, including our credit facilities, the Melco Resorts Finance Notes and Studio City Notes, to refinance and to fund working capital needs, planned capital expenditures and development efforts will depend on our ability to generate cash. We will require generation of sufficient operating cash flow from our projects to service our current and future projected indebtedness. Our ability to obtain cash to service our existing and projected debt is subject to a range of economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control, including:

- our future operating performance;
- the demand for services that we provide;
- general economic conditions and economic conditions affecting the PRC, Macau, the Philippines, Cyprus or the gaming industry in particular, including market conditions such as the economic disruptions caused by the effect of the global COVID-19 outbreak;
- our ability to hire and retain employees and management at a reasonable cost;
- competition; and
- legislative and regulatory factors affecting our operations and business.

We may not be able to generate sufficient cash flow from operations to satisfy our existing and projected indebtedness obligations or our other liquidity needs, in which case we may have to seek additional

borrowings or undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seek to raise additional capital on terms that may be onerous or highly dilutive, any of which could have a material adverse effect on our operations.

Our ability to incur additional borrowings or refinance our indebtedness, including our credit facilities, the Melco Resorts Finance Notes and Studio City Notes, will depend on the condition of the financing and capital markets, our financial condition at such time and potentially governmental approval. We cannot assure you that any additional borrowing, refinancing or restructuring would be possible or that any assets could be sold or, if sold, the timing of any sale or the amount of proceeds that would be realized from any such sale. We cannot assure you that additional financing could be obtained on acceptable terms, if at all, or would be permitted under the terms of our various debt instruments then in effect, including the indentures governing the Melco Resorts Finance Notes and Studio City Notes.

In addition, any failure to make scheduled payments of interest or principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which would harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our failure to generate sufficient cash flow to satisfy our existing and projected indebtedness obligations or other liquidity needs, or to refinance our obligations on commercially acceptable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

The agreements governing our credit facilities and debt instruments contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests.

The agreements governing our credit facilities and debt instruments contain restrictions on our ability to engage in certain transactions and may limit our ability to respond to changing business and economic conditions, including regulatory changes, or otherwise take actions that may be in our best interests. Certain of these agreements have restrictions that include, among other things, limitations on our ability and the ability of our restricted subsidiaries or other members of our obligor group to do some or all of the following:

- pay dividends or distributions or repurchase equity;
- make loans, payments on certain indebtedness, distributions and other restricted payments or apply revenues earned in one part of our operations to fund development costs or cover operating losses in another part of our operations;
- incur additional debt, including guarantees;
- make certain investments;
- create liens on assets to secure debt;
- enter into transactions with affiliates;
- issue shares of subsidiaries;
- enter into sale-leaseback transactions;
- engage in other businesses;
- merge or consolidate with another company;
- undergo a change of control;
- transfer, sell or otherwise dispose of assets;
- issue disqualified stock;
- create dividend and other payment restrictions affecting subsidiaries;

- designate restricted and unrestricted subsidiaries; and
- vary Melco Resorts Macau's Subconcession Contract or Melco Resorts Macau's and certain of its subsidiaries' land concessions and certain other contracts.

Certain of our credit facilities and debt instruments also require us to satisfy various financial covenants, which include requirements for minimum interest coverage ratio and leverage ratios. For more information on financial covenants we are subject to under our credit facilities and debt instruments, see note 13 to the consolidated financial statements included elsewhere in this annual report. Future indebtedness or other agreements may contain covenants more restrictive than those contained in our existing credit facilities and debt instruments. In addition, we may also rely on waivers given by lenders in respect of certain terms and covenants under the facilities from time to time. For example, on November 5, 2021, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities have consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities such as (i) to meet or exceed the interest cover ratio, (ii) not to exceed the senior leverage ratio, and (iii) not to exceed the total leverage ratio. MCO Nominee One has paid a customary fee to all consenting lenders in relation to such consent. There is no assurance that we will be successful in any future attempts to obtain consents or waivers of terms and conditions under any of the facilities from any lender on terms that are acceptable to us or at all.

In addition, 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 Macau 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 our Macau subsidiaries' unsecured debt be entitled to payment from their remaining assets.

Our ability to comply with the terms of our outstanding credit facilities and debt instruments may be affected by general economic conditions, industry conditions and other events outside of our control. As a result, we may not be able to maintain compliance with these covenants. In addition, if our properties' operations fail to generate adequate cash flow, we may breach these covenants, causing a default under our agreements, upon which creditors could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, our credit facilities and debt instruments contain cross-acceleration or cross-default provisions, as a result of which our default under one facility or instrument may cause the acceleration of repayment of debt or result in a default under our other facilities or instruments. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we do obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Drawdown or rollover of advances under our credit facilities involve satisfaction of extensive conditions precedent and our failure to satisfy such conditions precedent will result in our inability to utilize or roll over loan advances under such facilities. There is no assurance that we will be able to satisfy all conditions precedent under our current or future credit facilities.

Our current and future credit facilities, including the 2015 Credit Facilities, the 2020 Credit Facilities and the 2028 Studio City Senior Secured Credit Facility, require and will require satisfaction of extensive conditions precedent prior to the advance or rollover of loans under such facilities. If there is a breach of any terms or conditions of our credit facilities or other obligations and the breach is not cured or capable of being cured, or if we are unable to make certain representations, then such conditions precedent will not be satisfied. Our ability to satisfy such conditions precedent may also be affected by the actions of third parties and/or matters outside of our control, such as government consents and approvals and market conditions, and thus

also result in our inability to satisfy any conditions precedent. We may also rely on waivers given by lenders to waive satisfaction of certain conditions precedent under the facilities from time to time. There is no assurance that we will be successful in any future attempts to obtain consents or waivers of terms and conditions under any of the facilities from any lender on terms that are acceptable to us or at all. The inability to draw down or roll over loan advances under any credit facility may result in a funding shortfall in our operations and we may not be able to fulfill our obligations as planned. Such events may also result in an event of default under the respective credit facility and may also trigger cross-defaults under our other indebtedness obligations. There can be no assurance that all conditions precedent to draw down or roll over loan advances under our credit facilities will be satisfied in a timely manner or at all. If we are unable to draw down or roll over loan advances under any current or future facility, we may have to find a new group of lenders and negotiate new financing terms or consider other financing alternatives. If required, it is possible that new financing would not be available or would have to be procured on substantially less attractive terms, which could harm the economic viability of the relevant development project. The need to arrange such alternative financing would likely also delay the construction and/or operations of our future projects or existing properties, which would affect our cash flows, results of operations and financial condition.

Any inability to maintain current financing or obtain future financing could result in delays in our project development schedule and could impact our ability to generate revenues from operations at our present and future projects.

If we are unable to maintain our current financing arrangements or obtain suitable financing for our operations and our current or future projects (including any acquisitions we may make), such failure could adversely impact our existing operations, or cause delays in, or prevent completion of, the development of the remaining land for Studio City, the development of the City of Dreams Mediterranean project and any other future projects. In addition, such failure may also limit our ability to operate and expand our business and may adversely impact our ability to generate revenue. Furthermore, the costs incurred by any new financing may be greater than anticipated due to unfavorable market conditions. Any such increase in funding costs may have a negative impact on our revenue and financial condition.

Risks Relating to Our Shares and ADSs

The trading price of our ADSs has been volatile since our ADSs began trading on Nasdaq 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. Our ADSs were first quoted on the Nasdaq Global Market, or Nasdaq, beginning on December 19, 2006, and were upgraded to trade on the Nasdaq Global Select Market since January 2, 2009. During the period from December 19, 2006 to March 25, 2022, the trading prices of our ADSs ranged from US$2.27 to US$45.70 per ADS and the closing sale price on March 25, 2022 was US$8.06 per ADS. The market price for our shares and ADSs may continue to be volatile and subject to wide fluctuations in response to factors, including the following:

- uncertainties or delays relating to the financing, completion and successful operation of our projects;
- developments in the Macau market, the Philippine market, the Cyprus market or other Asian or European gaming markets, including disruptions caused by widespread health epidemics or pandemics, such as the COVID-19 outbreak, and the announcement or completion of major new projects by our competitors;
- general economic, political or other factors that affect the region where our properties are located and/or the macroeconomic environment, including the COVID-19 outbreak or any other global pandemic or crisis;
- regulatory developments affecting us or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;

- announcements of new investments, acquisitions, strategic partnerships, joint ventures or divestments by us or our competitors;
- changes in performance and value of our investments;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other gaming and leisure industry companies;
- changes in our market share of the Macau, Philippine and/or Cyprus gaming markets;
- detrimental adverse publicity about us, our properties or our industries;
- addition or departure of our executive officers and key personnel;
- fluctuations in the exchange rates between the U.S. dollar, H.K. dollar, Pataca, Renminbi, Euro and the Philippine peso;
- release or expiration of lock-up or other transfer restrictions on our outstanding shares or ADSs;
- 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 addition, we are a Cayman Islands holding company and 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.

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. In addition, as a company listed on Nasdaq, we are subject to certain rules and requirements implemented by Nasdaq. The rules of Nasdaq impose various continued listing requirements. We cannot assure you that we can or will continually adhere to all of such requirements, including those required to maintain our listing on Nasdaq. Any failure to adhere to the applicable requirements could result in costs, penalties, administrative remedies or other consequences, any of which may result in a material adverse effect on our business, prospects, results of operations and financial condition.

We cannot assure you that we will make dividend payments in the future.

On May 14, 2020, we announced the suspension of the Company's quarterly dividend program to preserve liquidity in light of the COVID-19 outbreak and to continue investing in our business. We cannot assure you that we will resume the Company's quarterly dividend program or make any dividend payments on our

shares in the future. Dividend payments will depend upon a number of factors, including the operating environment, our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by our board. Except as permitted under the Companies Act (as amended) of the Cayman Islands, and the common law of the Cayman Islands, we are not permitted to distribute dividends unless we have a profit, realized or unrealized, or a reserve set aside from profits which our directors determine is no longer needed. Our ability, or the ability of our subsidiaries, to pay dividends is further subject to restrictive covenants contained in the 2015 Credit Facilities, the 2020 Credit Facilities, the Studio City Notes, the 2028 Studio City Senior Secured Credit Facility and other agreements governing indebtedness we and our subsidiaries may incur. Such restrictive covenants contained in the 2015 Credit Facilities and the 2020 Credit Facilities include satisfaction of certain financial tests and conditions such as continued compliance with specified interest cover, cash cover and leverage ratios. The Studio City Notes and 2028 Studio City Senior Secured Credit Facility also contain certain covenants restricting payment of dividends by Studio City Finance and its subsidiaries, respectively. For more details, see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness.”

Substantial sales or perceived sales of our shares or ADSs in the public market could cause the price of our ADSs and shares to decline.

Sales of our ADSs or shares in the public market, or the perception that these sales could occur, could cause the market price of our shares and ADSs to decline. There is no assurance that Melco International will not sell all or a part of its ownership interest in us. Any sale of their interest may be subject to volume and other restrictions, as applicable, under Rule 144 under the Securities Act of 1933, or the Securities Act. To the extent these or other shares are sold into the market, the market price of our shares and ADSs could decline. The ADSs represent interests in our 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 shares and any factors contributing to a decline in one market is likely to result to a similar decline in another. In addition, Melco International has the right to cause us to register the sale of their shares under the Securities Act, subject to the terms of the registration rights agreement. Registration of these shares under the Securities Act would result in these shares becoming eligible for deposit in exchange for freely tradable ADSs without restriction under the Securities Act immediately upon the effectiveness of the registration statement. Sales of these registered shares in the public market could cause the price of our share and ADSs to decline.

Any decision by us to issue or raise further equity, which would result in dilution to existing shareholders, could cause the price of our ADSs and shares to decline.

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 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 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.

You may be subject to limitations on transfers of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books 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.

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 ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of 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, 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.

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 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.”

You may have difficulty enforcing judgments obtained against us.

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. All of our current operations, and administrative and corporate functions are conducted in Macau, Hong Kong, Singapore, the Philippines, Cyprus and Japan. In addition, substantially all of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in the Cayman Islands, Macau, Hong Kong, Philippines, Cyprus or Japan courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands, Macau, Hong Kong, the Philippines, Cyprus or Japan would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. In addition, it is uncertain whether such Cayman Islands, Macau, Hong Kong, the Philippine, Cyprus or Japan courts would be competent to hear original actions brought in the Cayman Islands, Macau, Hong Kong, the Philippines, Cyprus or Japan against us or such persons predicated upon the securities laws of the United States or any state.

We may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or ordinary shares.

Based on the current market price of our ADSs and ordinary shares, and the composition of our income, assets and operations, we do not believe we were a passive foreign investment company, or PFIC, for our taxable year ended December 31, 2021. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that we will not be a PFIC for any taxable year. A non-U.S. corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets (generally based on a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, a significant decrease in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. If we are a PFIC for any taxable year during which a U.S. Holder (as defined in "Item 10. Additional Information — E. Taxation — United States Federal Income Taxation") holds an ADS or ordinary share, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For example, such U.S. Holder may incur a significantly increased U.S. federal income tax liability on the receipt of certain distributions on our ADSs or ordinary shares or on any gain recognized from a sale or other disposition of our ADSs or ordinary shares, and will become subject to burdensome reporting requirements. See "Item 10. Additional Information — E. Taxation — United States Federal Income Taxation — Passive Foreign Investment Company."

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Our Company was incorporated in December 2004 as an exempted company with limited liability under the Companies Act (as amended) of the Cayman Islands. Our subsidiary Melco Resorts Macau is one of six companies licensed, through concession or subconcession, to operate casinos in Macau. For more information on our corporate structure, see "— C. Organizational Structure."

In December 2006, we completed the initial public offering of our ADSs, each of which represents three ordinary shares, and listed our ADSs on the Nasdaq under the symbol "MPEL."

In May 2008, we changed our name from Melco PBL Entertainment (Macau) Limited to Melco Crown Entertainment Limited.

In January 2009, we were upgraded to trade on the Nasdaq Global Select Market.

On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City. Studio City is a large-scale cinematically-themed integrated resort developed in Macau.

On December 19, 2012, we completed the acquisition of a majority interest in the issued share capital of MRP, a company then listed on The Philippine Stock Exchange, Inc. (the "Philippine Stock Exchange"). Following the completion of our acquisition of MRP, we transferred our 100% equity interest in Melco Resorts Leisure to MRP in March 2013. Melco Resorts Leisure has been granted the exclusive right to manage, operate and control our Philippines integrated casino resort project, City of Dreams Manila.

In May 2016, we repurchased 155 million of our ordinary shares from Crown Asia Investments Pty, Ltd.. Following completion of the repurchase with cancelation of such shares and certain changes in the composition of our board of directors, Melco International became our single largest shareholder and we were thereafter treated as a subsidiary of Melco International.

In February 2017, the privately-negotiated sale by Crown Asia Investments Pty, Ltd. to Melco Leisure, through which Melco Leisure purchased 198,000,000 of our ordinary shares from Crown Asia Investments Pty, Ltd., closed and Melco International became our sole majority shareholder.

In March 2017, our name changed from Melco Crown Entertainment Limited to Melco Resorts & Entertainment Limited became effective.

In April 2017, our Nasdaq ticker symbol changed from "MPEL" to "MLCO."

In May 2017, we issued and sold 27,769,248 ADSs (equivalent to 83,307,744 ordinary shares) and 81,995,799 ordinary shares and also repurchased 165,303,544 ordinary shares from Crown Asia Investments Pty, Ltd. for the aggregate purchase price of US$1.2 billion, and such repurchased shares were subsequently canceled by us.

In October 2018, SCI completed its initial public offering of 28,750,000 SC ADSs (equivalent to 115,000,000 Class A ordinary shares of SCI), of which 15,330,000 SC ADSs were purchased by our subsidiary, MCO Cotai Investments Limited. In November 2018, the underwriters exercised their over-allotment option in full to purchase an additional 4,312,500 SC ADSs from SCI. After giving effect to the exercise of the over-allotment option, the total number of SC ADSs sold in the Studio City IPO was 33,062,500 SC ADSs, which raised net proceeds of approximately US$406.7 million from the SC ADSs sold in the Studio City IPO 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 SCI.

In December 2018, we completed the voluntary tender offer to acquire a total of 1,338,477,668 common shares of MRP from other minority shareholders of MRP and, together with an additional 107,475,300 shares acquired on or after December 6, 2018, increased our equity interest in MRP from approximately 72.8% immediately prior to the announcement of the tender offer to approximately 97.9% on December 13, 2018. MRP was involuntarily delisted from the Philippine Stock Exchange in June 2019 as its public ownership has fallen below the minimum requirement of the Philippine Stock Exchange for more than six months.

In June 2019, we acquired an approximately 9.99% ownership interest in Crown Resorts and in April 2020, we sold the entire equity interest to a third party and ceased to be a shareholder of Crown Resorts.

On July 31, 2019, we acquired a 75% equity interest in ICR Cyprus, whose subsidiaries are currently operating a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos, as well as developing City of Dreams Mediterranean.

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."

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."

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.melco-resorts.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

We are a developer, owner and operator of integrated resort facilities in Asia and Europe. We currently have three major casino-based operations in Macau, namely, City of Dreams, Altira Macau and Studio City, and non-casino based operations in Macau at our Mocha Clubs. In Macau, we are developing the remaining project for the land of Studio City. We also have a casino-based operation in the Philippines, City of Dreams Manila. In 2019, we expanded our footprint outside of Asia and into Europe following our acquisition of a 75% equity interest in ICR Cyprus, which owns the City of Dreams Mediterranean development and operates other casinos in Cyprus.

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip gaming patrons to gaming patrons seeking a broader entertainment experience. We

currently own and operate five Forbes Travel Guide Five-Star hotels in Asia — Altira Macau, Studio City's Star Tower, Morpheus and Nüwa in both Macau and Manila — and received 17 Forbes Travel Guide Five-Star and three Forbes Travel Guide Four-Star recognitions across our properties in 2021. We seek to attract patrons throughout Asia, Europe and, in particular, from Greater China.

In the Philippines, Melco Resorts Leisure, a subsidiary of MRP, currently operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila.

In Cyprus, Integrated Casino Resorts, a wholly-owned subsidiary of ICR Cyprus, currently operates and manages our Cyprus casinos.

We have earned multiple international accolades recognizing our excellence in operations, corporate social responsibility and contributions towards sustainability. These awards include:

- "Sustainable Resort of the Year" at the International Gaming Awards in 2021,
- "Climate Change Initiative" at the Pacific Asia Travel Association (PATA) Gold Awards in 2021,
- "Best Environmental Responsibility" at the Asian Excellence Awards by *Corporate Governance Asia* magazine for the ninth consecutive year in 2021,
- "Asia's Best CSR" at the Asian Excellence Awards by *Corporate Governance Asia* magazine for the second consecutive year in 2021,
- "WeCare™ HR Asia Most Caring Companies Award" in 2021,
- "Best Companies to Work for in Asia" by *HR Asia* magazine for the third consecutive year in 2021,
- RG Check certifications for our entire global portfolio, including Altira Macau, City of Dreams Macau, Studio City, City of Dreams Manila, and Cyprus Casinos in 2021, making us the first and only operator globally to receive RG Check certifications for its entire portfolio. Developed by the Responsible Gambling Council, RG Check is the world's gold standard and most comprehensive responsible gaming accreditation program established and implemented by an independent panel of respected gaming specialists,
- "Integrated Resort of the Year" at the International Gaming Awards in 2020,
- "Community Award — Asia" at the Industry Community Award in 2020,
- "Socially Responsible Operator of the Year" at the International Gaming Awards in 2019,
- "Best Corporate Social Responsibility Contribution" at the Global Gaming Expo (G2E) Asia Awards in 2019,
- "Best First Time Performer" by the global environmental disclosure organization CDP; we also received an A- score from CDP in 2019, achieving one of the highest ratings among companies in the Greater China region that publish environmental disclosure, and
- "Gaming Operator of the Year, Australia & Asia" at the International Gaming Awards in 2018.

We generated a significant majority of our total revenues for each of the years ended December 31, 2021, 2020 and 2019 from our operations in Macau, the principal market in which we compete. For further information on the Macau gaming market, see "— Market and Competition — Macau Gaming Market." Our resort facilities have been subject to periodic closures, reduced operating capacities and other restrictions as a result of government restrictions in connection with the COVID-19 outbreak. For additional information, see "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — 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."

Our Major Existing Operations .

City of Dreams

City of Dreams is an integrated resort in Cotai, Macau, which opened in June 2009. City of Dreams is a premium-focused property, targeting high-end customers and rolling chip players from regional markets across Asia. In 2019, City of Dreams had an average of approximately 516 gaming tables and approximately 822 gaming machines. In January 2019, the Macau government authorized Melco Resorts Macau to operate 40 additional gaming tables at City of Dreams. 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, City of Dreams had an average of approximately 511 gaming tables and approximately 572 gaming machines in 2021, compared to an average of approximately 496 gaming tables and approximately 487 gaming machines in 2020.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from around Asia. Morpheus offers approximately 770 rooms, suites and villas. Nüwa, which was under renovation since early 2020 and re-opened at the end of March 2021 offers approximately 290 guest rooms and the Grand Hyatt Macau hotel offers approximately 800 guest rooms. In addition, City of Dreams includes approximately 25 restaurants and bars, approximately 165 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons and banquet and meeting facilities. The Para nightclub which replaced Club Cubic offers approximately 2,395 square meters (equivalent to approximately 25,780 square feet) of live entertainment space. SOHO, a lifestyle entertainment and dining precinct located on the second floor of City of Dreams, offers customers a wide selection of food and beverage and other non-gaming offerings. The opening of Morpheus in June 2018 provides an additional pool, spa and salon, fitness club, executive lounge and four restaurants. The wet stage performance theater with approximately 2,000 seats features The House of Dancing Water (temporarily closed since June 2020) created by Franco Dragone. The Countdown will undergo renovations as part of its rebranding.

City of Dreams has garnered numerous awards in recognition of its high level of customer service and diverse range of entertainment experiences. Below are some of these accolades:

- Morpheus was recognized by Forbes Travel Guide with Five-Star recognition across its entire hotel, spa and dining facilities for the second consecutive year in 2021. Other accolades garnered by Morpheus include:
  - Top 10% worldwide hotels for 2021 Travelers' Choice Award by Tripadvisor,
  - Named "Best New Hotel in Macao" at the 13th Annual TTG China Travel Awards in 2020,
  - International Hotel & Property Award in the "Hotel Over 200 Rooms, Asia Pacific" category in 2020,
  - First in Macau to win an architecture and design accolade at Prix Versailles 2019 for "Central and Northeast Asia — Hotels" category,
  - Winner of the "Design Den" category in the Big Sleep Awards by *National Geographic Traveller* (UK) magazine in 2019,
  - Building of the Year Award in the "Hospitality Architecture Category" by ArchDaily, the world's most visited architecture website, in 2019,
  - "Best Hotel Architecture Macau" and "Best New Hotel Construction & Design Macau" at the Asia Pacific Property Awards in 2019,
- Nüwa (then branded as Crown Towers) was recognized as a Forbes Travel Guide Five-Star hotel for the ninth consecutive year in 2021, while its spa was awarded Forbes Travel Guide Five-Star recognition for the eighth consecutive year,

- The Cantonese culinary masterpiece Jade Dragon was awarded Forbes Travel Guide Five-Star recognition for the eighth consecutive year in 2021. It maintained its three-star Michelin rating for the fourth consecutive year in the Michelin Guide Hong Kong Macau 2022. It was also included in the 2019 list of Asia's 50 Best Restaurants, a gastronomic guide judged by Asia's 50 Best Restaurants Academy, for the third consecutive year,
- The ultimate French culinary experience provided by Alain Ducasse at Morpheus enabled it to receive Forbes Travel Guide Five-Star recognition for the second year in 2021. It attained two Michelin stars in the Michelin Guide Hong Kong Macau 2022 for the fourth year running,
- Yi at Morpheus was honored with Forbes Travel Guide Five-Star recognition for the second year in 2021. It was recommended by Michelin Guide Hong Kong Macau 2022. It has also been included in the list of The Top 20 Best Restaurants in Hong Kong and Macau 2019 by *Hong Kong Tatler*, and
- Both Morpheus and Nüwa achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification in 2020 in recognition of their commitment to creating a culture of accountability and following global best practices to heighten health security.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award-winning water-based extravaganza, The House of Dancing Water. The House of Dancing Water is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams and highlights City of Dreams as an innovative entertainment-focused destination, strengthening the overall diversity of Macau as a multi-day stay market and one of Asia's premier leisure and entertainment destinations. The House of Dancing Water incorporates costumes, sets and audio-visual special effects and showcases an international cast of performance artists. The HK$2.0 billion world-class production was honored by the Global Gaming Expo (G2E) Asia Awards 2019 for Best Integrated Resorts Non-Gaming Attraction. In addition, it received the 2019 Certificate of Excellence and the 2019 Hall of Fame from Trip Advisor for its consistent achievement of high ratings from travelers. The House of Dancing Water has been temporarily closed since June 2020.

Altira Macau

Since the third quarter of 2021, Altira Macau has strategically repositioned to cater to the premium mass segment and has shut down VIP rolling chip operations. Prior to that, Altira Macau was designed to provide a casino and hotel experience that catered to Asian rolling chip customers. 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, Altira Macau had an average of approximately 101 gaming tables and 121 gaming machines operated under the brand Mocha Club at Altira Macau in 2021, compared to an average of approximately 97 gaming tables and 110 gaming machines operated under the brand Mocha Club at Altira Macau in 2020. Altira Macau has a multi-floor layout comprising various gaming areas. Our multi-floor layout allows us the flexibility to reconfigure Altira Macau's gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira hotel, located within the 38-story Altira Macau, to be one of the leading hotels in Macau as evidenced by its long-standing Forbes Travel Guide Five-Star recognition. The top floor of the Altira hotel serves as the hotel lobby and reception area, providing guests with views of the surrounding area. The Altira hotel comprises approximately 230 guest rooms, including suites and villas, as of December 31, 2021. A number of restaurants and dining facilities are available at Altira Macau, including a leading Italian restaurant, Aurora, several Chinese and international restaurants and several bars. Altira hotel also offers several non-gaming amenities, including a spa, gymnasium, outdoor garden podium and sky terrace lounge. In 2020, Altira Macau achieved the Sharecare Health Security VERIFIED® with Forbes Travel Guide certification.

Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. Below are some of the awards Altira Macau has received:

- Forbes Travel Guide Five-Star recognition in lodging and spa categories by Forbes Travel Guide for 12 consecutive years in 2021,
- Altira Spa was selected as the Country Winner in the "Luxury Wellness Spa" category at the World Luxury Spa Awards in 2020 and the Regional Winner in the "Luxury Urban Escape" category at the World Luxury Spa Awards in 2019,
- Its Italian restaurant Aurora earned Forbes Travel Guide Five-Star recognition for the eighth consecutive year in 2021,
- Its Japanese tempura specialist Tenmasa received Forbes Travel Guide Five-Star recognition for the seventh consecutive year in 2021 and was recommended by Michelin Guide Hong Kong Macau 2022,
- Its Cantonese restaurant Ying was honored with the Forbes Travel Guide Five-Star recognition for the second consecutive year in 2021. It was awarded a Michelin star in the Michelin Guide Hong Kong Macau 2022 for the sixth consecutive year, and
- Aurora, Tenmasa and Ying have been winners of the "Best of Award of Excellence"by *Wine Spectator* since 2015.

Studio City

Studio City is a large-scale cinematically-themed integrated resort which opened in October 2015. In 2019, Studio City had an average of approximately 293 gaming tables and 947 gaming machines. The gaming operations of Studio City are focused on the mass market and target all ranges of mass market patrons. While Studio City focuses on the mass market segment for gaming, a VIP rolling chip area was added at Studio City with up to 45 VIP tables authorized for VIP rolling chip operations as of December 31, 2021. 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. In December 2021, continuation of the VIP rolling chip operations at the Studio City Casino by Melco Resorts Macau was extended to December 31, 2022, subject to early termination with 30 days' prior notice. Studio City also includes luxury hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Designed to focus on the mass market segment, Studio City offers cinematically-themed, unique and innovative interactive attractions, including the world's first figure-8 Ferris wheel, a deluxe night club and karaoke, a 5,000-seat multi-purpose live performance arena and an outdoor water park, as well as approximately 1,600 luxury hotel rooms, various food and beverage outlets and approximately 27,000 square meters of themed and complementary retail space.

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,
- 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 Awards. 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.

In addition to its diverse range of gaming and non-gaming offerings, Studio City is strategically located in the fast growing Cotai region of Macau.

We are currently developing the remaining land for Studio City. 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 and Operations — We are developing the remaining development project at 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," "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — All of our current and future construction projects are and will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects," and "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We could encounter substantial cost increases or delays in the development of our projects, which could prevent or delay the opening of such projects."

Our subsidiary Melco Resorts Macau operates the gaming areas of Studio City pursuant to a services agreement it entered into in May 2007, as amended in June 2012, with Studio City Entertainment, together with other agreements or arrangements entered into between the parties from time to time, which may amend, supplement or relate to the aforementioned agreement. Melco Resorts Macau is reimbursed for the costs incurred in connection with its operation of Studio City's gaming areas.

Mocha Clubs

Mocha Clubs comprise the largest non-casino based operations of electronic gaming machines in Macau. In 2019, Mocha Clubs had seven clubs with an average of approximately 1,300 gaming machines in operation (excluding approximately 178 gaming machines at Altira Macau). Excluding gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak, Mocha Clubs had seven clubs with an average of approximately 813 gaming machines in operation (excluding approximately 121 gaming machines at Altira Macau) in 2021, compared to an average of approximately 760 gaming machines in operation (excluding approximately 110 gaming machines at Altira Macau) in 2020. According to the DICJ, there was a total of 11,758 slot machines in the Macau market as of December 31, 2021. Mocha Clubs focus on general mass market players, including day trip customers, outside the conventional casino setting. We operate Mocha Clubs at leased or sub-leased premises or under right-to-use agreements.

The Mocha Club gaming facilities offer both electronic gaming machines, including stand-alone machines, stand-alone progressive jackpot machines and linked progressive jackpot machines with a variety of games, and electronic table games which feature fully-automated multi-player machines with roulette, baccarat and sic-bo, a traditional Chinese dice game.

City of Dreams Manila

City of Dreams Manila is one of the leading integrated tourism resorts in the Philippines. The property is located on an approximately 6.2-hectare site at the gateway of Entertainment City's Manila Bay area in the city of Paranaque and is part of the Aseana City township development. It is close to Metro Manila's international airport terminals and central business districts. City of Dreams Manila opened in December 2014 and represented our first entry into an entertainment and gaming market outside of Macau and an incremental source of earnings and cash flow outside of Macau.

The property's total gross floor area is approximately 300,100 square meters (equivalent to approximately 3.2 million square feet). We are authorized by PAGCOR to operate up to approximately 2,300 slot

machines, 1,200 electronic gaming tables and 380 gaming tables. In 2019, City of Dreams Manila had an average of approximately 2,265 gaming machines and 311 gaming tables. 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, City of Dreams Manila had an average of approximately 2,338 gaming machines and 301 gaming tables in 2021, compared to an average of approximately 2,262 gaming machines and 302 gaming tables in 2020.

City of Dreams Manila has three hotels: Nüwa Manila, Nobu Hotel and Hyatt Regency Manila, City of Dreams Manila, with 939 rooms in aggregate. Exciting entertainment venues characterize the luxurious integrated resort: DreamPlay, the world's first DreamWorks-inspired family entertainment center, which officially opened in June 2015; and CenterPlay, a lounge at the center of the main gaming floor which features live band performances from late afternoons. The operation of DreamPlay and live band performances at CenterPlay have been temporarily suspended since around March 2020 in observance of government-mandated COVID-19 health and safety protocols. City of Dreams Manila also features The Shops at the Boulevard, a spacious retail strip where luxury retail shops that provide a broad range of choices are juxtaposed with exciting food and beverage outlets. Impressive regional and international specialty restaurants and bars, spas, gyms, and a multi-level car park are also available for guests.

City of Dreams Manila has been recognized for its warm hospitality for its guests, impressive dining options and luxurious spaces. Below are some of the awards City of Dreams Manila has received:

- Named as the "World's Leading Casino Resort" at the World Travel Awards in 2020 and 2021; and both "Asia's Leading Casino Resort" and "Asia's Leading Fully Integrated Resort" in 2019 and 2021,
- Nüwa Manila was recognized with the Forbes Travel Guide Five-Star recognition for the fourth consecutive year in 2021,
- Nobu Hotel and Hyatt Regency Manila, City of Dreams Manila were recognized with Forbes Travel Guide Four-Star recognition for four and five consecutive years, respectively, in 2021,
- Nüwa Spa has set a milestone as the first and only spa in the country to be awarded Forbes Travel Guide Five-Star recognition for two years in a row since 2020,
- Nüwa Manila is among the first hotels in the world in 2020 to become Sharecare Health Security VERIFIED® with Forbes Travel Guide for its compliance with expert validated best practices on health and safety protocols,
- Nüwa Manila, Nobu Hotel and Hyatt Regency Manila, City of Dreams Manila are Safety Seal-certified by the Philippines' Department of Tourism (DOT). They each bear the World Travel & Tourism Council (WTTC) SafeTravels Stamp through the DOT. The SafeTravels Stamp is the world's first safety and hygiene stamp for travelers to recognize businesses that have adopted global health and hygiene standardized protocols,
- TripAdvisor listed Nüwa Manila and Nobu Hotel for the fourth consecutive year, and Hyatt Regency Manila, City of Dreams Manila for the sixth consecutive year in 2021 in its annual Traveler's Choice Award, and in the Top 25 Luxury Hotels in the Philippines Travelers' Choice Awards for the fourth consecutive year in 2019,
- Hotels.com recognized Nobu Hotel and Hyatt Regency Manila, City of Dreams Manila as two of the "Loved by Guests" annual award winners for the third time in 2020,
- Nuwa Manila and Nobu Hotel were honored with the Agoda Gold Circle Award in 2019. Nobu Hotel was also given the Agoda Customer Review Award for the third consecutive year in 2021,
- Booking.com recognized the three luxury hotels in its 2021 Traveler Review Awards,
- Crystal Dragon restaurant was named among The Top 20 restaurants in the Philippine Tatler's Best Restaurants Guide four times, among approximately 200 restaurants, and

- In the rebranded 2022 Tatler Dining Guide, which shifted from doing a Top 20 list, Crystal Dragon, Nobu Manila, Red Ginger and Ruby Jack's Steakhouse and Bar maintained their recognition on the list of the country's 193 must-try restaurants.

The integrated resort is also acclaimed for its contributions towards sustainability and talent development. Below are some of the recognitions received:

- As the first integrated resort in the country to harness solar energy, City of Dreams Manila was recognized for its efforts to tackle climate change and for its employee development in the 2019 Sustainable Business Awards (SBA) Philippines presented to Melco,
- Nüwa Manila, Nobu Hotel and Hyatt Regency Manila, City of Dreams Manila were recognized with the 2022-2024 ASEAN Green Hotel Award in the ASEAN Tourism Forum,
- Three employees won the BMW Hotelier Awards (now known as the Stelliers Awards) in 2019,
- Four talented young chefs at City of Dreams Manila received the silver award at the 2019 FHC China International Young Chefs Challenge,
- 26 chefs in our integrated resort in the Philippines attained a total of 32 medals in 13 categories at the Philippine Culinary Cup (PCC) in 2019, considered as the country's most prestigious culinary competition, and
- The integrated resort has been conferred with various distinctions for exemplary performance by the Parañaque City government and in the civic and business circles for its contributions to business, creation of jobs and promotion of Philippine tourism.

Melco Resorts Leisure operates the casino business of City of Dreams Manila in accordance with the terms of the Philippine License and the operating agreement between Melco Resorts Leisure and the Philippine Parties dated March 13, 2013. Under the operating agreement, PremiumLeisure and Amusement, Inc. (a member of the Philippine Parties) has the right to receive monthly payments from Melco Resorts Leisure, based on the performance of gaming operations of City of Dreams Manila, and Melco Resorts Leisure has the right to retain all revenues from non-gaming operations of City of Dreams Manila. The operating agreement was recently amended on March 22, 2021 where the monthly payments paid or payable by Melco Resorts Leisure from 2019 to 2022 have been adjusted to recognize the suspension of operations of City of Dreams Manila in 2020 due to the COVID-19 outbreak and the related disruptions to its operations since the COVID-19 outbreak.

Having met the minimum investment levels and other requirements under our Provisional License, the Philippine License dated April 29, 2015 was issued by PAGCOR to the Philippine Licensees. The Philippine License has the same terms and conditions as the Provisional License and is valid until July 11, 2033.

For a breakdown of total revenues by category of activity and geographic market for each of the last three financial years, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results."

Cyprus Operations

We currently operate and manage a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos in Cyprus. Our satellite casino in Larnaca, which opened in 2018, ceased operations in June 2020. The temporary casino, with a gaming area of approximately 4,600 square meters (equivalent to approximately 49,500 square feet), was the first licensed casino in Cyprus when it opened in June 2018. We are also developing City of Dreams Mediterranean, an integrated resort project in Cyprus which, upon opening, is expected to be the largest and premier integrated resort in Europe. We expect to (and are required to, pursuant to the terms of the Cyprus License) cease operations of the temporary casino when the City of Dreams Mediterranean project is launched while the satellite casinos are expected to continue to operate. Our operations in Cyprus represent our first entry into an entertainment and gaming market in Europe. Under the terms of the

Cyprus License, we have been granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant on June 26, 2017 and with the right for exclusivity in Cyprus for the first 15 years of the term. In 2019, our facilities in Cyprus had an average of approximately 38 gaming tables and 388 gaming machines. In 2021, our Cyprus casino operations were closed from January 1, 2021 to May 16, 2021 due to the government imposed COVID-19 restrictions. 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, our facilities in Cyprus had an average of approximately 32 gaming tables and 440 gaming machines in 2021, compared to an average of approximately 28 gaming tables and 336 gaming machines in 2020.

We acquired a 75% equity interest in ICR Cyprus from Melco International, our parent company, in July 2019. The remaining 25% equity interest in ICR Cyprus is owned by The Cyprus Phassouri (Zakaki) Limited. On July 31, 2019, we entered into a shareholders' agreement with The Cyprus Phassouri (Zakaki) Limited regarding certain commercial and financial arrangements pursuant to which we will, as more fully set out in additional management and service contracts, (i) provide certain corporate-level management services to ICR Cyprus and its subsidiaries for a fixed amount of EUR2 million (equivalent to approximately US$2.3 million) per annum and (ii) have the right to receive an allotment of preference shares in the gaming license-holding subsidiary of ICR Cyprus which will provide the right to a preferential dividend, among other terms.

Our Development Projects

We are developing the remaining project of Studio City, which is currently expected to consist of two hotel towers with a total of approximately 900 rooms and suites. In addition, we currently envision the remaining project to also contain a waterpark with indoor and outdoor areas. Other non-gaming 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 had incurred approximately US$721.0 million 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). 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. In accordance with the Studio City land concession and the extension granted by the Macau government, the land on which Studio City is located must be fully developed by December 27, 2022. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We are developing the remaining development project at 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."

In Cyprus, we are also developing the City of Dreams Mediterranean project. Under our current plan, the project is expected to consist of a five-star hotel tower with more than 500 luxury hotel rooms, approximately 10,000 square meters of MICE space, an outdoor amphitheater, a family adventure park and a variety of fine-dining outlets and luxury retail. As of December 31, 2021, we have incurred approximately US$359 million of aggregate costs (including the land cost) relating to the development of City of Dreams Mediterranean, primarily related to the initial design and construction cost. Based on our current plan for the development of City of Dreams Mediterranean integrated resorts project, we currently expect a project budget of approximately US$550 million to US$600 million (inclusive of the land cost but exclusive of any pre-opening costs and financing costs). Following the extension granted by the government of Cyprus, we are required under the Cyprus License to open the integrated casino resort by September 30, 2022 and, subject to fulfilling all conditions under the Cyprus License and obtaining all requisite regulatory approvals, we currently expect to open

the City of Dreams Mediterranean during the second half of 2022. The development of City of Dreams Mediterranean may be funded through various sources, including equity, cash on hand, operating free cash flow as well as other financing, including by way of shareholder loans and external debt financings. Under the shareholders' agreement entered into between us and The Cyprus Phassouri (Zakaki) Limited regarding ICR Cyprus, the shareholders are obligated to use all commercially reasonable endeavours, subject to certain terms and conditions, to source debt financing of up to EUR437 million (equivalent to approximately US$495 million) for the development of City of Dreams Mediterranean. To the extent there is a shortfall in the amount of third-party debt available (or available on commercially-acceptable terms), we are obligated to fund the shortfall up to the full amount of EUR437 million (equivalent to approximately US$495 million) on terms which are, subject to certain terms and conditions, no less favorable to the project than any commercially-acceptable terms available in the commercial lending market. In connection therewith, a shareholder loan agreement for up to EUR275 million (equivalent to approximately US$311 million) was entered into by a subsidiary of the Company as lender, and Integrated Casino Resorts as borrower in March 2020. Our plan for the City of Dreams Mediterranean project may be subject to further revision and change and detailed design elements remain subject to further refinement and development. The completion of the City of Dreams Mediterranean project is also subject to a number of contingencies, including any disruptions resulting from the COVID-19 outbreak. For example, construction work at our City of Dreams Mediterranean project was suspended from March 24, 2020 to May 3, 2020 as required by the Cyprus government under the restrictions imposed to restrict non-essential business activities due to the COVID-19 outbreak. With the disruptions from the COVID-19 outbreak, including the above-mentioned suspension of construction work, we have applied for, and the government of Cyprus has granted, an extension of the relevant period to September 30, 2022. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Our operations in Cyprus, particularly the development of City of Dreams Mediterranean, face significant risks and uncertainties which may materially and adversely affect our business, financial condition and results of operations" and "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We are developing the City of Dreams Mediterranean project in Cyprus and are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period."

Further, we continually seek new opportunities for additional gaming or related businesses in Macau and in other countries and will continue to target the development of a project pipeline in order to expand our footprint in countries which offer legalized casino gaming. In defining and setting the timing, form and structure for any future development, we focus on evaluating alternative available financing, market conditions and market demand. In order to pursue these opportunities and such development, we have incurred and will continue to incur capital expenditures at our properties and for our projects.

Our Land and Premises

We operate our gaming business at our operating properties in Macau in accordance with the terms and conditions of our gaming subconcession. In addition, our existing operating properties and development projects in Macau are subject to the terms and conditions of land concession contracts. See "— Regulations — Macau Regulations — Land Regulations." Through MRP, we also operate our gaming business in the Philippines through the Philippine License issued by PAGCOR on a property which Melco Resorts Leisure leases from Belle Corporation under the Lease Agreement. In Cyprus, we operate a temporary casino and three satellite casinos at our leased premises. We are also developing the City of Dreams Mediterranean at a site owned by us at Zakaki in western Limassol, Cyprus.

City of Dreams

City of Dreams is located in Cotai, Macau, with a land area of 113,325 square meters (equivalent to approximately 1.2 million square feet). In August 2008, the Macau government granted the land on which City of

Dreams is located to COD Resorts and Melco Resorts Macau for a period of 25 years, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. Total land premium required for the land is in the amount of approximately MOP1,286.6 million (equivalent to approximately US$160 million), which was paid in full in January 2016. The total gross floor area at City of Dreams is 692,619 square meters (equivalent to approximately 7.5 million square feet).

Under the current terms of the land concession, the government annual land use fees payable range from approximately MOP 3.4 million (equivalent to approximately US$0.4 million) during development up to approximately MOP9.9 million (equivalent to approximately US$1.2 million) after completion of development. The government land use fee amounts may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

The equipment utilized by City of Dreams in the casino and hotel is owned by us and held for use at City of Dreams, including the main gaming equipment and software to support its table games and gaming machine operations, cage equipment, security and surveillance equipment, casino and hotel furniture, fittings and equipment.

Altira Macau

Altira Macau is located in Taipa, Macau with a land area of approximately 5,230 square meters (equivalent to approximately 56,295 square feet). In March 2006, Macau government granted the land on which the Altira is built to Altira Resorts for 25 years, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. The land grant was amended in December 2013. The total gross floor area of Altira Macau is approximately 104,000 square meters (equivalent to approximately 1,119,000 square feet). Total land premium required is in the amount of MOP169.3 million (equivalent to approximately US$21 million) which was paid in full in 2013. According to the current terms of the land concession, the annual government land use fees payable are approximately MOP1.5 million (equivalent to approximately US$190,000). This amount may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

The equipment utilized by Altira Macau in the casino and hotel is owned by us and held for use at Altira Macau, including the main gaming equipment and software, to support its table games and gaming machine operations, cage equipment, security and surveillance equipment and casino, hotel furniture, fittings and equipment.

Mocha Clubs

Mocha Clubs operate at premises with a total floor area of approximately 123,200 square feet at the following locations in Macau:

Mocha Club	Opening Month	Location	Total Floor Area (In square feet)
Royal	September 2003	G/F and 1/F of Hotel Royal	19,000
Grand Dragon	January 2005	G/F, 1/F and 2/F of Grand Dragon Hotel	26,500
Sintra	November 2005	G/F and 1/F of Hotel Sintra	11,000
Macau Tower	September 2011	LG/F and G/F of Macau Tower	19,600
Golden Dragon	January 2012	G/F, 1/F and 2/F of Hotel Golden Dragon	20,500
Inner Harbor	December 2013	No 286-312 Seaside New Street	12,800
Kuong Fat	June 2014	Macau, Rua de Pequim No. 174., Centro Comercial Kuong Fat Cave A	13,800
Total			**123,200**

Premises are being operated under leases, subleases or right to use agreements that expire at various dates through October 2022, which are renewable upon reaching agreements with the owners.

The leasehold improvements to Mocha Club premises and the onsite equipment utilized at the Mocha Clubs are owned and held for use to support the gaming machine operations. In addition, the gaming machines at Altira are operated under the Mocha Club brand.

Studio City

Studio City is located in Cotai, Macau and has a land area of 130,789 square meters (equivalent to approximately 1.4 million square feet) held under a 25-year land lease agreement with the Macau government that is renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. In October 2001, the Macau government granted the land on which Studio City is located to Studio City Developments Limited, which is a company incorporated in Macau with limited liability and which is also an indirect subsidiary of SCI. The Studio City land concession contract was amended in July 2012 and September 2015 to permit Studio City Developments Limited to build a complex comprising a four-star hotel, a facility for cinematographic industry, including supporting facilities for entertainment and tourism, parking and free area.

The gross construction area of the Studio City site is approximately 707,078 square meters (equivalent to approximately 7.6 million square feet). Currently, the gross floor area of Studio City is approximately 457,462 square meters (equivalent to approximately 4.9 million square feet). The land premium of approximately MOP1,402.0 million (equivalent to approximately US$175 million) was paid in full in January 2015. As announced by Studio City International in May 2021, the development period under the Studio City land concession was extended to December 27, 2022. Government land use fees of approximately MOP3.9 million (equivalent to approximately US$490,000) per annum are payable during the development stage. The annual government land use fees payable after completion of development will be MOP9.1 million (equivalent to approximately US$1.1 million). The amounts may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

As part of the security provided in relation to the Studio City Company Notes and the 2021 Studio City Senior Secured Credit Facility, we assigned certain leases and right to use agreements and granted a mortgage over our rights under the Studio City land concession. Such security remains in place under the 2028 Studio City Senior Secured Credit Facility.

City of Dreams Manila

The City of Dreams Manila site is located on reclaimed land (“Project Reclaimed Land”). The Project Reclaimed Land was originally acquired by an entity known as R 1 Consortium from the Philippine Public Estates Authority. R 1 Consortium conveyed all its interest to the Project Reclaimed Land in favor of two entities which later merged with Belle Bay City Corporation, which is 34.9% owned by Belle Corporation, one of the Philippine Parties, with Belle Bay City Corporation becoming the surviving entity and owner of the Project Reclaimed Land. Belle Bay City Corporation was, however, dissolved in 2005 and is still undergoing liquidation. The Project Reclaimed Land was allocated to Belle Corporation as part of Belle Bay City Corporation’s plan of dissolution. Belle Corporation has since exercised possession and other rights over the Project Reclaimed Land. In 2005, Belle Corporation transferred a portion of the Project Reclaimed Land to the Philippine Social Security System. In 2010, Belle Corporation and the Philippine Social Security System entered into a lease agreement for that part of the land.

Melco Resorts Leisure does not own the land or the buildings comprising the site for City of Dreams Manila. Rather, Melco Resorts Leisure leases the Project Reclaimed Land and buildings from Belle Corporation under a Contract of Lease dated October 25, 2012 (the “**Lease Agreement**”). Under the Lease Agreement, Melco Resorts Leisure leases from Belle Corporation the land upon which City of Dreams Manila is located with a total

area of 61,141 square meters, as well as the buildings erected thereon, which are classified into Phase 1 and Phase 2 Buildings (collectively, the "**Leased Premises**"). The Lease Agreement commenced upon the handover of the Leased Premises to Melco Resorts Leisure in 2013 and will continue during the term of the Philippine License, subject to certain termination events. The Lease Premises shall be used exclusively as a hotel, casino and resort complex, with retail, entertainment, convention exhibition, food and beverage services as well as other related activities. We are currently in discussions with Belle Corporation regarding new lease rates that will apply to the land and Phase 1 Building of the Leased Premises.

Cyprus Casinos

We currently have the following casinos in operation with the total floor area of approximately 86,310 square feet at various locations in Cyprus:

Cyprus Casinos	Opening Month	Location	Total Floor Area (In square feet)
Limassol (temporary casino)	June 2018	271 Franklin Roosevelt Ave. 3046 Limassol, Cyprus	67,270
Nicosia	December 2018	Neas Engomis Street No.35, Engomi, 2409 Nicosia, Cyprus.	10,600
Ayia Napa	July 2019	Archiepiscopou Makariou III, 34 Ayia Napa, Cyprus	3,970
Paphos	February 2020	9 Theas Aphroditis 8204 Paphos, Cyprus	4,470
Total			86,310

Premises are being operated under leases that expire at various dates. The lease of our temporary casino in Limassol was automatically renewed in November 2021 for a further one-year term and can be automatically renewed for a further one-year term, unless we elect for a shorter term as provided under the lease agreement. We have leases for our three satellite casinos up to 2023 to 2024, which are renewable for two five-year terms unless we elect not to renew those leases.

City of Dreams Mediterranean

The site of City of Dreams Mediterranean, which is currently under development, is located at Zakaki, in western Limassol, Cyprus ("Cyprus Project Land"). Prior to our acquisition of Melco International's 75% equity interest in ICR Cyprus on July 31, 2019, The Cyprus Phassouri (Zakaki) Limited, the current owner of a 25% equity interest in ICR Cyprus, acquired such 25% equity interest in ICR Cyprus by contributing its freehold interest over the Cyprus Project Land and as a result, a subsidiary of ICR Cyprus became owner of the freehold interest over the Cyprus Project Land. The Cyprus Project land has a total site area of 367,000 square meters (equivalent to approximately 3.95 million square feet) and a total gross floor area of 86,000 square meters (equivalent to approximately 925,700 square feet). Following the extension granted by the government of Cyprus, the Cyprus License currently requires us to open the City of Dreams Mediterranean by September 30, 2022 and, subject to fulfilling all conditions under the Cyprus License and obtaining all requisite regulatory approvals, we currently expect to open the City of Dreams Mediterranean during the second half of 2022.

Other Premises

Grand Dragon Casino premises, including the fit-out and gaming-related equipment, are located on the ground floor and level one within Grand Dragon Hotel in Macau and occupy a floor area of approximately 1,000 square meters (equivalent to approximately 10,700 square feet). We operate Grand Dragon Casino under a right-to-use agreement. We also own a ski resort in Nagano, Japan. The ski resort has a site area of approximately 2.0 million square meters (equivalent to approximately 21.5 million square feet).

Apart from the aforesaid property sites, we maintain various offices and storage locations in Macau, Hong Kong and Cyprus. We lease all of our office and storage premises.

Advertising and Marketing

We seek to attract customers to our properties and to grow our customer base over time by undertaking several forms of advertising, sales and marketing activities and plans. We utilize local and regional media to publicize and promote our projects and operations. We have built public relations and marketing and branding teams that cultivate media relationships, promote our brands and explores media opportunities in various markets. We use a variety of media platforms that include social media, digital, print, television, online, outdoor, on collaterals and direct mail pieces. A resorts marketing team has been established that directly liaises with current and potential customers within target Asian and other countries in order to grow and retain high-end customers. To be competitive in the Macau environment, we hold various promotions and special events, operate loyalty programs with our patrons and have developed a series of programs. In Macau, the Philippines and Cyprus, we employ a tiered loyalty program at our properties to ensure that each customer segment is specifically recognized and incentivized. Dedicated customer hosting programs provide personalized service to our most valuable customers. In addition, we utilize sophisticated analytical programs and capabilities to track the behavior and spending patterns of our patrons. We believe these tools help deepen our understanding of our customers to optimize yields and make continued improvements to our properties. As our advertising and marketing activities occur in various jurisdictions, we aim to ensure we are in compliance with all applicable laws in relation to our advertising and marketing activities.

Customers

We seek to cater to a broad range of customers through our diverse gaming and non-gaming facilities and amenities across our major existing operating properties.

Non-Gaming Patrons

City of Dreams offers visitors to Macau an array of multi-dimensional entertainment amenities, four hotels, as well as a selection of restaurants, bars and retail outlets. Altira Macau is designed to provide a high-end casino and hotel experience, tailored to meet the cultural preferences and expectations of Asian rolling chip patrons. Mocha Clubs are targeted to deliver a relaxed, café- style non-casino based electronic gaming experience. Studio City is designated to primarily target mass market guests through its vast array of non-gaming amenities and entertainment attractions.

City of Dreams Manila features different entertainment venues: DreamPlay, a family entertainment center which features a children's concierge and supervision service and activities catering to children aged four and above, and Centerplay, a live performance central lounge within the casino. With these diverse entertainment venues and attractions, we believe City of Dreams Manila will be able to leverage on the experiences of City of Dreams in Macau, which has developed world-class attractions such as The House of Dancing Water.

Our Cyprus casinos do not specifically target non-gaming patrons but do offer a selection of food and beverage options at the premises. We plan to focus on attracting non-gaming patrons at the City of Dreams Mediterranean when it opens.

Gaming Patrons

Our gaming patrons include rolling chip players and mass market players.

Mass market players are non-rolling chip players and they come to our properties for a variety of reasons, including our marketing initiatives, brand, the quality and comfort of our mass market offerings. Mass market players are classified as general mass market and premium mass market players.

Rolling chip players at our casinos are patrons who participate in our in-house rolling chip programs or, in some cases, in the rolling chip programs of our gaming promoters. Our rolling chip players or premium direct players play mostly in our VIP rooms or designated gaming areas, and can earn a variety of gaming-related rebates, such as cash, rooms, food and beverage and other complimentary products or services.

Gaming Promoters

A portion of our rolling chip play in Macau in past years was brought to us by gaming promoters, also known as junket operators. However, we terminated our arrangements with all gaming promoters in Macau, including at the Studio City Casino, in December 2021. 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.

We continue to work with gaming promoters in Cyprus and the Philippines. In Cyprus, there are currently two licensed gaming promoters although only one of them is currently active due to the COVID-19 outbreak. Gaming promoters in the Philippines are not subject to licensing requirement, but gaming operators are subject to certain notice requirements related to the engagement of junkets.

We have procedures to screen prospective gaming promoters prior to their engagement and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. Where licensing requirements apply, we only engage gaming promoters who have been licensed by the relevant authority.

In the Philippines, our gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. We generally offer commission payment structures that are calculated by reference to revenue share or monthly rolling chip volume. Under the revenue share-based arrangements, the gaming promoter participates in our gaming wins or losses from the rolling chip patrons brought in by the gaming promoter. In Cyprus, our gaming promoter is compensated through profit sharing scheme instead. Our gaming promoters may also receive complimentary allowances for food and beverage, hotel accommodation and transportation.

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on a credit basis as well as a cash basis. In Manila, as a customary practice in the Manila gaming market, we grant interest-free credit to a significant portion of our gaming promoters for short-term, renewable periods. Credit is also granted to certain gaming promoters on a revolving basis. The credit we extend is typically unsecured. The gaming promoters bear the responsibility for issuing credit to and, subsequently collecting, from their players. Gaming promoters' rolling chip programs are currently not implemented in Cyprus due to a lack of demand. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations —We depend upon gaming promoters for a portion of our gaming revenues in the Philippines and Cyprus and, until December 2021, also depended on gaming promoters in Macau. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters in the Philippines and Cyprus, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are unable to find alternative means to attract VIP rolling chip patrons in markets such as Macau where gaming promoters have become subject to restrictions on doing business due to legal and regulatory requirements, our results of operations could be materially and adversely impacted." and "— Risks Relating to Our Business and Operations — We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers."

Market and Competition

We believe that the gaming markets in Macau and the Philippines are and will continue to be intensely competitive. Our competitors in Macau and elsewhere in Asia include all the current concession and subconcession holders, other PAGCOR license holders and many of the largest gaming, hospitality, leisure and

property development companies in the world. Some of these current and future competitors are larger than us and have significantly longer track records in the operation of major hotel casino resort properties. Compared to Macau and the Philippines, the competitive environment in Cyprus is more favorable with our exclusive license to operate casinos in the Republic of Cyprus until 2032, but we may face competition from casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

Macau Gaming Market

In 2021, 2020 and 2019, Macau generated approximately US$10.8 billion, US$7.5 billion and US$36.4 billion of gross gaming revenue, respectively, according to the DICJ. Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

According to the DICJ, gross gaming revenues in Macau declined by 3.4% on a year-over-year basis in 2019 as compared to 2018. We believe such year-over-year decline in 2019 was mainly driven by a decline in VIP gaming revenues in Macau and the slowdown in the Chinese economy. According to the DICJ, from March 2020 to December 2020, Macau gross gaming revenues experienced an 85.5% decline compared to the same ten months from March 2019 to December 2019 due to imposed pandemic restrictions. We believe such year-on-year decline was mainly due to the impact of the COVID-19 outbreak, which resulted in a significant decline in inbound tourism, among other things. Although the Macau gross gaming revenues from March 2021 to December 2021 increased 103.1% compared to March 2020 to December 2020, which we believe was mainly driven by the gradual recovery in the mass-market segment enabled by resumption of IVS visas in September 2020, they were still 70.5% below those of the same period in 2019. We believe that disruptions from the COVID-19 outbreak are ongoing. According to the DICJ, gross gaming revenues in Macau decreased by 8.0% on a year-over-year basis in the first two months of 2022 as compared to the first two months of 2021 and are still 72.0% below the first two months of 2019, the last financial year before the COVID-19 outbreak. We expect that gross gaming revenues in Macau will continue to be negatively impacted by the significant travel bans or restrictions, visa restrictions and quarantine and social distancing requirements so long as these restrictions remain in place. The disruptions to our business caused by the COVID-19 outbreak have had an adverse effect on our operations. For the years ended December 31, 2021, 2020 and 2019, our operating revenues generated amounted to US$2.01 billion, US$$1.73 billion and US$5.74 billion. Lower operating revenues in 2021 and 2020 than in 2019 were mainly due to the effects of COVID-19. As such disruptions are ongoing, they could continue to materially impact our business, prospects, financial condition and results of operations.

In addition to the effects of COVID-19, Macau continues to be impacted by a range of external factors, including uneven growth in the Chinese economy and government policies that may adversely affect the Macau gaming market. For example, the Chinese government has taken measures to deter marketing of gaming activities to mainland Chinese residents by offshore casinos and to reduce capital outflow. Such measures include reducing the amount that PRC-issued ATM cardholders can withdraw in each withdrawal, setting a limit for annual withdrawals and the launch of facial recognition and identity card checks with respect to certain ATM users.

The mass market table games segment accounted for 61.8% of market-wide gross gaming revenues in 2021, compared to 50.8% of market-wide gross gaming revenues in 2020 and 48.6% in 2019, according to the DICJ. With our strategic focus on the premium mass market in the Cotai region, we believe we are well positioned to cater to this increasingly important, and more profitable, segment of the market. Moreover, we believe the long-term growth in gaming and non-gaming revenues in Macau are supported by, among other things, the continuing emergence of a wealthier demographic in the PRC, a robust regulatory framework and significant new infrastructure developments in Macau and the PRC, as well as by the anticipated new supply of gaming and non-gaming facilities in Macau, which is predominantly focused on the Cotai region. According to DSEC, visitation to Macau totaled more than 7.7 million in 2021, increasing by 30.7% compared to 2020 but still well below the 39.4 million visitors in 2019. Visitors from the PRC represented 91.4% in 2021, compared to 80.6% in 2020, and visitors from Hong Kong and Taiwan represented 7.6% and 0.9%, of all visitors to Macau in 2021, respectively.

In terms of competition, gaming in Macau is administered through government-sanctioned concessions awarded to three different concessionaires: SJM, in which family members of Mr. Lawrence Ho, our chairman and chief executive officer, have shareholding interests; Wynn Macau, a subsidiary of Wynn Resorts Ltd.; and Galaxy. SJM granted a subconcession to MGM Grand Paradise, which was originally formed as a joint venture by MGM-Mirage and Ms. Pansy Ho, sister of Mr. Lawrence Ho. Galaxy granted a subconcession to VML, a subsidiary of Sands China Ltd and Las Vegas Sands Corporation. Melco Resorts Macau obtained its subconcession under the concession of Wynn Macau.

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. In July 2021, SJM opened Grand Lisboa Palace, in Cotai.

Wynn Macau opened the Wynn Macau in September 2006 on the Macau peninsula and an extension called Encore in 2010. In August 2016, Wynn Macau opened Wynn Palace, in Cotai.

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 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.

VML operates Sands Macao on the Macau peninsula, The Venetian Macao, the Plaza Casino at The Four Seasons Hotel Macao and the Parisian Macao. VML has also operated Sands Cotai Central in Cotai in the past, which has been rebranded and redeveloped as the The Londoner Macao, which opened in February 2021.

MGM Grand Paradise opened its MGM Macau facilities in December 2007, which are located next to Wynn Macau on the Macau peninsula, and its MGM Cotai resort in February 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 three concessionaires was permitted to grant one subconcession.

The existing concessions and subconcessions do not place any limits on the number of gaming facilities that may be operated. The Macau government does, however, limit the aggregate number of gaming tables in Macau but the opening of a new facility is subject to Macau government approval. 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 casinos or gaming areas that were 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 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. 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 (equivalent to approximately 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 concessionaires or entities in which such concessionaires are a dominant shareholder will be subject to certain requirements, including Macau government approval.

See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Gaming Regulations" for a discussion of the proposed amendments to the gaming law in Macau.

Philippine Gaming Market

Until the occurrence of the COVID-19 outbreak which halted the operations of City of Dreams Manila for a period of time, we benefited from and contributed to the growth in the local and regional gaming demand that was supported by improved infrastructure and strong tourism growth in the country.

The Philippine economy has been one of the fastest growing economies in the region, with favorable demographics and consumer spending that are beneficial to the Philippine gaming market. City of Dreams Manila, however, presently faces stronger competition in the Philippine market from hotels and resorts owned by both Philippine nationals and foreigners, including many of the largest gaming, hospitality, leisure and resort companies in the world, such as Travellers International Hotel Group, Inc., Bloomberry Resorts Corporation and Tiger Resorts Leisure and Entertainment Inc. as well as the Philippine Amusement and Gaming Corporation, an entity owned and controlled by the government of the Philippines, which operates certain gaming facilities across the Philippines.

Cyprus Gaming Market

We currently operate one temporary casino and three satellite casinos in Cyprus. The temporary casino opened in Limassol in June 2018 as the first licensed casino in Cyprus. We opened two satellite casinos in Nicosia and Larnaca in December 2018, one satellite casino in Ayia Napa in July 2019 and one satellite casino in

Paphos in February 2020. In June 2020, we ceased operations of the satellite casino in Larnaca. We are required to cease operations of the temporary casino when City of Dreams Mediterranean is launched and expect to continue the operation of satellite casinos after the launch of City of Dreams Mediterranean. Although we have an exclusive license to operate casinos in the Republic of Cyprus until 2032, we may face competition from casinos in the occupied part of Cyprus or from casinos in nearby parts of Europe and the Middle East.

Other Regional Markets

We may also face competition from casinos and gaming resorts located in other Asian or European destinations together with cruise ships. Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. There are major gaming facilities in Australia located in Melbourne, Perth, Sydney and the Gold Coast. Genting Highlands is a popular international gaming resort in Malaysia, approximately a one-hour drive from Kuala Lumpur. South Korea has allowed gaming for some time but these offerings are available primarily to foreign visitors. Kangwon Land operates the only casino in the country that is open to accept Korean nationals. There are also casinos in Vietnam and Cambodia, although they are relatively small compared to those in Macau.

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

Seasonality

Macau, our principal market of operation, experiences many peaks and seasonal effects. The “Golden Week” and “Chinese New Year” holidays are in general the key periods where business and visitation increase considerably in Macau. In the Philippines, business considerably slows down during the “Holy Week,” as well as during the “Chinese New Year” and the “Chinese Ghost Month.” In Cyprus, summer is generally the key period where business and visitation experience significant increase, while business considerably slows down during winter. 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.

Intellectual Property

We have applied for and/or registered certain trademarks, including “Morpheus”, “Altira”, “Mocha Club”, “City of Dreams”, “Nüwa”, “The Countdown”, “City of Dreams Manila”, “Studio City”, “Melco Resorts Philippines” and “Melco Resorts & Entertainment” in Macau, the Philippines, Cyprus and/or other jurisdictions. We have also applied for or registered in Macau, the Philippines, Cyprus and other jurisdictions certain other trademarks and service marks used or to be used in connection with the operations of our hotel casino projects in Macau, City of Dreams Manila and Cyprus.

For our license or hotel management agreements that are required for our operations, see “Item 5. Operating and Financial Review and Prospects — C. Research and Development, Patents and Licenses, etc.”

Regulations

Macau Regulations

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 "— Gaming Licenses" below for more details.

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 our business.

- If we breach the Macau Gaming Law, Melco Resorts Macau's subconcession could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, we, and the persons involved, could be subject to substantial fines for each separate breach of Macau Gaming Law or of the Subconcession Contract at the discretion of the Macau government. Further, if we terminate or suspend the operation of all or a part of our gaming operations without permission for reasons not due to *force majeure*, or in the event of insufficiency of our facilities and equipment which may affect the normal operation of our gaming business, the Macau government would be entitled to replace Melco Resorts Macau during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, we 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 "— Gaming Licenses — The Subconcession Contract in Macau."
- 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. Melco Resorts Macau 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, Melco Resorts Macau:
    - 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. 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 Melco Resorts Macau's subconcession and could materially and adversely affect our 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 our gaming operations. Our inability to address the requirements or restrictions imposed by the Macau government under such legislation or rules could adversely affect our gaming operations.

On January 14, 2022, the Macau government put forth to the Legislative Assembly in Macau the terms of the proposed law amending the gaming law. Such legislation 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, amongst others, the following is 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 results 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 (equivalent to approximately 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 casinos 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 dispatch 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 casinos, and are limited to providing support to concessionaires in the promotion of games of chance in casino, 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 the 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 our gaming promoters (if any) undergo thorough internal vetting procedures. We conduct background checks and also conduct 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 (equivalent to approximately US$12,450) up to MOP500,000 (equivalent to approximately US$62,248) on concessionaires or subconcessionaires that do not comply with the cap and other fines, ranging from MOP50,000 (equivalent to approximately US$6,225) up to MOP250,000 (equivalent to approximately 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 we have 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 during the second quarter of 2022. Such law is also expected to govern certain aspects of

concessionaries' 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 or 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 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 our compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at our casinos in Macau. Under these laws and regulations, we are 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 Melco Resorts Macau, 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 of our customers who fail to provide any information requested by us;
- 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 (equivalent to approximately US$996) in cases of occasional transactions and MOP120,000 (equivalent to approximately 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 as 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), we are required to track and report transactions and granting of credit that are of MOP500,000 (equivalent to approximately US$62,248) or above. Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, we 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.

We employ internal controls and procedures designed to help ensure that our 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.

We have developed a comprehensive anti-money laundering policy and related procedures covering our 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. We also use 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 (equivalent to approximately 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 (equivalent to approximately US$124) and not exceeding MOP500,000 (equivalent to approximately 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. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Macau — Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi."

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. Our internal policies, 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 in all technical aspects of such enforcement. Among other entities, concessionaires or 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 or 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. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations."

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), in the case of Melco Resorts Macau, 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 ("CARIC") and cybersecurity supervisory entities.

Among other duties, private infrastructure operators are required to appoint a suitable and experienced person to be responsible for handling its cybersecurity and to be permanently reachable by 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 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. We have, through our 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. Melco Resorts Macau is 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 (equivalent to approximately 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.

Our subsidiaries have entered into land concession contracts for the land on which our Altira Macau, City of Dreams and Studio City properties are located. Each 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 subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital, in accordance with the provisions of the Macau Commercial Code. The legal reserve 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 board of directors or the shareholders (as applicable) of the relevant subsidiaries.

As of December 31, 2021, the aggregate balance of the reserves of all our Macau subsidiaries amounted to US$31.5 million.

Philippines Regulations

Gaming Regulations

Melco Philippine Parties and Philippine Parties are co-licensees of the Philippine License dated April 29, 2015 issued by PAGCOR (previously the Provisional License) for the development of an integrated casino, hotel, retail and entertainment complex within the Entertainment City, Manila. As one of the Philippine Licensees, Melco Resorts Leisure has been named as the special purpose entity to operate the casino business and act as the sole and exclusive representative of the Philippine Licensees for the purposes of the Philippine License. The Philippine License is one of the four licenses granted to various parties to develop integrated tourism resorts and establish and operate casinos in Entertainment City.

The Casino Regulatory Manual (CRM) was originally issued in January 2013 by PAGCOR for the guidance of the Entertainment City licensees. It was developed to meet the following objectives of PAGCOR: (a) to ensure a level playing field among industry proponents; (b) maintain the orderly and predictable environment; (c) enforce license terms and conditions; (d) promote fairness and integrity in the conduct of games; (e) provide an underlying platform for responsible gaming; (f) disallow access to gaming venues by minors and financially vulnerable persons; and (g) prevent licensed gaming venues from being used for illegal activities.

The CRM contains regulations and standards that the Entertainment City licensees, including City of Dreams Manila, should adhere to and observe. It should be read in conjunction with the Philippine License. It contains regulations on areas such as, but not limited to: casino layout, table games and electronic gaming machines, casino management systems, surveillance, gaming chips and plaques, procurement of gaming

equipment and gaming paraphernalia as well as the accreditation of suppliers thereof, casino operational rules and guidelines, conduct of gaming, casino player incentives, marketing and promotions, chipwashing and junket operations, banned personalities, determination of gross gaming revenues for table games, electronic gaming machines and other fees; and determination, collection and remittance of PAGCOR license fees. The CRM is annually revised to incorporate changes and revisions to the CRM proposed by any of the Entertainment City licensees and approved by PAGCOR. To date, the CRM is now on its fourth (4th) version.

The ownership and operation of casino gaming facilities in the Philippines are subject to the regulatory supervision of PAGCOR. See "— Gaming Licenses — PAGCOR Licenses in the Philippines" below for more details.

Anti-Money Laundering Regulations in the Philippines

The Philippine AMLA criminalized money laundering and imposed certain requirements on customer identification, record keeping, and reporting of covered and suspicious transactions by covered persons as defined under the law.

Previously, City of Dreams Manila was covered by the Philippine AMLA only to a limited extent and was only required to report its foreign exchange transactions/money changer activities. However, with the new amendment to the existing Philippine AMLA, casinos are now included as covered persons subject to reporting and other requirements. Therefore, City of Dreams Manila, both in relation to its foreign exchange transactions/money changer activities, as well as its casino operations, is now required to report (i) transactions in cash or other equivalent monetary instrument involving a total amount in excess of PHP500,000 (equivalent to approximately US$9,848) within one (1) banking day, with respect to its foreign exchange transactions/money changer activities, and (ii) single casino cash transaction involving an amount in excess of PHP5,000,000 (equivalent to approximately US$98,475) or its equivalent in any other currency, with respect to its casino operations. Suspicious transactions, regardless of amount, are also required to be reported in connection with both its foreign exchange transactions/money changer activities and casino operations.

The Anti-Money Laundering Council and PAGCOR have also recently released regulations and guidelines on compliance and we have adjusted our anti-money laundering policies for our Philippine operations to these new rules and regulations.

Environmental Laws

Development projects that are classified by law as Environmentally Critical Projects within statutorily defined Environmentally Critical Areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement.

The Environmental Management Bureau of the Department of Environment and Natural Resources issued an ECC to Belle Corporation for City of Dreams Manila. Under the terms of its Philippine Economic Zone Authority registration, Melco Resorts Leisure is required, prior to the start of commercial operations of City of Dreams Manila, to either: (a) apply for an ECC with the Environmental Management Bureau of the Department of Environment and Natural Resources and submit an approved copy of the ECC to the Philippine Economic Zone Authority within 15 days from its issuance, or (b) submit the ECC issued to Belle Corporation, as the same may be amended to reflect any changes made to City of Dreams Manila, for the review and approval by the Philippine Economic Zone Authority. Accordingly, Belle Corporation applied for an Amended ECC to reflect the changes made to City of Dreams Manila. The Environmental Management Bureau of the Department of Environment and Natural Resources issued the Amended ECC to Belle Corporation on July 31, 2014.

Cyprus Regulations

Gaming Law and Regulations

The Cyprus Casino Operations and Control Law 2015 (“the Law”) and Casino Operations and Control Law (General) Regulations 2016 provide the main regulatory framework for the establishment, operation, function, supervision and control of casinos operating in Cyprus. The Law established The Cyprus Gaming and Casino Supervision Commission, known as the Cyprus Gaming Commission, in 2015. The Law also provided for a gaming license to be granted to a single operator, which was granted to Integrated Casino Resorts on June 26, 2017, to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. These are the only lawful and regulated casino operations in Cyprus. The Cyprus Gaming Commission also issues binding directions to Integrated Casino Resorts concerning its operations from time to time. Such directions issued by the Cyprus Gaming Commission in the past cover anti-money laundering and combating the financing of terrorism, casino layout, casino surveillance and the gaming equipment technical standards.

Anti-Money Laundering Law and Regulations

The Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2021 (188(I)/2007) (“Cyprus AML Law”) transposed the European Union’s Fifth AML Directive 2018/843 into national law of Cyprus. The CGC also issued an updated anti-money laundering Direction in December 2021 which requires us to implement more compliance measures, primarily to meet additional obligations relating to our monitoring and control obligations and CGC reporting requirements. The principal objectives of the Cyprus AML Law are to prevent the laundering of proceeds of serious criminal offences (“predicate offences”), including terrorist financing and related activities, to detect and prosecute money laundering activities and to provide for the restraint and confiscation of illicit funds. The law makes money laundering or assisting in it a criminal offense and establishes a Unit for Combating Money Laundering (MOKAS).

Casino operators are an obliged entity under the Cyprus AML Law. Integrated Casino Resorts is therefore required to have procedures in place for customer due diligence, recordkeeping and internal reporting and to appoint an appropriate person as money laundering compliance officer. The Cyprus AML Law also contains powers of MOKAS to confiscate the assets of persons who are convicted of a predicate offence and to restrain the assets of such persons and of persons who are reasonably suspected of involvement in money laundering activities. In addition, there are a number of regulations related to anti-corruption, anti-bribery, anti-money laundering and sanctions. The CGC also has supervisory powers for anti-money laundering and combating the financing of terrorism.

European Union (EU)’s General Data Protection Regulation

The European Union’s (“EU”) General Data Protection Regulation 2016/679 (“GDPR”), which came into force on May 25, 2018, is the EU’s data protection regulation which aims primarily to give control to individuals over their personal data and imposes strict requirements on organizations’ processing individuals’ personal data. It also addresses the transfer of personal data outside the EU and European Economic Area. Established within the EU, our operations in Cyprus are subject to the GDPR requirements. In order to comply with the GDPR requirements, Integrated Casino Resorts has developed and implemented policies and procedures which regulate the organization’s activities and aim to protect all personal data that is collected, processed and maintained by all business units. Integrated Casino Resorts has appointed an external Data Protection Officer in line with the GDPR and in addition to the implementation of various policies and procedures, it has also adopted a number of physical and technical safeguards in order to ensure the protection of all personal data it maintains.

Environmental Laws

The European Union's Directive on the Assessment of the Effects of Certain Plans and Programmes on the Environment provides for a high level of protection of the environment with a view to contributing to the integration of environmental considerations for the preparation and adoption of plans and programmes promoting sustainable development. This aims to ensure that an Environmental Impact Assessment is conducted on certain plans and programmes which are likely to have significant effects on the environment., including those in the tourism sector. The Directive was transposed into Cyprus law in 2005 by the Environmental Impact Assessment from Certain Plans and/or Programmes Law 102(I)/2005, which is enforced by the Cyprus Department of Environment. To comply with the requirements of the environmental law, an Environmental Impact Assessment was conducted for our development of the City of Dreams Mediterranean project and a further Environmental Impact Assessment has also been conducted to further study the impacts to the nearby environment.

Other Applicable Laws

Foreign Corrupt Practices Act

The FCPA prohibits our Company and our employees 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 of Business Conduct and Ethics includes specific FCPA related provisions in Section IV and VIII B. To further supplement the Code of Business Conduct and Ethics, our Company implemented a FCPA Compliance Program in 2007, which was revised and expanded in scope in December 2013 as the Ethical Business Practices Program. This covers the activities of the shareholders, directors, officers, employees and counterparties of our Company.

Gaming Licenses

The Concession Regime in Macau

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 Macau, respectively. Upon authorization by the Macau government, each of SJM, Galaxy and Wynn 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 Wynn Macau, SJM and Galaxy are Melco Resorts Macau, MGM Grand Paradise and VML, respectively. Our subsidiary, Melco Resorts Macau, executed the Subconcession Contract with Wynn Macau on September 8, 2006. Wynn Macau will continue to develop and run hotel operations and casino projects independent of ours.

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. On March 11, 2022, Melco Resorts Macau 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 Macau Resorts Macau 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 in Macau

The Subconcession Contract in Macau provides for the terms and conditions of the subconcession granted to Melco Resorts Macau by Wynn Macau. Melco Resorts Macau 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.

Melco Resorts Macau paid a consideration of US$900 million to Wynn Macau. On September 8, 2006, Melco Resorts Macau 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 Macau during the concession period.

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

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

Development of Gaming Projects/Financial Obligations. The Subconcession Contract requires us to make a minimum investment in Macau of MOP4.0 billion (equivalent to approximately US$498.0 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, we obtained confirmation from the Macau government that as of the date of the confirmation, we had invested over MOP4.0 billion (equivalent to approximately US$498.0 million) in our 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, we are 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, we are 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. We are 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 Macau, to unilaterally terminate Melco Resorts Macau's subconcession in the event of non-compliance by us with our basic obligations under the subconcession and applicable Macau laws. Upon termination, all of our casino premises and gaming equipment, would revert to the Macau government automatically without compensation to us and we 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, we may be dependent on consultations and negotiations with the Macau government to give us an opportunity to remedy any such default. Neither Melco Resorts Macau nor Wynn 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 Melco Resorts Macau'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, applicable to us;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;
- bankruptcy or insolvency of Melco Resorts Macau;
- 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 Melco Resorts Macau or the grant of a subconcession or entering into any agreement to the same effect; or
- failure by a controlling shareholder in Melco Resorts Macau to dispose of its interest in Melco Resorts Macau, within 90 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 Melco Resorts Macau.

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 Melco Resorts Macau will be subject to authorization from the Macau government;
- Melco Resorts Macau will be required to take the necessary measures to ensure that any person who directly or indirectly acquires more than 5% of the shares in Melco Resorts Macau 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 more than 5% of the shares in Melco Resorts Macau 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 Melco Resorts Macau; and
- the Chief Executive of Macau could require the increase of Melco Resorts Macau'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 — Melco Resorts Macau's Subconcession Contract expires in June 2022 and if we are unable to secure an extension of the subconcession and thereafter a new concession, we would be unable to operate casino gaming in Macau."

PAGCOR Licenses in the Philippines

The Philippine License issued by PAGCOR authorizes the Philippine Licensees, through Melco Resorts Leisure, to establish and operate a casino in the Philippines for both local and foreign patrons who are at least 21 years of age.

In general, the Philippine License imposes certain obligations such as, but not limited to, the following:

- payment of monthly license fees to PAGCOR;
- maintenance of a debt-to-equity ratio (based on calculation as agreed with PAGCOR) for each of the Philippine Licensees of no greater than 70:30;
- at least 95.0% of the total employees of City of Dreams Manila must be Philippine citizens;
- 2.0% of certain casino revenues must be remitted to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- operation of only the authorized casino games approved by PAGCOR.

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in the Philippines — MRP's gaming operations are dependent on the Philippine License issued by PAGCOR."

Gaming License in Cyprus

Under the Cyprus License, Integrated Casino Resorts is granted the right to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and until the operation of such integrated casino resort, the operation of a temporary casino in Limassol) and up to four satellite casino premises in Cyprus, for a term of 30 years from the date of grant and with the right for exclusivity in Cyprus for the first 15 years of the term. The Cyprus License imposes certain requirements on Integrated Casino Resorts and their service providers.

The Cyprus License is also subject to suspension or termination upon the occurrence of certain events. The requirements imposed by the Cyprus License include, among others:

- payment of an annual license fee of EUR2.5 million (equivalent to approximately US$2.8 million) per year for the first four-year period commencing from the date of grant of the Cyprus License on June 26, 2017 and an annual license fee of EUR5.0 million (equivalent to approximately US$5.7 million) per year for the second four-year period as annual license fees for the operation of the temporary casino and City of Dreams Mediterranean to the government of Cyprus. Upon completion of the above eight-year period and for each four-year period thereafter, the government of Cyprus may review the annual license fee payable for each four-year term, provided that the annual license fee payable per year shall be no less than EUR5.0 million (equivalent to approximately US$5.7 million) and subject to a maximum percentage increase.
- payment of annual license fee of EUR1.0 million (equivalent to approximately US$1.1 million) per year for the satellite casino in Nicosia since its commencement of operations in 2018 and annual license fee of EUR0.5 million (equivalent to approximately US$0.6 million) per year for each of the satellite casinos in Larnaca (which ceased operation in June 2020), Ayia Napa and Paphos since their operations commenced in 2018, 2019 and 2020, respectively.
- payment of a monthly casino tax of an amount equal to 15% of the gross gaming revenue, such percentage not to be increased during the initial 15-year exclusivity period under the Cyprus License.

Following the extension granted by the government of Cyprus, we are also currently required under the Cyprus License to complete the City of Dreams Mediterranean project and commence operations by September 30, 2022. If we are unable to commence operations by September 30, 2022, with no further extension granted by the government of Cyprus and the government of Cyprus exercises its right to terminate the Cyprus License, we could lose all or substantially all of our investment in Cyprus and may not be able to continue our operations in Cyprus as planned. See *"*Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We are developing the City of Dreams Mediterranean project in Cyprus and are required under the Cyprus License to open the integrated casino resort by September 30, 2022. If we do not open City of Dreams Mediterranean by that time and the government of Cyprus does not grant us an extension of the opening date, we would be required to pay a penalty to the Cyprus government or even have the Cyprus License terminated if such delay continues beyond a grace period."

See "Item 3. Key Information — D. Risk Factors — Risks Relating to Operating in the Gaming Industry in Cyprus — Cyprus' gaming operations are dependent on the Cyprus License issued by CGC and any failure to comply with the terms of the Cyprus License could have a material adverse effect on our business, financial condition and results of operations."

Tax

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we and our subsidiaries incorporated in the Cayman Islands are not subject to Cayman Islands income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands. However, we and certain subsidiaries are subject to Hong Kong profits tax of 16.5% on profits arising from our activities conducted in Hong Kong.

Our subsidiaries incorporated in the British Virgin Islands are not subject to tax in the British Virgin Islands, but certain subsidiaries incorporated in the British Virgin Islands are subject to Hong Kong profits tax of 16.5% on profits arising from our activities conducted in Hong Kong and Macau complementary tax of 12% on profits earned in or derived from its activities conducted in 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. Melco Resorts Macau applied for and was granted the benefit of a corporate tax holiday on Macau complementary tax (but not gaming tax) from 2017 through 2021. Melco Resorts Macau was further granted such benefit for the period from January 1, 2022 to June 26, 2022. In addition, the Macau government granted one of our subsidiaries in Macau the complementary tax exemption until 2021 on profits generated from income received from Melco Resorts Macau, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. We have applied for an extension of the Macau Complementary Tax exemption for the period from January 1, 2022 to June 26, 2022 but we cannot assure you that such extension will be granted. The dividend distributions of such subsidiary to its shareholders continue to be subject to complementary tax. We remain subject to Macau complementary tax on our non-gaming profits.

For the five-year period from 2017 through 2021, an annual payment of MOP18.9 million (equivalent to approximately US$2.4 million) is payable by Melco Resorts Macau, with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributions by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant year. Upon the payment of such payment amount, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. We have applied for an extension of such arrangement at an amount to be set by the Macau government until June 26, 2022. However, we cannot assure you that the same arrangement will be applied during such period or beyond or that, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Melco Resorts Macau is subject to Macau gaming tax based on gross gaming revenue in Macau. These gaming taxes are an assessment on Melco Resorts Macau’s gaming revenue and are recorded as casino expense.

The Macau government granted to Altira Resorts in 2007, and COD Resorts, in 2011 and 2013, the declaration of utility purposes benefit in respect of Altira Macau, The Countdown, Nüwa and Grand Hyatt Macau hotel, pursuant to which they are entitled to a property tax holiday, for a period of 12 years, on any immovable property that they own or is operated by them. Under such declaration of utility purposes benefit, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau complementary tax. The transfer of the declaration of utility purpose to COD Resorts and Altira Resorts was requested on November 8, 2017 and was duly approved by the Macau government.

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 Hotels was transferred to Studio City Developments Limited, the owner of the Studio City Property. Studio City Developments Limited has applied for the declaration of touristic utility purpose pursuant to which Studio City Developments Limited 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. The application is currently pending, and we believe Studio City Developments Limited is entitled to such property tax holiday, however, there is no assurance that the Macau government will extend such benefit to Studio City Developments Limited.

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax of 16.5% on any profits arising in or derived from Hong Kong. One of our subsidiaries incorporated in Hong Kong is also subject

to Macau complementary tax on profits earned in or derived from its activities conducted in Macau and another one is subject to corporate tax on profits in a number of other Asian jurisdictions through its activities conducted in these jurisdictions.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was signed and took effect on April 11, 2021. CREATE reduced the minimum corporate income tax from 2% to 1% from July 1, 2020 to June 30, 2023 and the corporate income tax rate from 30% to 25% starting July 1, 2020. Some of the subsidiaries are liable for VAT on certain transactions. On gaming related transactions, Melco Resorts Leisure enjoys exemption from national, local, direct and indirect (i.e. VAT) taxes pursuant to the PAGCOR charter and is subject to license fees which are inclusive of the 5% franchise tax payable to PAGCOR based on gross gaming revenue in the Philippines, in lieu of all other taxes. The franchise tax and license fees are an assessment on Melco Resorts Leisure's gaming revenue and are recorded as casino expense in the consolidated statements of operations. Further, Melco Resorts Leisure, by virtue of its being registered with the Philippine Economic Zone Authority as a Tourism Economic Zone Enterprise, enjoys a tax and duty exemption on importation and VAT zero-rating on its local purchases of certain capital equipment used in registered activities.

Our subsidiaries incorporated in Cyprus are subject to Cyprus corporate income tax of 12.5% on income earned in or derived from Cyprus and abroad. Our gaming revenues in Cyprus are exempt from VAT while our subsidiaries are liable for VAT on certain non-gaming transactions. Pursuant to the Cyprus License, a casino tax of 15% is imposed on gross gaming revenues in Cyprus. These casino taxes are recorded as a casino expense in the consolidated statements of operations.

C. ORGANIZATIONAL STRUCTURE

We are a Cayman Islands holding company for the following principal businesses and developments: (1) 100% economic interest in our Macau gaming subconcession holder, Melco Resorts Macau, which, directly or indirectly through its subsidiary, is the operator of our gaming and non-gaming businesses in various properties in Macau; (2) a majority equity and economic interest in SCI, the holding company of Studio City; (3) a majority equity and economic interest in MRP, the holding company of City of Dreams Manila; and (4) a majority equity and economic interest in ICR Cyprus, the holding company of our current operations in Cyprus including a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos and the City of Dreams Mediterranean in development. Our operations are conducted by our subsidiaries. Investors may never directly hold equity interests in our operating subsidiaries.

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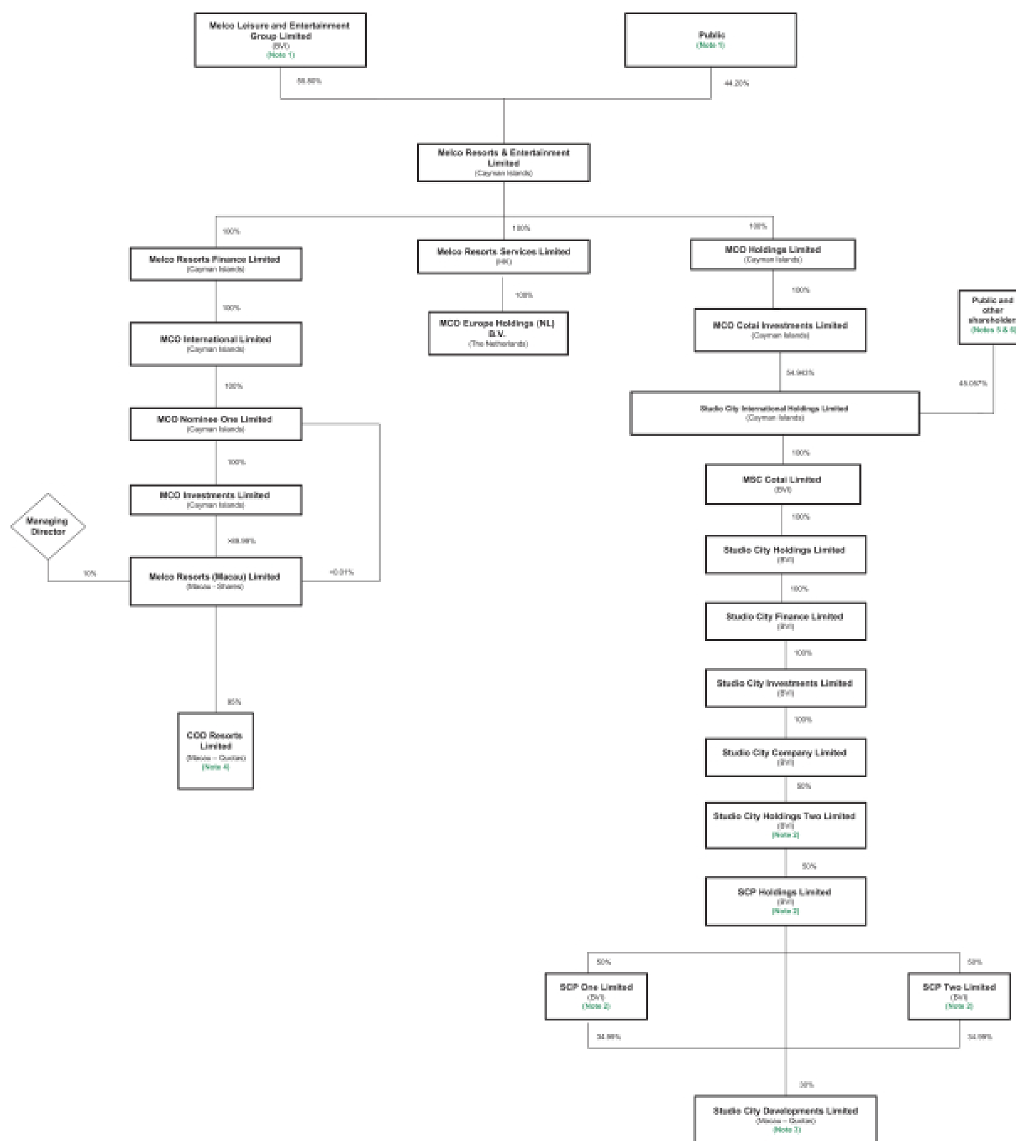
The following diagram illustrates our organizational structure, including the place of formation, ownership interest and affiliation of our significant subsidiaries, as of March 25, 2022:



Notes:

(1) Based on 1,456,547,942 shares outstanding as of March 25, 2022. The 1,456,547,942 shares outstanding include shares held by our depositary bank to facilitate the administration and operation of our share incentive plans. Such shares represent 2.18% of the Company's outstanding shares as of March 25, 2022. For a description of our share incentive plans, see "Item 6. Directors, Senior Management and Employees — E. Share Ownership — Share Incentive Plans".

(2) The remaining 50% of the equity interests of these companies are owned by Studio City Holdings Five Limited, a wholly-owned subsidiary of SCI. The 50% interest held by Studio City Holdings Five Limited in various Studio City companies incorporated in the British Virgin Islands is non-voting.

(3) 0.02% of the equity interests are owned by Studio City Holdings Five Limited.

(4) The remaining 5% of the equity interests are owned by MCO Nominee Two Limited.

(5) Reflects 124,596,560 Class A ordinary shares of SCI. Information regarding beneficial ownership is reported as of March 21, 2022. New Cotai, LLC ("New Cotai") also has a participation interest in MSC Cotai Limited which represents its economic right to receive an amount equal to approximately 9.4% of the dividends, distributions or other consideration paid to SCI by MSC Cotai Limited, if any, from time to time. New Cotai may exchange all or a portion of its participation interest for Class A ordinary shares of SCI, subject to certain conditions. If New Cotai were to exercise its right to exchange all of the participation interest for Class A ordinary shares of SCI, New Cotai would receive 72,511,760 Class A ordinary shares of SCI and the corresponding number of Class B ordinary shares of SCI held by New Cotai would be surrendered and canceled.

(6) Reflects 117,118,352 Class A ordinary shares of SCI. 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 private offers of 400,000,000 Class A ordinary shares of SCI to certain existing shareholders of SCI completed in March 2022.

See "Item 7. Major Shareholders and Related Party Transactions — A. Major Shareholders" for more information regarding the beneficial ownership of Melco International in our Company and "Exhibit 8.1 — List of Significant Subsidiaries."

D. PROPERTY, PLANT AND EQUIPMENT

See "Item 4. Information on the Company — B. Business Overview" and "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Investing Activities" and "— Other Financing and Liquidity Matters" 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, develop, own and operate integrated resort facilities in Asia and Europe. 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 and Operations." For detailed information regarding our operations and development projects, see "Item 4. Information on the Company — B. Business Overview."

A. OPERATING RESULTS

Operations

Our primary business segments consist of:

Macau

City of Dreams

In 2021, City of Dreams had an average of approximately 511 gaming tables and approximately 572 gaming machines. Morpheus offers approximately 770 rooms, suites and villas. Nüwa, which was under renovation since early 2020 and re-opened at the end of March 2021 offers approximately 290 guest rooms and the Grand Hyatt Macau hotel offers approximately 800 guest rooms. In addition, City of Dreams includes approximately 25 restaurants and bars, approximately 165 retail outlets, a wet stage performance theater (temporarily closed since June 2020), recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons and banquet and meeting facilities. Morpheus provides an additional pool, spa and salon, fitness club, executive lounge and four restaurants. The wet stage performance theater with approximately 2,000 seats features The House of Dancing Water (temporarily closed since June 2020) produced by Franco Dragone. The Para nightclub which replaced Club Cubic offers approximately 2,395 square meters (equivalent to approximately 25,780 square feet) of live entertainment space. The Countdown will undergo renovations as part of its rebranding. City of Dreams targets premium market and rolling chip players from regional markets across Asia.

For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from City of Dreams amounted to US$1,146.9 million, US$985.6 million and US$3,050.5 million, representing 57.0%, 57.0% and 53.2% of our total operating revenues, respectively.

Altira Macau

In 2021, Altira Macau had an average of approximately 101 gaming tables and 121 gaming machines operated as a Mocha Club at Altira Macau. In addition, Altira Macau had approximately 230 hotel rooms as of December 31, 2021 and features several fine dining and casual restaurants and recreation and leisure facilities. Starting in the third quarter of 2021, Altira Macau was strategically repositioned to cater to the premium mass segment and ceased VIP rolling chip operations. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from Altira Macau amounted to US$56.2 million, US$108.9 million and US$465.1 million, representing 2.8%, 6.3% and 8.1% of our total operating revenues, respectively.

Studio City

Studio City is a large-scale cinematically-themed integrated resort located in Cotai, with gaming facilities, luxury hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers in Asia, with a current focus on the mass market segment and complemented with VIP rolling chip operations. In December 2021, continuation of the VIP rolling chip operations at the Studio City Casino by Melco Resorts Macau was extended to December 31, 2022, subject to early termination with 30 days' prior notice. The SC ADSs are listed on the New York Stock Exchange, and we owned approximately 54.9% of SCI's total issued and outstanding shares as of March 25, 2022. In 2021, Studio City had an average of approximately 290 gaming tables and 645 gaming machines. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from Studio City amounted to US$372.3 million, US$266.5 million and US$1,355.3 million, representing 18.5%, 15.4% and 23.6% of our total operating revenues, respectively.

Mocha Clubs

In 2021, Mocha Clubs had seven clubs with an average of approximately 813 gaming machines in operation (excluding approximately 121 gaming machines at Altira Macau). Mocha Clubs focus primarily on

general mass market players, including day-trip customers, outside the conventional casino setting. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from Mocha Clubs amounted to US$85.0 million, US$65.3 million and US$117.5 million, representing 4.2%, 3.8% and 2.0% of our total operating revenues, respectively. The source of revenues was substantially all from gaming machines. For the years ended December 31, 2021, 2020 and 2019, gaming machine revenues represented 97.1%, 96.3% and 96.6% of operating revenues generated from Mocha Clubs, respectively.

Corporate and Other

Corporate and Other primarily includes Grand Dragon Casino, a casino on Taipa Island, Macau, operating within Grand Dragon Hotel, which we operate under a right-to-use agreement, our ski resort in Japan and other corporate costs. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from Corporate and Other amounted to US$30.8 million, US$25.9 million and US$51.3 million, representing 1.5%, 1.5% and 0.9% of our total operating revenues, respectively.

Philippines

City of Dreams Manila

In 2021, 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, City of Dreams Manila had an average of approximately 2,338 gaming machines and 301 gaming tables. City of Dreams Manila also includes three branded hotel towers, several entertainment venues and features a wide selection of regional and international food and beverage offerings as well as extended retail shops. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from City of Dreams Manila amounted to US$268.6 million, US$224.7 million and US$602.5 million, representing 13.3%, 13.0% and 10.5% of our total operating revenues, respectively.

Cyprus

We currently operate and manage a temporary casino in Limassol and three satellite casinos in Nicosia, Ayia Napa and Paphos in Cyprus. In 2021, 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, our facilities in Cyprus had an average of approximately 440 gaming machines and 32 gaming tables. For the years ended December 31, 2021, 2020 and 2019, operating revenues generated from our operations in Cyprus amounted to US$52.6 million, US$51.0 million and US$94.7 million, representing 2.6%, 3.0% and 1.7% of our total operating revenues, respectively.

Summary of Financial Results

For the year ended December 31, 2021, our total operating revenues were US$2.01 billion, an increase of 16.5% from US$1.73 billion for the year ended December 31, 2020. Net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2021 was US$0.81 billion, as compared to net loss attributable to Melco Resorts & Entertainment Limited of US$1.26 billion for the year ended December 31, 2020. The change was primarily attributable to improved performance in the mass market table games and gaming machine segments as well as non-gaming operations, partially offset by softer performance in the rolling chip segment.

	Year Ended December 31,		
	2021	2020	2019
		(in thousands of US$)	
Total operating revenues	$ 2,012,356	$ 1,727,923	$ 5,736,801
Total operating costs and expenses	(2,589,807)	(2,668,480)	(4,989,123)
Operating (loss) income	(577,451)	(940,557)	747,678
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (811,751)	$ (1,263,492)	$ 373,173

Our results of operations and financial position for the years presented are not fully comparable for the following reasons:

- On January 22, 2019, Studio City Finance commenced the 2020 Studio City Notes Tender Offer, which expired on February 4, 2019. The aggregate principal amount of valid tenders received and not validly withdrawn under the 2020 Studio City Notes Tender Offer amounted to US$216.5 million.
- On February 11, 2019, Studio City Finance issued US$600.0 million in aggregate principal amount of 2024 Studio City Notes, the net proceeds of which were used to pay the tendering noteholders from the 2020 Studio City Notes Tender Offer and, on March 13, 2019, to redeem, together with accrued interest, all remaining outstanding amounts of the 2020 Studio City Notes.
- On April 26, 2019, Melco Resorts Finance issued US$500.0 million in aggregate principal amount of the 2026 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities.
- On June 6, 2019, we acquired an approximately 9.99% ownership interest in Crown Resorts for which we paid the purchase price of AUD879.8 million (equivalent to approximately US$617.8 million based on the exchange rate on the transaction date).
- On July 17, 2019, Melco Resorts Finance issued US$600.0 million in aggregate principal amount of the 2027 Senior Notes, the net proceeds from which were used to partially repay the principal amount outstanding under the revolving credit facility under the 2015 Credit Facilities.
- On July 31, 2019, we acquired a 75% equity interest in ICR Cyprus, whose subsidiaries are operating a temporary casino in Limassol and is licensed to operate four satellite casinos, as well as developing City of Dreams Mediterranean.
- On November 30, 2019, Studio City Finance fully repaid the 2019 Studio City Company Notes upon its maturity with cash on hand.
- On December 4, 2019, Melco Resorts Finance issued US$900.0 million in aggregate principal amount of the First 2029 Senior Notes, the net proceeds from which were used to fully repay the principal amount outstanding under the revolving credit facility and to partially repay the principal amount outstanding under the term loan facility under the 2015 Credit Facilities.
- On April 29, 2020, we sold all of our approximately 9.99% ownership interest in Crown Resorts at the aggregate price of AUD551.6 million (equivalent to approximately US$359.1 million based on the exchange rate on the transaction date).
- On April 29, 2020, our subsidiary, MCO Nominee One, as borrower, entered into the 2020 Credit Facilities pursuant to which the lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for a term of five years.
- On May 6, 2020, MCO Nominee One drew down HK$2.73 billion (equivalent to US$350.1 million) under the 2020 Credit Facilities and, on May 7, 2020, we used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, other than HK$1.0 million (equivalent to US$128,000) which remained outstanding under the term loan facility for the 2015 Credit Facilities. On May 7, 2020,

following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, a part of the revolving credit facility commitments under the 2015 Credit Facilities were canceled, following which the available revolving credit facility commitments under the 2015 Credit Facilities were HK$1.0 million (equivalent to US$128,000).

- On July 15, 2020, Studio City Finance issued US$500 million in aggregate principal amount of the 2025 Studio City Notes and US$500 million in aggregate principal amount of the 2028 Studio City Notes, net proceeds from which a portion were used to redeem in full by Studio City Company of the 2021 Studio City Company Notes.
- On July 21, 2020, Melco Resorts Finance issued US$500.0 million in aggregate principal of the First 2028 Senior Notes, the net proceeds from which were used to repay the principal amount outstanding for the revolving credit facility under the 2020 Credit Facilities.
- On August 11, 2020, Melco Resorts Finance issued US$350.0 million in aggregate principal of the Additional 2028 Senior Notes.
- During July and August 2020, SCI announced and completed a US$500 million private placement of shares. The net proceeds from this private placement was approximately US$499.2 million, of which US$219.2 million was from noncontrolling interests.
- On September 23, 2020, MCO Nominee One drew down HK$1.94 billion (equivalent to US$249.9 million) of the revolving credit facility under the 2020 Credit Facilities.
- On January 14, 2021, Studio City Finance issued US$750.0 million in aggregate principal amount of the First 2029 Studio City Notes.
- On January 21, 2021, Melco Resorts Finance issued US$250.0 million in aggregate principal of the Additional 2029 Senior Notes.
- On January 27, 2021, MCO Nominee One repaid HK$1.94 billion (equivalent to US$249.9 million) of the revolving credit facility under the 2020 Credit Facilities, together with accrued interest, with the proceeds from the Additional 2029 Senior Notes.
- On May 20, 2021, Studio City Finance issued US$350.0 million in aggregate principal amount of the Additional 2029 Studio City Notes.
- On December 1, 2021, MCO Nominee One drew down HK$1.17 billion (equivalent to US$149.6 million) under the 2020 Credit Facilities, and, on December 15, 2021, drew down HK$1.95 billion (equivalent to $250.0 million) under the 2020 Credit Facilities.

Our operations have been impacted by periodic travel restrictions and quarantine requirements as imposed by the governments of Macau, the Philippines, Cyprus, Hong Kong and the PRC in response to various outbreaks of COVID-19, and such bans, restrictions and requirements have been, and may continue to be, modified by the relevant authorities from time to time as COVID-19 developments unfold. In addition, lifted measures may be reintroduced if there are adverse developments in the COVID-19 situation in the jurisdictions in which we operate and other regions with access to such jurisdictions.

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. The majority of retail outlets in our Macau properties are open with reduced operating hours. Operating hours at our retail dining and entertainment facilities in Macau are continuously being adjusted in line with customer visitation, and we have closed certain facilities due to low visitation. The timing and manner in which these areas will return to full operation are currently unknown. Furthermore, health-related precautionary measures remain in place at our properties in Macau, which could continue to impact visitation and customer spending.

In the Philippines, in 2021, Metro Manila was originally placed under general community quarantine until March 31, 2021. During the general community quarantine period in 2021, City of Dreams Manila's casino was open, allowing a limited capacity of players and guests. Subject to certain restrictions imposed by the Philippine Department of Tourism, our three hotels at City of Dreams Manila and certain dining establishments at City of Dreams Manila also resumed operations at a limited operational capacity during the period. From March 27, 2021 to April 30, 2021 and from August 6, 2021 to August 20, 2021, the Philippine Government re-imposed the enhanced community quarantine over Metro Manila. The Philippine Government also placed Metro Manila under the modified enhanced community quarantine from May 1, 2021 to May 14, 2021, and from August 21, 2021 to September 15, 2021. Under the enhanced community quarantine and the modified enhanced community quarantine, additional restrictions were introduced that included prohibitions of mass gatherings, restrictions of movements of persons and the imposition of a nightly curfew. City of Dreams Manila temporarily closed when the enhanced community quarantine and the modified enhanced community quarantine were imposed in Metro Manila. On September 14, 2021, the Philippine Government adopted the following community quarantine classifications: Alert Level 1, 2, 3, 4, and 5. From September 16, 2021 to October 15, 2021, the Philippine Government placed Metro Manila under Alert Level 4 which restricted gaming operations to 50% operating capacities. From October 16, 2021 to November 4, 2021, the Philippine Government placed Metro Manila under Alert Level 3 which allowed gaming establishments to operate at 75% operating capacities. From November 5, 2021 to January 2, 2022, the Philippine Government placed Metro Manila under the less restrictive Alert Level 2, which allowed gaming establishments to operate at 90% operating capacities. However, from January 3, 2022 to January 31, 2022, Metro Manila was again placed under Alert Level 3 but this was lowered to Level 2 starting from February 1, 2022 and further reduced to Alert Level 1 as of March 1, 2022. Such measures have had, and may continue to have, an adverse effect on the operations of City of Dreams Manila.

In Cyprus, the ongoing COVID-19 outbreak led to restrictions being imposed throughout 2021 by the government of Cyprus that included, curfews, restrictions on gatherings, sports, food and beverage and retail businesses, restrictions of inbound flights to Cyprus and closure of various other businesses, including our casino operations in Cyprus. These restrictions included a full lockdown and night curfew in January 2021 and another lockdown imposed from late April to early May 2021. As a result, our casino operations in Cyprus were also closed from January 1, 2021 to May 16, 2021. Inbound travel to Cyprus has gradually eased since May 2021 with countries categorized based on their epidemiological situation such that the entry requirements may range from free entry to requiring proof of vaccination status, results of COVID-19 tests, the EU Digital COVID Certificate for EU passport holders and legal residents of Cyprus or the grant of special permission for entry, depending on the travel history of the inbound traveller. Since June 2021, the authorities have also eased certain pandemic prevention restrictions within Cyprus such that most businesses may operate close to pre-lockdown levels, although restrictions such as reduced capacity of people allowed in indoor areas and other health protective measures remain in place. The surge in COVID-19 cases since December 2021 led to, among others, the introduction of certain gathering restrictions and enhanced COVID-19 test requirements for entry into venues such as restaurants and other entertainment venues in Cyprus although our casinos in Cyprus remained open and certain restrictions have been eased from February 21, 2022. Our operations in Cyprus are currently still subject to certain COVID-19 health and safety measures, which are likely to remain in place for the duration of the pandemic. Such measures have had, and will likely continue to have, an adverse effect on the operations of our Cyprus properties.

The disruptions to our business caused by the COVID-19 outbreak have had an adverse effect on our operations and as these disruptions are ongoing, such adverse effects will likely continue. We expect that gross gaming revenues in the jurisdictions in which we operate 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 programs to minimize cash outflow of non-essential items and rationalizing our capital expenditure programs with deferrals and reductions which benefits our balance sheet.

Given the uncertainty around the extent and duration of the COVID-19 outbreak and around the imposition or relaxation of protective measures affecting the jurisdictions in which we operate, 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 "Risk Factors — 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".

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate our casino operations, 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 our point-loyalty programs) 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 our point-loyalty programs) 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 our point-loyalty programs) 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 our point-loyalty programs) 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.

Our combined expected rolling chip win rate across our properties is in the range of 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 the 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 for the year ended December 31, 2021 were US$2.01 billion, an increase of US$284.4 million, or 16.5%, from US$1.73 billion for the year ended December 31, 2020. The increase in total operating revenues was primarily attributable to improved performance in the mass market table games and gaming machine segments as well as higher non-gaming revenues, partially offset by softer performance in the rolling chip segment.

Our total operating revenues for the year ended December 31, 2021 consisted of US$1.68 billion of casino revenues, representing 83.3% of our total operating revenues, and US$336.1 million of non-casino revenues. Our total operating revenues for the year ended December 31, 2020 consisted of US$1.47 billion of casino revenues, representing 85.2% of our total operating revenues, and US$256.6 million of non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2021 were US$1.68 billion, representing a US$204.9 million, or 13.9%, increase from casino revenues of US$1.47 billion for the year ended December 31, 2020, primarily due to improved performance in mass market table games and gaming machine segments, partially offset by softer performance in the rolling chip segment.

Altira Macau. Altira Macau has strategically repositioned itself to cater to the premium mass segment and has shut down VIP rolling chip operations starting in the third quarter of 2021. Altira Macau's rolling chip volume for the year ended December 31, 2021 was US$1.96 billion, representing a decrease of US$1.07 billion, or 35.3%, from US$3.04 billion for the year ended December 31, 2020. The rolling chip win rate was 1.61% for the year ended December 31, 2021, which decreased from 4.11% for the year ended December 31, 2020. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$159.2 million for the year ended December 31, 2021, representing an increase of 11.3% from US$143.1 million for the year ended December 31, 2020. The mass market table games hold percentage was 24.5% for the year ended December 31, 2021, increasing from 23.2% for the year ended December 31, 2020. Average net win per gaming machine per day was US$201 for the year ended December 31, 2021, an increase of US$51, or 34.3%, from US$150 for the year ended December 31, 2020.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2021 of US$14.60 billion represented a decrease of US$1.10 billion, or 7.0%, from US$15.70 billion for the year ended December 31, 2020. The rolling chip win rate was 2.54% for the year ended December 31, 2021, which decreased from 4.21% for the year ended December 31, 2020. Our expected range was 2.85% to 3.15%. In the

mass market table games segment, drop was US$2.85 billion for the year ended December 31, 2021 which represented an increase of US$1.40 billion, or 97.5%, from US$1.44 billion for the year ended December 31, 2020. The mass market table games hold percentage was 30.8% for the year ended December 31, 2021, decreasing from 32.1% for the year ended December 31, 2020. Average net win per gaming machine per day was US$282 for the year ended December 31, 2021, an increase of US$52, or 22.4%, from US$230 for the year ended December 31, 2020.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2021 was US$287, an increase of US$42, or 17.2%, from US$244 for the year ended December 31, 2020.

Studio City. Studio City Casino's rolling chip volume was US$1.84 billion for the year ended December 31, 2021, a decrease from US$2.21 billion for the year ended December 31, 2020. The rolling chip win rate was 2.00% for the year ended December 31, 2021, which decreased from 2.28% for the year ended December 31, 2020. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$1.13 billion for the year ended December 31, 2021, an increase from US$0.73 billion for the year ended December 31, 2020. The mass market table games hold percentage was 27.7% for the year ended December 31, 2021, representing an increase from 26.6% for the year ended December 31, 2020. Average net win per gaming machine per day was US$129 for the year ended December 31, 2021, an increase of US$31, or 31.5%, from US$98 for the year ended December 31, 2020.

City of Dreams Manila. City of Dreams Manila's rolling chip volume for the year ended December 31, 2021 was US$0.78 billion, representing a decrease of US$1.33 billion, or 63.2%, from US$2.11 billion for the year ended December 31, 2020. The rolling chip win rate was 4.83% for the year ended December 31, 2021, an increase from 3.34% for the year ended December 31, 2020. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$364.6 million for the year ended December 31, 2021, representing an increase of US$36.9 million, or 11.3%, from US$327.7 million for the year ended December 31, 2020. The mass market table games hold percentage was 32.4% for the year ended December 31, 2021, representing a decrease from 33.1% for the year ended December 31, 2020. Average net win per gaming machine per day was US$195 for the year ended December 31, 2021, an increase of US$59, or 43.0%, from US$136 for the year ended December 31, 2020.

Cyprus operations. Cyprus operations' rolling chip volume for the year ended December 31, 2021 was US$5.6 million, which increased from US$0.3 million for the year ended December 31, 2020. The rolling chip win rate was 9.09% for the year ended December 31, 2021, an increase from negative 28.07% for the year ended December 31, 2020. Our expected range was 2.85% to 3.15%. In the mass market table games segment, drop was US$76.2 million for the year ended December 31, 2021, representing an increase of US$13.4 million, or 21.4%, from US$62.8 million for the year ended December 31, 2020. The mass market table games hold percentage was 18.0% for the year ended December 31, 2021, representing a decrease from 19.6% for the year ended December 31, 2020. Average net win per gaming machine per day was US$388 for the year ended December 31, 2021, a decrease of US$86, or 18.1%, from US$473 for the year ended December 31, 2020.

Rooms. Room revenues (including complimentary rooms) for the year ended December 31, 2021 were US$157.5 million, representing an increase of US$48.9 million, or 45.0%, from room revenues (including complimentary rooms) of US$108.6 million for the year ended December 31, 2020. The increase was primarily due to improved occupancy as a result of a year-over-year increase in inbound tourism to Macau.

The average daily rate, occupancy rate and REVPAR of each property are as follows:

	Year Ended December 31,					
	2021	2020	2021	2020	2021	2020
	Average daily rate (US$)		Occupancy rate		REVPAR (US$)	
Altira Macau	110	164	48%	36%	53	59
City of Dreams	205	210	53%	33%	109	69
Studio City	123	128	51%	28%	62	36
City of Dreams Manila	164	220	76%	53%	124	117

Food, beverage and others. Food, beverage and other revenues (including complimentary food and beverage and entertainment services) for the year ended December 31, 2021 included food and beverage revenues of US$97.7 million and entertainment, retail and other revenues of US$80.9 million. Food, beverage and other revenues (including complimentary food and beverage and entertainment services) for the year ended December 31, 2020 included food and beverage revenues of US$74.5 million and entertainment, retail and other revenues of US$73.4 million. The increase of US$30.6 million in food, beverage and other revenues from the year ended December 31, 2020 to the year ended December 31, 2021 was primarily due to increase in business activities as a result of a year-over-year increase in inbound tourism to Macau.

Operating costs and expenses

Total operating costs and expenses were US$2.59 billion for the year ended December 31, 2021, representing a decrease of US$78.7 million, or 2.9%, from US$2.67 billion for the year ended December 31, 2020.

Casino. Casino expenses decreased by US$29.3 million, or 2.2%, to US$1.32 billion for the year ended December 31, 2021 from US$1.35 billion for the year ended December 31, 2020, primarily due to a decrease in provision for credit losses, partially offset by an increase in gaming taxes, which increased as a result of increased gaming volumes and associated higher group-wide revenues.

Rooms. Room expenses, which represent the costs of operating the hotel facilities were US$49.9 million and US$46.7 million for the years ended December 31, 2021 and 2020, respectively. The increase was in-line with higher room revenues for the year ended December 31, 2021.

Food, beverage and others. Food, beverage and other expenses were US$121.0 million and US$141.5 million for the years ended December 31, 2021 and 2020, respectively. The decrease was primarily due to lower operating costs as a result of the temporary closure of The House of Dancing Water since late June 2020.

General and administrative. General and administrative expenses increased slightly by US$2.0 million, or 0.5%, to US$426.4 million for the year ended December 31, 2021 from US$424.4 million for the year ended December 31, 2020.

Payments to the Philippine Parties. Payments to the Philippine Parties increased to US$26.4 million for the year ended December 31, 2021 from US$13.0 million for the year ended December 31, 2020, due to the improved performance in gaming operations and resulting increase in revenues from gaming operations in City of Dreams Manila.

Pre-opening costs. Pre-opening costs were US$4.2 million and US$1.3 million for the years ended December 31, 2021 and 2020, respectively. Such costs relate primarily to personnel training, rental, marketing, advertising and administrative costs in connection with new or start-up operations.

Development costs. Development costs were US$30.7 million and US$25.6 million for the years ended December 31, 2021 and 2020, respectively, which predominantly related to marketing and promotion costs as well as professional and consultancy fees for corporate business development.

Amortization of gaming subconcession. Amortization expenses for our gaming subconcession continued to be recognized on a straight-line basis and were US$57.3 million and US$57.4 million for the years ended December 31, 2021 and 2020, respectively.

Amortization of land use rights. Amortization expenses for the land use rights continued to be recognized on a straight-line basis and were US$22.8 million and US$22.9 million for the years ended December 31, 2021 and 2020, respectively.

Depreciation and amortization. Depreciation and amortization expenses decreased by US$38.5 million, or 7.2%, to US$499.7 million for the year ended December 31, 2021 from US$538.2 million for the year ended December 31, 2020.

Property charges and other. Property charges and other for the year ended December 31, 2021 were US$30.6 million, which primarily included termination costs and other payroll expenses as a result of departmental restructuring of US$22.3 million and asset impairments of US$3.6 million. Property charges and other for the year ended December 31, 2020 were US$47.2 million, which primarily included termination costs as a result of departmental restructuring of US$15.7 million, goodwill impairment of US$13.9 million, asset impairments of US$8.1 million and donations in relation to the COVID-19 outbreak of US$4.0 million.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expenses, net of amounts capitalized, other financing costs, foreign exchange gains (losses), net, loss on extinguishment of debt, costs associated with debt modification and other non-operating income (expenses), net.

Interest income was US$6.6 million for the year ended December 31, 2021, as compared to US$5.1 million for the year ended December 31, 2020.

Interest expenses were US$350.5 million (net of amounts capitalized of US$30.4 million) for the year ended December 31, 2021, compared to US$340.8 million (net of amounts capitalized of US$11.8 million) for the year ended December 31, 2020. The increase in interest expenses (net of amounts capitalization) of US$9.7 million was primarily due to higher interest expenses from the full-year impact of the issuances of notes during the year ended December 31, 2020, partially offset by higher amounts capitalized.

Other financing costs for the year ended December 31, 2021 amounted to US$11.0 million, compared to US$8.0 million for the year ended December 31, 2020. The increase in other financing costs was primarily due to the increase in loan commitment fees from the 2020 Credit Facilities which were entered into in late April 2020.

Other income, net for the year ended December 31, 2021 amounted to US$3.1 million, compared to other expenses, net of US$151.0 million for the year ended December 31, 2020. Other expenses, net for the year ended December 31, 2020 mainly represented the fair value loss on our investment of approximately 9.99% of our ownership interest in Crown Resorts, which was sold during the year ended December 31, 2020.

Loss on extinguishment of debt for the year ended December 31, 2021 was US$28.8 million, resulting from the early redemption of the 2024 Studio City Notes which were refinanced by the issuance of the First 2029 Studio City Notes. Loss on extinguishment of debt for the year ended December 31, 2020 was US$20.0 million, resulting mainly from the early redemption of all remaining outstanding 2021 Studio City Company Notes which were refinanced by the issuance of the 2025 Studio City Notes and the 2028 Studio City Notes.

Costs associated with debt modification for the year ended December 31, 2020 were US$0.3 million, which were associated with the refinancing of the 2015 Credit Facilities with the 2020 Credit Facilities. No costs associated with debt modification were incurred for the year ended December 31, 2021.

Income tax expense

Income tax expense for the year ended December 31, 2021 was primarily attributable to Philippine withholding tax on dividends of US$2.9 million and a lump sum tax payable of US$2.4 million in lieu of Macau Complementary Tax otherwise due by Melco Resorts Macau's shareholders on dividends distributable to them by Melco Resorts Macau, partially offset by deferred income tax credits of US$2.2 million. The effective tax rate for the year ended December 31, 2021 was (0.30)%, as compared to 0.20% for the year ended December 31, 2020. 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 expired tax losses, the effect of changes in valuation allowances, the effect of expenses for which no income tax benefit is receivable, the effect of income for which no income tax expense is payable and the effect of different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of profits generated by gaming operations being exempted from Philippine Corporate Income Tax, the effect of tax losses that cannot be carried forward and the effect of change in income tax rate for the year ended December 31, 2021 and the effect of income tax losses that cannot be carried forward for the year ended December 31, 2020.

Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau and Philippine operations. However, to the extent that the financial results of our Macau and Philippine operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net loss attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests was US$144.7 million for the year ended December 31, 2021, compared to a net loss attributable to noncontrolling interests of US$191.1 million for the year ended December 31, 2020. For the year ended December 31, 2021, such net loss represented the share of Studio City's expenses of US$139.2 million, Cyprus operations' expenses of US$4.5 million and City of Dreams Manila's expenses of US$1.0 million attributable to the respective minority shareholders.

Net loss attributable to Melco Resorts & Entertainment Limited

As a result of the foregoing, we had net loss attributable to Melco Resorts & Entertainment Limited of US$0.81 billion for the year ended December 31, 2021, compared to net loss attributable to Melco Resorts & Entertainment Limited of US$1.26 billion for the year ended December 31, 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 Property EBITDA and Adjusted EBITDA

Adjusted Property EBITDA is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, Corporate and Other expenses and other non-operating income and expenses. We recorded Adjusted Property EBITDA of US$235.1 million for the year ended December 31, 2021, compared to negative Adjusted Property EBITDA of US$104.3 million and Adjusted Property EBITDA of US$1,689.5 million for the years ended December 31, 2020 and 2019,

respectively. Altira Macau and Studio City recorded negative Adjusted Property EBITDA of US$54.0 million and US$20.5 million, respectively, while City of Dreams, Mocha Clubs, City of Dreams Manila and Cyprus Operations recorded Adjusted Property EBITDA of US$202.0 million, US$17.1 million, US$89.0 million and US$1.6 million, respectively, for the year ended December 31, 2021. Altira Macau, City of Dreams and Studio City recorded negative Adjusted Property EBITDA of US$58.8 million, US$1.3 million and US$79.0 million, respectively, while Mocha Clubs, City of Dreams Manila and Cyprus Operations recorded Adjusted Property EBITDA of US$3.6 million, US$29.0 million and US$2.3 million, respectively, for the year ended December 31, 2020. Adjusted Property EBITDA of Altira Macau, City of Dreams, Studio City, Mocha Clubs, City of Dreams Manila and Cyprus Operations were US$51.5 million, US$922.8 million, US$415.1 million, US$23.3 million, US$247.1 million and US$29.8 million, respectively, for the year ended December 31, 2019.

Adjusted EBITDA is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation and other non-operating income and expenses. We recorded Adjusted EBITDA of US$165.0 million for the year ended December 31, 2021, compared to negative Adjusted EBITDA of US$177.3 million for the year ended December 31, 2020 and Adjusted EBITDA of US$1,574.3 million for the year ended December 31, 2019.

Our management uses Adjusted Property EBITDA to measure the operating performance of our Altira Macau, City of Dreams, Studio City, City of Dreams Manila, Mocha Clubs and Cyprus businesses, and to compare the operating performance of our properties with those of our competitors. Adjusted EBITDA and Adjusted Property EBITDA are also presented as supplemental disclosures because management believes they are widely used to measure performance and as a basis for valuation of gaming companies. Our management also uses Adjusted Property EBITDA and Adjusted EBITDA because they are used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported similar measures as a supplement to financial measures in accordance with generally accepted accounting principles, in particular, U.S. GAAP or International Financial Reporting Standards.

However, Adjusted Property EBITDA or Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit, treated as an indicator of our U.S. GAAP operating performance, other operating operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted Property EBITDA and Adjusted EBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies' operating in the gaming or other business sectors. While our management believes these figures may provide useful additional information to investors when considered in conjunction with our U.S. GAAP financial statements and other information in this annual report, less reliance should be placed on Adjusted Property EBITDA or Adjusted EBITDA as a measure in assessing our overall financial performance.

Reconciliation of Net (Loss) Income Attributable to Melco Resorts & Entertainment Limited to Adjusted EBITDA and Adjusted Property EBITDA

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of US$)		
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (811,751)	$ (1,263,492)	$ 373,173
Net (loss) income attributable to noncontrolling interests	(144,713)	(191,122)	21,055
Net (loss) income	(956,464)	(1,454,614)	394,228
Income tax expense (credit)	2,885	(2,913)	8,339
Interest and other non-operating expenses, net	376,128	516,970	345,111
Property charges and other	30,575	47,223	20,815
Share-based compensation	67,957	54,392	31,797
Depreciation and amortization	579,847	618,530	651,205
Development costs	30,677	25,616	57,433
Pre-opening costs	4,157	1,322	4,847
Land rent to Belle Corporation	2,848	3,195	3,061
Payments to the Philippine Parties	26,371	12,989	57,428
Adjusted EBITDA	164,981	(177,290)	1,574,264
Corporate and Other expenses	70,118	73,014	115,208
Adjusted Property EBITDA	$ 235,099	$ (104,276)	$ 1,689,472

B. LIQUIDITY AND CAPITAL RESOURCES

We have relied and intend to rely on our cash generated from our operations and our debt and equity financings to meet our financing needs and repay our indebtedness, as the case may be.

As of December 31, 2021, we held cash and cash equivalents and restricted cash of approximately US$1.65 billion and US$0.4 million, respectively. Further, HK$11.73 billion (equivalent to approximately US$1.50 billion) of the revolving credit facility under the 2020 Credit Facilities and HK$1.0 million (equivalent to approximately US$0.1 million) of the revolving credit facility under the 2015 Credit Facilities were available for future drawdown, subject to satisfaction of certain conditions precedent. Major currencies in which our cash and bank balances (including restricted cash) were held as of December 31, 2021 were the U.S. dollar, H.K. dollar, Euro, the Philippine peso and Pataca.

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 satisfaction of certain conditions precedent.

The PHP2.35 billion (equivalent to approximately US$46.3 million) bank credit facility of MRP remains available for future drawdown as of December 31, 2021, subject to satisfaction of certain conditions precedent.

We have been able to meet our working capital needs, and we believe that our operating cash flow, existing cash balances, funds available under various credit facilities 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 Financing and Indebtedness" 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	$ (268,774)	$ (860,963)	$ 836,162
Net cash used in investing activities	(674,551)	(53,312)	(1,031,849)
Net cash provided by financing activities	821,745	1,263,607	97,114
Effect of exchange rate on cash, cash equivalents and restricted cash	19,359	(26,064)	10,486
Decrease (increase) in cash, cash equivalents and restricted cash, including those classified within assets held for sale	(102,221)	323,268	(88,087)
Cash, cash equivalents and restricted cash at beginning of year	1,755,770	1,432,502	1,520,589
Cash, cash equivalents and restricted cash at end of year, including those classified within assets held for sale	$1,653,549	$1,755,770	$ 1,432,502
Less: cash and cash equivalents classified within assets held for sale	(234)	—	—
Cash, cash equivalents and restricted cash at end of year	1,653,315	1,755,770	1,432,502

Operating Activities

Operating cash flows are generally affected by changes in operating income and accounts receivable with VIP table games play and hotel operations conducted on a cash and credit basis and the remainder of the business including mass market table games play, gaming machine play, food and beverage, and entertainment are conducted primarily on a cash basis.

Net cash used in operating activities was US$268.8 million for the year ended December 31, 2021, compared to net cash used in operating activities of US$861.0 million for the year ended December 31, 2020. The change was primarily due to improved performance of operations as described in the foregoing section and decreased working capital for operations.

Net cash used in operating activities was US$861.0 million for the year ended December 31, 2020, compared to net cash provided by operating activities of US$836.2 million for the year ended December 31, 2019. The change was primarily due to softer performance of operations.

Investing Activities

Net cash used in investing activities was US$674.6 million for the year ended December 31, 2021, compared to net cash used in investing activities of US$53.3 million for the year ended December 31, 2020. The

change was primarily due to higher payments for capitalized construction costs during the year ended December 31, 2021 and no proceeds from the sale of investment securities received for the year ended December 31, 2021. Net cash used in investing activities for the year ended December 31, 2021 mainly included payments for capitalized construction costs and acquisition of property and equipment of US$671.8 million and payments for intangible and other assets of US$7.6 million.

Net cash used in investing activities was US$53.3 million for the year ended December 31, 2020, compared to net cash used in investing activities of US$1,031.8 million for the year ended December 31, 2019. The change was primarily due to higher proceeds from the sale of investment securities for the year ended December 31, 2020 as compared to net payments for investment securities for the year ended December 31, 2019. Net cash used in investing activities for the year ended December 31, 2020 mainly included payments for capitalized construction costs and acquisition of property and equipment of US$436.5 million and payments for intangible and other assets of US$27.3 million, partially offset by proceeds from the sale of investment securities of US$410.0 million.

Our total payments for capitalized construction costs and acquisition of property and equipment were 671.8 million and US$436.5 million for the years ended December 31, 2021 and 2020, respectively. Such expenditures were mainly associated with our development projects, as well as enhancement to our integrated resort offerings.

We expect to incur significant capital expenditures for the development of the remaining land of Studio City and City of Dreams Mediterranean. We intend to finance these projects through our operating cash flow and existing cash balances as well as equity or debt financings. See "— Other Financing and Liquidity Matters" below for more information.

The following table sets forth our capital expenditures incurred by segment on an accrual basis for the years ended December 31, 2021, 2020 and 2019.

	Year Ended December 31,		
	2021	2020	2019
	(in thousands of US$)		
Macau:			
Mocha Clubs	$ 1,368	$ 3,490	$ 6,620
Altira Macau	6,123	11,519	17,707
City of Dreams	52,520	119,014	134,075
Studio City	505,783	214,625	89,846
Sub-total	565,794	348,648	248,248
The Philippines:			
City of Dreams Manila	22,912	15,622	58,697
Cyprus:			
Cyprus operations	186,361	74,523	39,911
Corporate and Other	7,083	25,460	124,265
Total capital expenditures	$782,150	$464,253	$471,121

Our capital expenditures for the year ended December 31, 2021 increased from that for the year ended December 31, 2020 was primarily due to the construction projects in Studio City and Cyprus Operations.

Financing Activities

Net cash provided by financing activities of US$821.7 million for the year ended December 31, 2021 was primarily due to (i) the proceeds from the issuance of the First 2029 Studio City Notes in aggregate principal

amount of US$750.0 million, (ii) the proceeds from the issuance of the Additional 2029 Studio City Notes of US$355.3 million, which priced at 101.5% of the principal amount, (iii) the proceeds from the issuance of the Additional 2029 Senior Notes of US$258.1 million, which priced at 103.250% of the principal amount, and (iv) the drawdown of the revolving credit facility under the 2020 Credit Facilities of US$399.7 million in December 2021, which were offset in part by the (v) the payment of 2024 Studio City Notes Tender Offer of US$347.1 million in aggregate principal amount, (vi) the redemption of the remaining 2024 Studio City Notes of US$252.9 million in aggregate principal amount outstanding, (vii) the repayment of outstanding revolving credit facility under the 2020 Credit Facility of US$249.9 million, (viii) repurchase of shares of US$52.0 million and (ix) payments of deferred financing costs of US$37.4 million.

Net cash provided by financing activities of US$1,263.6 million for the year ended December 31, 2020 was, primarily due to (i) the proceeds from the issuance of 2025 Studio City Notes in an aggregate principal amount of US$500.0 million, (ii) the proceeds from the issuance of 2028 Studio City Notes in an aggregate principal amount of US$500.0 million, (iii) the proceeds from the issuance of the First 2028 Senior Notes in aggregate principal amount of US$500.0 million in July 2020, (iv) the issuance of the Additional 2028 Senior Notes of US$353.5 million in August 2020, which priced at 101.0% of the principal amount, (v) the drawdown of the 2020 Credit Facilities of US$602.2 million, (vi) the drawdown of the revolving credit facility under the 2015 Credit Facilities of US$251.5 million and (vii) net proceeds from issuance of shares of subsidiaries of US$218.4 million, which were offset in part by the (viii) full redemption of the 2021 Studio City Company Notes of US$850.0 million, (ix) repayment of the 2020 Credit Facilities of US$352.2 million, (x) repayment of all loan amounts under the 2015 Credit Facilities of US$252.6 million, other than HK$1.0 million (equivalent to US$0.1 million) which remained outstanding under the term loan facility, (xi) payments of deferred financing costs of US$84.1 million and (xii) dividend payments of US$79.1 million.

Net cash provided by financing activities of US$97.1 million for the year ended December 31, 2019 was, primarily due to (i) the proceeds from the US$900 million in aggregate principal amount of the First 2029 Senior Notes, (ii) the proceeds from the US$600 million in aggregate principal amount of the 2027 Senior Notes, (iii) the proceeds from the US$600 million in aggregate principal amount of the 2024 Studio City Notes, (iv) the proceeds from the drawdowns of the revolving credit facility under the 2015 Credit Facilities of US$550.2 million, (v) the proceeds from the US$500 million in aggregate principal amount of the 2026 Senior Notes and (vi) net proceeds from issuance of shares of subsidiaries of US$83.2 million, which were offset in part by the (vii) repayment of the revolving credit facility under the 2015 Credit Facilities of US$1,644.0 million, (viii) the scheduled repayment and partial early repayment of the term loan under the 2015 Credit Facilities of US$386.7 million, (ix) the full repayment of the 2019 Studio City Company Notes of US$350.0 million upon its maturity, (x) dividend payments of US$301.0 million, (xi) the payment of the 2020 Studio City Notes Tender Offer of US$216.5 million in aggregate principal amount and the redemption of the remaining 2020 Studio City Notes of US$208.5 million in aggregate principal amount outstanding.

Indebtedness

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

	As of December 31, 2021
	(in thousands of US$)
2029 Senior Notes	$ 1,150,000
2029 Studio City Notes	1,100,000
2025 Senior Notes	1,000,000
2028 Senior Notes	850,000
2027 Senior Notes	600,000
2026 Senior Notes	500,000
2025 Studio City Notes	500,000
2028 Studio City Notes	500,000
2020 Credit Facilities	399,693
2015 Credit Facilities	128
2028 Studio City Senior Secured Credit Facility	128
	$ 6,599,949

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

On January 14, 2021, Studio City Finance issued the First 2029 Studio City Notes in an aggregate principal amount of US$750.0 million. The net proceeds of such notes were used to pay the tendering noteholders from the 2024 Studio City Notes Tender Offer and, on February 17, 2021, to redeem, together with accrued interest, all remaining outstanding amounts of the 2024 Studio City Notes, which amounted to US$252.9 million in aggregate principal amount

On January 21, 2021, Melco Resorts Finance issued US$250.0 million in aggregate principal amount of the Additional 2029 Senior Notes.

On January 27, 2021, HK$1.94 billion (equivalent to US$249.9 million) in principal amount outstanding of the revolving credit facility under the 2020 Credit Facilities, together with accrued interest, was repaid with the proceeds from the Additional 2029 Senior Notes.

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 (equivalent to US$29.9 million) revolving credit facility and the HK$1.0 million (equivalent to 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 Studio City Notes.

On June 29, 2021 and July 26, 2021, the 2029 Senior Notes and the 2029 Studio City Notes were listed on the Chongwa (Macao) Financial Asset Exchange Co., Limited, respectively.

On December 1, 2021, MCO Nominee One drew down HK$1.17 billion (equivalent to US$149.6 million) under the 2020 Credit Facilities and, on December 15, 2021, drew down HK$1.95 billion (equivalent to $250.0 million) under the 2020 Credit Facilities.

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

On February 23, 2022, MCO Nominee One drew down US$170.0 million under the 2020 Credit Facilities to fund the purchase of shares from SCI as part of its private placement announced in February 2022.

For further details of the above indebtedness, see note 13 to the consolidated financial statements included elsewhere in this annual report, which includes information regarding the type of debt facilities used, the extent to which borrowings are at fixed rates, 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 interest rate risk and 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 our properties, in particular, the remaining land of Studio City and City of Dreams Mediterranean.

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 August 2020, SCI completed a US$500 million private placement of shares. The net proceeds from this private placement were approximately US$499.2 million, of which US$219.2 million was from noncontrolling interests. In March 2022, SCI completed a US$300 million private placement of shares. The net proceeds from this private placement were approximately US$299.2 million, of which US$134.9 million was from noncontrolling interests.

Our material cash requirements arise from the development of the remaining land at Studio City and the development of City of Dreams Mediterranean, as well as 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, capital expenditures and investing activities. Cash from financing and operations within our group is primarily transferred between our subsidiaries through intercompany loan arrangements or equity capital contributions. In 2020 and 2019, cash used to pay dividends amounted to US$79.1 million and US$301.0 million, respectively, and were funded primarily through dividends declared by our Macau operating subsidiary. In 2021, excluding cash transferred for the purpose of the settlement of intragroup charges, cash transferred to our holding company, Melco Resorts & Entertainment Limited, from its subsidiaries amounted to US$54.2 million. See also "Item 4. Information on the Company — B. Business Overview — Tax" 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 and authorization is required in the Philippines for inward and outward transfers of the Philippine peso above a certain amount. See "Item 4. Information on the Company — B. Business Overview — Regulations — Macau 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 mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams Mediterranean, City of Dreams and operations in Cyprus totaling US$452.7 million. In addition, we have contingent liabilities arising in the ordinary course of business. For further details for our commitments and contingencies, see note 23 to the consolidated financial statements included elsewhere in this annual report.

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]*:					
2029 Senior Notes	$ —	$ —	$ —	$1,150.0	$ 1,150.0
2029 Studio City Notes	—	—	—	1,100.0	1,100.0
2025 Senior Notes	—	—	1,000.0	—	1,000.0
2028 Senior Notes	—	—	—	850.0	850.0
2027 Senior Notes	—	—	—	600.0	600.0
2026 Senior Notes	—	—	500.0	—	500.0
2025 Studio City Notes	—	—	500.0	—	500.0
2028 Studio City Notes	—	—	—	500.0	500.0
2020 Credit Facilities	—	—	399.7	—	399.7
2015 Credit Facilities	0.1	—	—	—	0.1
2028 Studio City Senior Secured Credit Facility	—	—	—	0.1	0.1
Fixed interest payments	336.9	673.9	535.6	420.8	1,967.2
Variable interest payments[2]	4.8	9.6	1.6	—	16.0
Finance leases[3]	50.3	99.8	101.1	330.2	581.4
Operating leases[3]	17.2	15.5	12.2	87.0	131.9
Construction costs and property and equipment retention payables	24.5	20.6	—	—	45.1
Other contractual commitments:					
Construction costs and property and equipment acquisition commitments	450.3	2.4	—	—	452.7
Gaming subconcession premium[4]	19.7	15.8	15.8	162.5	213.8
Total contractual obligations	$ 903.8	$ 837.6	$3,066.0	$5,200.6	$10,008.0

(1) See note 13 to the consolidated financial statements included elsewhere in this annual report for further details on these debt facilities.

(2) Amounts for all periods represent our estimated interest payments on our debt facilities based upon amounts outstanding and HIBOR as at December 31, 2021 plus the applicable interest rate spread in accordance with the respective debt agreements. Actual rates will vary.

(3) See note 14 to the consolidated financial statements included elsewhere in this annual report for further details on these lease liabilities.

(4) Represents i) annual premium with a fixed portion and a variable portion based on the number and type of gaming tables and machines in operation as of December 31, 2021 for our gaming subconcession in Macau, which expires in June 2022; and ii) fixed portion of gaming license fee in Cyprus which expires in June 2047. The gaming tax for gaming subconcession in Macau and the license fee for gaming licenses in the Philippines and Cyprus as disclosed in note 23(b) to the consolidated financial statements are not included in this table as the amount is variable in nature.

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 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.

Each of Melco Resorts Macau and Studio City Company has a corporate rating of "BB-" and "B+" by Standard & Poor's, respectively, and each of Melco Resorts Finance and Studio City Finance has a corporate rating of "Ba3" and "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

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 4. Information on the Company — B. Business Overview — Restrictions on Distribution of Profits Regulations." See also "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy" and note 20 to the consolidated financial statements included elsewhere in this annual report.

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

We have entered into license or hotel management agreements with the following entities or groups:

- Hyatt group in relation to the use of various trademarks owned by Hyatt group for the branding of the Grand Hyatt hotel at City of Dreams;
- Nobu Hospitality LLC in relation to the use of certain trademarks and intellectual property rights owned by Nobu in connection with its development, operation and management of the Nobu hotel and restaurant at City of Dreams Manila;
- Hyatt International Corporation and Melco Resorts Leisure, under which various trademarks owned by Hyatt are licensed to Melco Resorts Leisure for its operation of a hotel at City of Dreams Manila;
- DreamWorks Animation and Melco Resorts Leisure, under which various trademarks and other intellectual property rights owned by DreamWorks Animation are licensed to Melco Resorts Leisure for its operation of DreamPlay by DreamWorks, a family entertainment center at City of Dreams Manila; and
- Marriott International group in relation to the use of its various trademarks for the operation of a W branded hotel by the Marriot International group at Studio City.

In addition, we also purchase gaming tables and gaming machines and enter into licensing agreements for the use of certain trade names and, in the case of the gaming machines, the right to use software in connection

therewith. These include a license to use a jackpot system for the gaming machines. 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 will 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, 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 the proposed law amending the Macau gaming law, as well as any other policies and legislation implemented by the Macau government, including interpretations thereof, such as those relating to the granting of new gaming concessions and the rules and policies thereof, 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 Chinese 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 Chinese government, including criminalization of 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 properties and the spending amount of such patrons;
- The gaming and leisure market in Macau and the Philippines are developing and the competitive landscapes are expected to evolve as more gaming and non-gaming facilities are developed in the regions where our properties are located. More supply of integrated resorts in the Cotai region of Macau and in Entertainment City of the Philippines will intensify the competition in the business that we operate. Our business in Cyprus operates in a new gaming market and the market landscape is expected to be more volatile and unpredictable, especially given that our flagship project in Cyprus, City of Dreams Mediterranean, is still being developed;
- The impact of new policies and legislation implemented by the Philippine government, including potential additional licensing requirements and potential tax legislation subjecting our Philippine subsidiaries to Philippines corporate income tax, value-added tax and other tax assessments in addition to the license fees paid to PAGCOR pursuant to the Philippine License;
- 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 of our 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 and we also ceased all gaming promoters arrangements in Macau in December 2021.

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. Our consolidated financial statements were prepared in conformity with U.S. GAAP. Certain of our accounting policies require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, management evaluates those estimates and judgments which are made based on information obtained from our historical experience, terms of existing contracts, industry trends and outside sources that are currently available to us, and on various other assumptions that management believes to be reasonable and appropriate in the circumstances. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. We believe that the critical accounting policies discussed below affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Property and Equipment and Other Long-lived Assets

During the development and construction stage of our integrated resort facilities, 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.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened. Property and equipment and other long-lived assets with a finite useful life 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. The remaining estimated useful lives of the property and equipment are periodically reviewed. Refer to note 2(j) 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 rights in Macau under the land concession contracts for Altira Macau, City of Dreams and Studio City are being amortized over the estimated term of the land use rights on a straight-line basis. The estimated term of the land use rights under the applicable land concession contracts are 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 rights are periodically reviewed. Refer to note 2(q) to the consolidated financial statements included elsewhere in this annual report for further details of estimated term of the land use rights.

Costs of repairs and maintenance are charged 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.

Costs incurred to develop software for internal use are capitalized and amortized on a straight-line basis over the estimated useful life. 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. The remaining estimated useful lives of the internal-use software are periodically reviewed. Refer to note 2(m) to the consolidated financial statements included elsewhere in this annual report for further details of estimated useful lives of the internal-use software.

Our total capital expenditures for the years ended December 31, 2021, 2020 and 2019 were US$782.2 million, US$464.3 million and US$471.1 million, respectively, of which US$653.8 million, US$249.2 million and US$78.2 million, respectively, were attributable to our development and construction projects, with the remainder primarily related to the enhancements to our integrated resort offerings of our properties. The development and construction capital expenditures primarily related to the development and construction of various projects at City of Dreams, including Morpheus, Studio City and City of Dreams Mediterranean during the years ended December 31, 2021, 2020 and 2019. Refer to note 25 to the consolidated financial statements included elsewhere in this annual report for further details of these capital expenditures.

We also review our property and equipment and other 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, then an impairment charge is recorded 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, discount rates and capitalization rates. If an asset is still under development, future cash flows include remaining construction costs. All recognized impairment losses are recorded as operating expenses.

During the year ended December 31, 2021, 2020 and 2019, impairment loss of US$3.6 million, US$8.1 million and US$9.6 million were recognized, mainly due to reconfigurations and renovations at our operating properties, and of which US$1.1 million, nil and US$6.3 million were provided for the years ended

December 31, 2021, 2020 and December 31, 2019, respectively, for a parcel of freehold land due to a significant decrease in its market value as of December 31, 2021and 2019, respectively.

The disruptions to our business caused by the COVID-19 outbreak had an 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 evaluated our long-lived assets at each asset group, including our casino properties in Macau, the Philippines and Cyprus, and our Japan properties for recoverability at interim and as of December 31, 2021. We determined and concluded an impairment of US$1.1 million existed on our Hakone, Japan land at that date, while no impairments on our other properties existed. 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.

Goodwill and Purchased Intangible Assets

We review the carrying value of goodwill and purchased intangible assets with indefinite useful lives for impairment at least on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill and purchased intangible assets with indefinite useful lives as at December 31, 2021, 2020 and 2019 were associated with Mocha Clubs, a reporting unit, which arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by our Company in 2006 and a ski resort in Japan (the "Japan Ski Resort"), a reporting unit, which arose from the acquisition of Kabushiki Kaisha Okushiga Kogen Resort in 2019.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, we may first perform a qualitative assessment to determine whether it is more likely than not that the asset is impaired. If we determine a qualitative assessment is to be performed, we assess certain qualitative factors including, but not limited to, the results of the most recent quantitative impairment test, operating results and projected operating results, and macro-economic and industry conditions. If we determined that it is more likely than not that the asset is impaired after assessing the qualitative factors, we then perform a quantitative impairment test.

On January 1, 2020, we adopted the accounting standards update on goodwill impairment test on a prospective basis. To perform a quantitative impairment test of goodwill, we perform an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. If the carrying value of the reporting unit exceeds its fair value, we would recognize an impairment loss for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit. We determine the fair value of our reporting units using income valuation approaches through the application of discounted cash flow method.

The projections for future cash flows utilized in the discounted cash flow method are derived from historical experience and assumptions regarding future growth and profitability of the reporting unit, These projections are consistent with our budget and strategic plan. Cash flows for the five years subsequent to the date of the quantitative goodwill impairment test were utilized in the determination of the fair value of the reporting unit. Beyond five years, a terminal value was determined using a perpetuity growth rate. For the goodwill impairment test of Mocha Clubs, the rates used to discount the cash flow are 9.8% and 10.8% for the years ended December 31, 2021 and 2020 respectively and sensitivity analysis was performed by either reducing the operating cash flows by 5% or increasing the discount rate by one percentage point, which would not have resulted in its carrying value exceeding its fair value.

To perform a quantitative impairment test of the trademarks of Mocha Clubs, we perform an assessment that consists of a comparison of their carrying values with their fair values using the relief-from-royalty method. Under this method, we estimate the fair values of the trademarks, mainly based on the

incremental after-tax cash flow representing the royalties that we are relieved from paying given we are the owner of the trademarks. These valuation techniques are based on a number of estimates and assumptions, including the projected future revenues of the trademarks, calculated using an appropriate royalty rate, discount rate and long-term growth rates.

We performed qualitative assessments for the year ended December 31, 2019 for our annual tests for impairment of goodwill and trademarks in accordance with the accounting standards regarding goodwill and other intangible assets. We determined that there were no impairment of goodwill and trademarks for the year ended December 31, 2019.

The disruptions to our business caused by the COVID-19 outbreak had adverse effects on the financial condition and operations of Mocha Clubs and the Japan Ski Resort for the year ended December 31, 2021 and 2020. As a result, we concluded that a triggering event occurred and we have performed quantitative assessments for impairment of goodwill and trademarks of these reporting units at interim and as of December 31, 2021 and 2020.

As a result of these assessments, no impairment losses on goodwill and trademarks were recognized during the years ended December 31, 2021 and 2019. An impairment loss of US$13.9 million was recognized against the goodwill of the Japan Ski Resort for the year ended December 31, 2020.

As discussed above, determining the fair value of goodwill and trademarks is judgmental in nature and requires the use of significant estimates and 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 fair value of the goodwill and trademarks of the Group.

Revenue Recognition

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

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

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

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

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

We follow the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for operations of certain hotels and Grand Dragon Casino and concluded that we are the controlling entity and are the principal to these arrangements. For the operations of certain hotels, we are the owner of the hotel properties, and the hotel managers operate the hotels under certain management agreements providing management services to us, and we receive all rewards and take substantial risks associated with the hotels' business; we are the principal and the transactions are, therefore, recognized on a gross basis. For the operations of Grand Dragon Casino, given we operate the casino under a right to use agreement with the owner of the casino premises and have full responsibility for the casino operations in accordance with our gaming subconcession, we are the principal and casino revenue is, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from the 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. 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 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 other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Accounts Receivable and Credit Risk

Financial instruments that potentially subject our Company to concentrations of credit risk consist principally of casino receivables. We issue credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is also given to our gaming promoters in Philippines and, historically, to gaming promoters in Macau, which receivables can be offset against commissions payable and any other value items held by us to the respective customers and for which we intend to set off when required. For the years ended December 31, 2021, 2020 and 2019, approximately 11.9%, 15.6%, and 22.5% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters, respectively.

As of December 31, 2021 and 2020, a substantial portion of our markers were due from customers and gaming promoters residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

On January 1, 2020, we adopted Accounting Standards Codification 326, *Financial Instruments — Credit Losses (Topic 326)* ("ASU 2016-13") for the measurement of credit losses on financial instruments under the modified retrospective method. There was no material impact on our financial position as of January 1, 2020 and December 31, 2020 and our results of operations and cash flows for the year ended December 31, 2020 as a result of the adoption of ASU 2016-13. The accounting policies for allowances for credit losses are as follows:

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which reflects the net amount the Company expects to collect. The allowance is estimated based on our specific reviews of customer accounts with a balance over a specified dollar amounts, 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.

As of December 31, 2021 and 2020, the Company's allowances for casino credit losses were 83.4% and 72.2% of gross casino accounts receivables, respectively. The allowances for casino credit losses as a percentage of gross casino accounts receivable increased in 2021 was due to an increase in the age of outstanding account balances primarily caused by the COVID-19 outbreak, the cessation of gaming promoter operations and management's expectations of future economic and business conditions and forecasts, including the impact of the COVID-19 outbreak. At December 31, 2021, a 100 basis-point change in the estimated allowance for credit losses as a percentage of casino receivables would change the allowance for credit losses by approximately US$3.2 million.

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$267.3 million and US$284.7 million, respectively, as management believes 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 carryforward 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.

Name	Age	Position/Title
Lawrence Yau Lung Ho	45	Chairman, chief executive officer and director
Clarence Yuk Man Chung	59	Director
Evan Andrew Winkler	47	President and director
Alec Yiu Wa Tsui	72	Independent non-executive director
Thomas Jefferson Wu	49	Independent non-executive director
John William Crawford	79	Independent non-executive director
Francesca Galante	46	Independent non-executive director
Geoffrey Stuart Davis	53	Executive vice president and chief financial officer
Stephanie Cheung	59	Executive vice president and chief legal officer
Akiko Takahashi	68	Executive vice president and chief of staff to Chairman and chief executive officer

Directors

Mr. Lawrence Yau Lung Ho was appointed as our director on December 20, 2004, and served as our 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. In addition, Mr. Ho has been a director of SCI since July 2011. 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.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho also serves on the board or participates as a committee member in various organizations in Hong Kong, Macau and the PRC. He is a vice chairman of All-China Federation of Industry and Commerce; a member of All China Youth Federation; a member of Macau Basic Law Promotion Association; chairman of 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 Association of Property Agents and Real Estate Developers of Macau and director Executive of 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 the PRC.

Mr. Clarence Yuk Man Chung was appointed as our director 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 MRP since December 2012, a director of SCI since October 2018 and has also been appointed as a director of certain of our subsidiaries 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. Evan Andrew Winkler was appointed as our director on August 3, 2016 and also our president 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 also a director of SCI since August 2016. Mr. Winkler has also been appointed as 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 degree in Economics from the University of Chicago.

Mr. Alec Yiu Wa Tsui was appointed as an independent non-executive director on December 18, 2006. Mr. Tsui is the chairman of our nominating and corporate governance committee and a member of our audit and risk committee and compensation committee. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission of Hong Kong from 1989 to 1993, joined the HKSE in 1994 as an executive director of the finance and operations services division and was its chief executive from February 1997 to July 2000. He was also the chief operating officer of Hong Kong Exchanges and Clearing Limited from March to August 2000. During his tenure at the HKSE, Mr. Tsui was in charge of the finance and accounting functions. Mr. Tsui was the chairman of the Hong Kong Securities Institute from 2001 to 2004 and a consultant of the Shenzhen Stock Exchange from July 2001 to June 2002. Mr. Tsui was an independent non-executive director of China Blue Chemical Limited from April 2006 to June 2012, China Chengtong Development Group Limited from March 2003 to November 2013, China Power International Development Limited from March 2004 to December 2016 and China Oilfield Services Limited from June 2009 to June 2015, all of which are listed on the HKSE. Mr. Tsui has been a director of Industrial and Commercial Bank of China (Asia) Limited since August 2000. Mr. Tsui is also an independent non-executive director of a number of companies listed on the HKSE and Nasdaq, including COSCO Shipping International (Hong Kong) Co., Ltd. since 2004, Pacific Online Limited since 2007, ATA Creativity Global since 2008, Hua Medicine since September 2018 and Brii Biosciences Limited since July 2021, Summit Ascent Holdings Limited from March 2011 to September 2018, Kangda International Environmental Company Limited from July 2014 to April 2019, DTXS Silk Road Investment Holdings Company Limited from December 2015 to May 2020. In addition, due to his long experience as an executive supervising finance and accounting functions, and extensive knowledge and expertise in internal controls and procedures for financial reporting and other matters performed by audit committees in general, Mr. Tsui also serves as a member of the audit committee on several of the companies on which he serves as a director.

Mr. Tsui graduated from the University of Tennessee with a bachelor’s degree in industrial engineering in 1975 and a master of engineering degree in 1976. He completed a program for senior managers in government at the John F. Kennedy School of Government at Harvard University in 1993.

Mr. Thomas Jefferson Wu** **JP was appointed as an independent non-executive director on December 18, 2006. Mr. Wu is also the chairman of our compensation committee and a member of our audit and risk committee and nominating and corporate governance committee. Mr. Wu was the deputy chairman and managing director of Hopewell Holdings Limited, a business conglomerate which was de-listed from the HKSE, from February 2018 to May 2019. Mr. Wu has served in various roles with the Hopewell Holdings group since

1999, including group controller from March 2000 to June 2001, executive director from June 2001 to May 2019, chief operating officer from January 2002 to August 2003, deputy managing director from August 2003 to June 2007, co-managing director from July 2007 to September 2009, managing director from October 2009 to May 2019 and deputy chairman of Hopewell Holdings Limited from February 2018 to May 2019. Mr. Wu has also been an executive director, managing director and non-executive director of Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company listed on the HKSE, from January 2003 to April 2018, from July 2003 to April 2018 and from April 2018 to May 2018, respectively.

Mr. Wu graduated with high honors from Princeton University in 1994 with a Bachelor of Science degree in Mechanical and Aerospace Engineering. Mr. Wu then worked in Japan as an engineer for Mitsubishi Electric Corporation for three years before returning to full-time studies at Stanford University, where he obtained a Master of Business Administration degree in 1999. In 2015, he was conferred an honorary fellowship by Lingnan University.

Mr. Wu is active in public service in both Hong Kong and the PRC. Mr. Wu serves in a number of advisory roles at different levels of government. In the PRC, Mr. Wu is a member of the 13th National Committee of the Chinese People's Political Consultative Conference and the 11th & 12th Heilongjiang Provincial Committee of the Chinese People's Political Consultative Conference and was a Standing Committee member and a member of the Guangzhou Municipality Huadu District Committee of the Chinese People's Political Consultative Conference, among other public service capacities.

In Hong Kong, Mr. Wu's major public service appointments include being a board member of The Airport Authority Hong Kong of the Hong Kong Special Administrative Region Government (the "HKSARG"), a member of the Energy Advisory Committee of the Environment Bureau of the HKSARG, a member of the Committee on Real Estate Investment Trusts of Securities and Futures Commission, a Vice Patron of the Community Chest of Hong Kong, a deputy director of Economic Affairs Committee and a member of Friends of Hong Kong Association Limited as well as Honorary Advisor of the Hong Kong Army Cadets Association. Mr. Wu is also a member of the Business School Advisory Council of The Hong Kong University of Science and Technology. Previously, Mr. Wu was a council member of The Hong Kong Polytechnic University and the Hong Kong Baptist University, a member of the Court of The Hong Kong University of Science and Technology, a board member of the Asian Youth Orchestra, a member of the standing committee on Disciplined Services Salaries and Conditions of Service and a member of the Hong Kong Tourism Board of the HKSARG.

In addition to his professional and public service engagements, Mr. Wu is mostly known for his passion for ice hockey, as well as the sport's development in Hong Kong and the region. Mr. Wu is the co-founder and chairman of the Hong Kong Amateur Club and Hong Kong Academy of Ice Hockey, as well as chairman of the Hong Kong Ice Hockey Officials Association. Mr. Wu is also the honorary president of the Hong Kong Ice Hockey Association (the national sports association of ice hockey in Hong Kong), vice-chairman of Chinese Ice Hockey Association, honorary president of Macau Ice Sports Federation and honorary chairman of Ice Hockey Association of Taipei Municipal Athletics Federation. Mr. Wu served as the vice president (Asia/Oceania) of the International Ice Hockey Federation from 2012 to 2021.

In 2006, the World Economic Forum selected Mr. Wu as a "Young Global Leader". Mr. Wu was also awarded the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2010, the "Asian Corporate Director Recognition Award" by Corporate Governance Asia in 2011, 2012 and 2013, and named the "Asia's Best CEO (Investor Relations)" in 2012, 2013 and 2014.

Mr. John William Crawford** **JP was appointed as an independent non-executive director on January 12, 2017. Mr. Crawford was a member of our audit and risk committee up until March 21, 2018 when he became its chairman. He is also a member of our compensation committee and nominating and corporate governance committee. Mr. Crawford became an independent non-executive director of Melco International, the chairman of

its audit committee and nomination committee and a member of its corporate governance committee on September 13, 2019. Mr. Crawford has been the managing director of Crawford Consultants Limited and International Quality Education Limited since 1997 and 2002, respectively. Previously, Mr. Crawford was a founding partner of Ernst & Young, Hong Kong, where he acted as engagement or review partner for many public companies and banks during his 25 years in public accounting and was the chairman of the audit division and the vice chairman of the Hong Kong office of the firm prior to retiring in 1997. Mr. Crawford has extensive knowledge of accounting issues from his experience as a managing audit partner of a major international accounting firm and also has extensive operational knowledge as a result of his consulting experience. Mr. Crawford has served as an independent non-executive director and chairman of the audit committee of Regal Portfolio Management Limited of Regal REIT since November 2006 and chairman of its Disclosure Committee since March 2010, and as an independent non-executive director of Entertainment Gaming Asia Inc. since November 2007 and up until his resignation on July 3, 2017. In November 2011, Mr. Crawford was appointed as a member of the conflicts committee of our subsidiary SCI and resigned from this position on January 10, 2017. Mr. Crawford previously served as an independent non-executive director and chairman of the audit committee of other companies publicly listed in Hong Kong, the most recent of which was E-Kong Group Limited until June 8, 2015.

Mr. Crawford has been deeply involved in the education sector in Asia, including setting up international schools and providing consulting services. He was a member and a governor for many years of the Canadian International School of Hong Kong and remains active in overseeing and consulting for other similar pre-university schools. Additionally, Mr. Crawford is involved in various charitable and/or community activities and was a founding member of UNICEF Hong Kong Committee and the Hong Kong Institute of Directors. In 1997, Mr. Crawford was appointed a Justice of the Peace in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a member and honorary president of the Macau Society of Certified Practising Accountants and a member of the Canadian Institute of Chartered Accountants.

Ms. Francesca Galante was appointed as an independent non-executive director on September 5, 2018. Ms. Galante is a member of each of our compensation committee, audit and risk committee and nominating and corporate governance committee. Ms. Galante has been the co-founder and partner of First Growth Real Estate, a specialist advisory firm focused on real estate structured debt arranging, restructuring and special servicing throughout Continental Europe since 2010. Previously, Ms. Galante was an executive director in the real estate principal finance division at UBS Investment Bank in London. Prior to that she worked at Soros Real Estate Partners and Merrill Lynch. With 20 years of real estate investment and advisory experience in both Europe and North America, Ms. Galante has extensive experience on real estate transactions in office, hotel, residential and industrial asset classes. Ms. Galante received her Master of Science in Management from the Université Paris-Dauphine and Master of Finance from Ecole Supérieure De Commerce De Paris (now ESCP Europe).

Board Diversity

The table below provides certain information regarding the diversity of our board of directors.

Board Diversity Matrix (As of March 31, 2022)

Place of Principal Executive Offices:			Hong Kong	
Foreign Private Issuer:			Yes	
Disclosure Prohibited under Home Country Law:			No	
Total Number of Directors:			7	
	Part I: Gender Identity			
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Directors	1	3	0	3
	Part II: Demographic Background			
Underrepresented Individual in Place of Principal Executive Offices			0	
LGBTQ+			0	
Did Not Disclose Demographic Background			4	

Executive Officers

Mr. Geoffrey Stuart Davis is our executive vice president and chief financial officer and he was appointed to his current role in April 2011. Prior to that, he served as our deputy chief financial officer from August 2010 to March 2011 and our senior vice president, corporate finance since 2007, when he joined our Company. In addition, Mr. Davis has been the chief financial officer of Melco International since December 2017, the chief financial officer and a director of SCI since June 2019 and October 2018, respectively, and is also a director of a number of our subsidiaries. Prior to joining us, 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 is our executive vice president and chief legal officer and she was appointed to her current role in December 2008. Prior to that, she held the title of general counsel from November 2006, when she joined our Company. She has acted as the secretary to our board since she joined our Company. In addition, Ms. Cheung has been a director of SCI since October 2018. Prior to joining us, 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 is our executive vice president and chief of staff to chairman and chief executive officer, and was appointed to this role in June 2019. Ms. Takahashi is also a director of Studio City International Holdings Limited, a subsidiary of the Company whose ADSs have been listed on the New York Stock Exchange since October 2018. Prior to her present roles, she was the Company's executive vice president and chief officer, human resources/corporate social responsibility from December 2008 and held the title of group human resources director from December 2006, when she joined our Company. Prior to joining us, 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 our Company 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. She 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.

Management Structure

Mr. Ho, our chairman and chief executive officer, is responsible for the day-to-day operational leadership of our Company. Our management structure includes an executive committee which is composed of our executive officers and other senior executives including chief operating officers, property president, executive vice presidents and other business unit leaders and is responsible for formulating business strategies and considering day-to-day operational matters. On September 4, 2019, Mr. Evan Andrew Winkler, a board member of the Company, was appointed as President of the Company. Prior to September 4, 2019, all our executive officers and senior executives reported directly to Mr. Ho. Upon Mr. Winkler's appointment as President of the Company, he assumed responsibility for the Company's day-to-day operational matters globally and the Company's operational departments, chief operating officers and property president commenced reporting directly to Mr. Winkler while our executive officers and a few other senior executives, together with Mr. Winkler himself, continued to report directly to Mr. Ho.

B. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Our directors and executive officers receive compensation in the form of salaries, discretionary bonuses, equity awards, contributions to pension schemes and other benefits. The aggregate amount of compensation paid, and benefits in kind granted, including contingent or deferred compensation accrued for the year, to all the directors and executive officers of our Company as a group, amounted to approximately US$35.2 million for the year ended December 31, 2021.

Bonus Plan

We offer our management employees, including senior executive officers, the ability to participate in our Company's discretionary annual bonus plan. As part of this plan, employees may receive compensation in addition to their base salary upon satisfactory achievement of certain financial, strategic and individual objectives. Directors, other than Mr. Lawrence Ho, who participates in his capacity as our chief executive officer, are excluded from this plan. The discretionary annual bonus plan is administered at the sole discretion of our Company and our compensation committee.

Equity Awards

On March 31, 2021, we granted 547,878 restricted shares pursuant to our 2011 Share Incentive Plan to directors and executive officers of our Company. The grant date fair value of the restricted shares granted (closing price of the grant date) was US$6.6367 per share. Such grantees will receive ordinary shares upon vesting of restricted shares at par value.

On April 7, 2021, we granted share options to acquire 719,724 of our ordinary shares pursuant to our 2011 Share Incentive Plan to directors and executive officers of our Company with an exercise price of US$6.8933 per share and 1,867,236 restricted shares with grant date fair value (closing price of the grant date) of US$6.8933 per share. The options expire ten years from the date of grant. Such grantees will receive ordinary shares upon vesting of restricted shares at par value.

On July 7, 2021, we granted 1,576,920 restricted shares to directors and executive officers of our Company pursuant to our share purchase and award program ("Share Purchase Program") adopted in 2021 pursuant to which eligible employees were invited to use a portion of his or her base salary during the term of the

Share Purchase Program, which runs from July 2021 to June 2022, to purchase and receive a grant of restricted shares under our 2011 Share Incentive Plan, with an aggregate value equal to 200% of the amount of base salary so applied as at the grant date. The grant date fair value of the restricted shares granted (closing price of the grant date) is US$5.3500 per share. Such grantees will receive ordinary shares upon vesting of restricted shares at par value.

Pension, Retirement or Similar Benefits

For the year ended December 31, 2021, we set aside or accrued approximately US$0.1 million to provide pension, retirement or similar benefits to our senior executive officers. Our directors, other than Mr. Lawrence Ho who participates in his capacity as our chief executive officer, do not participate in such schemes.

C. BOARD PRACTICES

Composition of Board of Directors

Our board consists of seven directors, including three directors nominated by Melco International and four independent directors. Nasdaq Stock Market Rule 5605(b)(1) generally requires that a majority of an issuer's board of directors must consist of independent directors. However, Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers (Hong Kong), our Cayman Islands counsel, has provided a letter to Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to have a majority of independent directors serving on our board. Since September 5, 2018, we have had a majority of independent directors serving on our board. Prior to that, we relied on this "home country practice" exception.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. 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. An individual shareholder or we, as the Company, have (as applicable) the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board 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 resign, are removed from office by special resolution or by a majority of the directors, or otherwise vacate their office in accordance with our articles of association. A

director will vacate 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 a court to be of unsound mind. In addition, none of the service agreements between us and our directors provide benefits upon termination of their service.

Committees of the Board of Directors

Our board established an audit committee, a compensation committee and a nominating and corporate governance committee in December 2006. Our audit committee was renamed our audit and risk committee on August 3, 2016. Each committee has its defined scope of duties and terms of reference within its own charter, which empowers the committee members to make decisions on certain matters. The charters of these board committees were adopted by our board on November 28, 2006 and have been amended and restated on several occasions, with the latest version of the compensation committee charter, the audit and risk committee charter and the nominating and corporate governance committee charter each adopted on December 3, 2021. These charters are found on our website. Each of these committees consists entirely of directors whom our board has determined to be independent under the "independence" requirements of the Nasdaq corporate governance rules. 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 Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Crawford. Each of the committee members satisfies the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, or the Exchange Act. We believe that Mr. Crawford qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F. On September 13, 2019, Mr. Crawford was appointed as an independent non-executive director of Melco International, our parent company and a related party. Since his appointment to the Melco International board, Mr. Crawford has not participated in, or voted on or consented to, any actions or matters being considered by our audit and risk committee which involved any related party transaction with Melco International. The purpose of the committee is to assist 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 auditor, 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, which is brought to its attention by our disclosure committee;
- the integrity and effectiveness of our internal audit function; and
- the risk management policies, procedures and practices.

The duties of the 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 and after considering a tendering process for the appointment of the independent auditor every five years;

- 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 Chief Risk Officer and 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 its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Compensation Committee

Our compensation committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Wu. The purpose of the committee is to discharge the responsibilities of the board relating to compensation of our directors and our executives, including, amongst others, to design (in consultation with management), evaluate and approve the compensation plans, policies and programs for the executives and evaluate and recommend to our board for approval of the directors' compensation.

Members of this committee are not prohibited from direct involvement in determining their own compensation. Our chief executive officer may not be present at any compensation committee meeting during the time when his compensation is deliberated.

The duties of the committee include:

- overseeing the development and implementation of executive compensation programs in consultation with our management;
- at least annually, making recommendations to our board for approval with respect to the compensation arrangements for our directors, and approving compensation arrangements for our chief executive officer and other executives;

- at least annually, reviewing and approving our incentive compensation plans and equity grant, if any, under our share incentive plans, 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 executive directors and executives in connection with any loss or termination of their office or appointment;
- reviewing and approving any benefits in kind received by any director or executives 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;
- at such time as it deems appropriate, reviewing and making recommendations to the Board with respect to the adoption of any share incentive plans and/or modifications to the terms thereof and carrying out of the committee's duties and responsibilities as set forth in such share incentive plans;
- assessing the adequacy of its charter; 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 Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui, John William Crawford and Ms. Francesca Galante, and is chaired by Mr. Tsui. The purpose of the committee is to assist our board in discharging its responsibilities regarding:

- the identification of qualified candidates to become members and chairs of the board and its 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 Nasdaq 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 (including the relevant laws related to the gaming industry), the Cayman Islands, the SEC and Nasdaq;
- the development and recommendation to our board of a set of corporate governance principles applicable to our Company;
- the disclosure, in accordance with our relevant policies, of any material information (other than that regarding the quality or integrity of our financial statements), which is brought to its attention by the disclosure committee; and
- oversight of our environmental, social and governance-related risks and opportunities.

The duties of the 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 Nasdaq 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 (other than that regarding the quality or integrity of our financial statements), which is brought to its attention by the disclosure committee, 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 employees and directors;
- together with the board, evaluating the performance of the committee on an annual basis;
- reviewing the environmental, social and governance-related policies and the related regular public disclosures;
- assessing the adequacy of its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Employment Agreements

We have entered into an employment agreement with each of our executive officers. The terms of the employment agreements are substantially similar for each executive officer, except as noted below. We may terminate an executive officer's employment for cause, at any time, without advance notice, for certain acts of the officer, including, but not limited to, a serious criminal act, willful misconduct to our detriment or a failure to perform agreed duties. Furthermore, either we or an executive officer may terminate employment at any time without cause upon advance written notice to the other party. Except in the case of Mr. Lawrence Yau Lung Ho, upon notice to terminate employment from either the executive officer or our Company, our Company may limit the executive officer's services for a period until the termination of employment. Each executive officer (or his estate, as applicable) is entitled to accrued amounts in relation to such executive officer's employment with us upon termination due to disability or death. We will indemnify an executive officer for his or her losses based on or related to his or her acts and decisions made in the course of his or her performance of duties within the scope of his or her employment.

Each executive officer has agreed to hold, both during and after the termination of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or as compelled by law, any of our or our customers' confidential information or trade secrets. Each executive officer also agrees to comply with all material applicable laws and regulations related to his or her responsibilities at our Company as well as all material written corporate and business policies and procedures of our Company.

Each executive officer is prohibited from gambling at any of our Company's facilities during the term of his or her employment and six months following the termination of such employment agreement.

Each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and for certain periods following the termination of such employment agreement. Specifically, each executive officer has agreed not to (i) assume employment with or provide services as a director for any of our competitors who operate in a restricted area for six months following termination of employment; (ii) solicit or seek any business orders from our customers for one year following termination of

employment; or (iii) seek directly or indirectly, to solicit the services of any of our employees for one year following termination of employment. The restricted area is defined as, including but not limited to, Hong Kong, Macau, the Philippines, Cyprus and any other country or region in which our Company operates or intends to operate.

D. EMPLOYEES

Employees

We had 17,878, 19,746 and 23,078 employees as of December 31, 2021, 2020 and 2019, respectively. The following table sets forth the number of employees categorized by the areas of operations and as a percentage of our workforce as of December 31, 2021, 2020 and 2019. Staff remuneration packages are determined taking into account market conditions and the performance of the individuals concerned, and are subject to review from time to time.

	As of December 31,					
	2021		2020		2019	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs[1]	616	3.4%	647	3.3%	693	3.1%
Altira Macau	1,124	6.3%	1,554	7.9%	1,686	7.3%
City of Dreams	7,227	40.4%	7,660	38.8%	8,706	37.7%
Corporate and centralized services[2]	628	3.5%	700	3.5%	675	2.9%
Studio City	3,793	21.2%	3,923	19.9%	4,485	19.4%
City of Dreams Manila	3,730	20.9%	4,551	23.0%	5,867	25.4%
Cyprus Operations	760	4.3%	711	3.6%	965	4.2%
Total	17,878	100.0%	19,746	100.0%	23,078	100.0%

(1) For the purposes of this table, figures include employees at Grand Dragon Casino described under "Item 4B. Business Overview — Our Land and Premises — Other Premises".

(2) For the purposes of this table, figures include employees at our ski resort in Nagano, Japan described under "Item 4B. Business Overview — Our Land and Premises — Other Premises".

Other than the rank-and-file employees of the Table Games Division of City of Dreams Manila, none of our employees are members of any labor union and we are not party to any collective bargaining or similar agreement with our employees. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — The success of our business depends on our ability to attract and retain an adequate number of qualified personnel. A limited labor supply, increased competition and any increase in demands from our employees could cause labor costs to increase."

We have implemented a number of employee attraction and retention initiatives over recent years for the benefit of our employees and their families. These initiatives include, among others, a unique in-house learning academy (which provides curriculum across multi-functional tracks such as technical training — gaming and non-gaming, sales and marketing, legal, finance, human resources, computer application, language, service, leadership and lifestyle), a foundation acceleration program designed to enhance our employees' understanding of business perspectives beyond their own jobs, an on-site high school diploma program and Diploma in Casino Management program (a collaboration with The University of Macau), the Diploma in Hospitality Management (a collaboration with the Institute for Tourism Studies), scholarship awards to encourage the concept of life-long learning, as well as ample internal promotion and transfer opportunities. In September 2015, we launched the Melco You-niversity program with the Edinburgh Napier University, an overseas institution based in the United Kingdom which was rated 'Excellent' in Eduniversal 2014 ranking, to bring a bachelor degree program in-house.

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.

Name	Number of ordinary shares	Approximate percentage of shareholding[1]
Lawrence Yau Lung Ho	812,729,781 [2]	55.80%
	12,644,169 [3]	0.87%
Clarence Yuk Man Chung	*	*
Evan Andrew Winkler	*	*
Alec Yiu Wa Tsui	*	*
Thomas Jefferson Wu	*	*
John William Crawford	*	*
Francesca Galante	*	*
Geoffrey Stuart Davis	*	*
Stephanie Cheung	*	*
Akiko Takahashi	*	*
Directors and executive officers as a group	831,541,418	57.09%

* The options, restricted shares and our shares in aggregate held by each of these directors and executive officers represent less than 1% of our total outstanding shares.

(1) Percentage of beneficial ownership of each director and executive officer is based on: (i) 1,456,547,942 ordinary shares of our Company outstanding as of March 25, 2022, (ii) the number of ordinary shares of underlying options that have vested or will vest within 60 days after March 25, 2022 and (iii) the number of restricted shares that will vest within 60 days after March 25, 2022, each as held by such person as of that date.

(2) Represents 812,729,781 ordinary shares which may be deemed to be beneficially owned by Melco Leisure, a company wholly owned by Melco International, a Hong Kong company listed on the HKSE. Mr. Lawrence Ho is taken to have interest in these shares as a result of his interest in approximately 58.48% of the total issued shares of Melco International by virtue of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). Please see “Item 7. Major Shareholders and Related Party Transactions” for more details.

(3) Comprises 1,850,892 vested restricted shares, 1,446,498 shares acquired from exercise of options and 6,090,483 share options granted under the 2011 Share Incentive Plans and vested to Mr. Lawrence Ho as of March 25, 2022. The following table summarizes, as of March 25, 2022, the outstanding options and restricted shares (including 3,256,296 restricted shares and share options that will vest from 60 days of March 25, 2022) held by Mr. Lawrence Ho:

Name	Type of awards	Grant date	Last exercisable date and expiration date of share options	Exercise price of share options per share /Fair value of restricted shares at grant date per share (US$)	Number of underlying shares outstanding
Lawrence Yau Lung Ho	Share options	March 29, 2012	March 28, 2022	3.9270+	474,399
	Share options	May 10, 2013	May 9, 2023	5.3163+	362,610
	Share options	March 28, 2014	March 27, 2024	5.3163+	320,343
	Share options	March 30, 2015	March 29, 2025	5.3163+	690,291
	Share options	March 18, 2016	March 17, 2026	5.3163+	1,302,840
	Share options	March 31, 2017	March 30, 2027	6.18	1,470,000
	Share options	April 2, 2018	April 1, 2028	9.40	1,470,000
	Restricted shares	April 1, 2019	N/A	8.1433	613,614
	Restricted shares	March 31, 2020	N/A	4.1333	4,661,340
	Restricted shares	April 7, 2021	N/A	6.8933	1,454,868
	Restricted shares	July 7, 2021	N/A	5.3500	624,024
				Total	**13,444,329**

\+ With effect from March 18, 2016, the exercise price of all outstanding share options awarded in 2013, 2014 and 2015 under the 2011 Share Incentive Plan were reduced and the vesting schedule of such outstanding share options was extended. In addition, on February 10, 2017, we reduced the exercise price of all outstanding and unexercised options granted prior to January 19, 2017 by approximately US$0.4404 per share (equivalent to approximately US$1.3212 per ADS) as a result of our declaration of special dividends in January 2017. Further on March 31, 2017, we reduced the exercise price of certain share options outstanding as of such date by approximately US$0.3293 per share (equivalent to approximately US$0.988 per ADS) reflecting prior special dividends. The adjustments to the option exercise prices in 2017 were made as required by our 2006 Share Incentive Plan and 2011 Share Incentive Plan.

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

Share Purchase and Award Program

On July 8, 2021, we adopted a share purchase and award program to recognize the dedication and commitment of our employees and provide eligible employees the opportunity to benefit from our long-term growth. This program applies to eligible employees who agreed in 2020, as the COVID-19 outbreak was spreading globally, to participate in a voluntary leave program we initiated to manage costs during the outbreak.

Under the share purchase and award program, eligible employees could elect to use a portion of his or her base salary during the term of the program, which runs from July 2021 to June 2022, to purchase and receive a grant of restricted shares under our 2011 share incentive plan, with an aggregate value equal to 200% of the amount of base salary so applied as at the grant date. The maximum amount of restricted shares which may be issued under the share purchase and award program represents less than 0.50% of our total issued and outstanding shares as of the date of the adoption of the program. As of December 31, 2021, a total of 6,084,312 restricted shares had been granted to employees under the program, out of which 1,495,122 restricted shares had become vested.

Share Incentive Plans

We have previously adopted the 2006 Share Incentive Plan, the 2011 Share Incentive Plan, the 2021 Share Incentive Plan and the MRP Share Incentive Plan. The 2011 Share Incentive Plan, which succeeded the 2006 Share Incentive Plan on December 7, 2011, has been succeeded by our 2021 Share Incentive Plan on December 6, 2021. No further awards may be granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan. All subsequent awards will be issued under the 2021 Share Incentive Plan. Awards previously granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan remain subject to the terms and conditions of the 2006 Share Incentive Plan and the 2011 Share Incentive Plan, respectively. As of December 31, 2021, all share options and restricted shares granted under the 2006 Share Incentive Plan had vested. The maximum aggregate number of shares which may be issued pursuant to the 2021 Share Incentive Plan is 145,654,794, which is subject to adjustment pursuant to the terms and conditions contained therein.

MRP, our subsidiary, also previously adopted the MRP Share Incentive Plan. All outstanding awards under the MRP Share Incentive plan were retired in 2019.

2011 Share Incentive Plan

We adopted the 2011 Share Incentive Plan to provide our employees, directors and consultants with incentives to increase shareholder value, and to attract and retain the services of those upon whom we depend for the success of our business. The 2011 Share Incentive Plan was conditionally approved by our shareholders at the extraordinary general meeting held on October 6, 2011 and became effective upon commencement of dealings in our shares on the HKSE on December 7, 2011. Amendments to the 2011 Share Incentive Plan were approved by our shareholders on May 20, 2015 and on December 7, 2016. The amendments to our 2011 Share Incentive Plan approved by our shareholders on December 7, 2016 were to, among other things, include provisions relating to share option schemes required by the Rules Governing the Listing of Securities on the HKSE following the consolidation of the financial results of our Company in the financial statements of Melco International as a result of our repurchase of 155,000,000 ordinary shares of our Company (equivalent to 51,666,666 ADSs) from Crown Asia Investments Pty, Ltd. and the subsequent cancellation of such shares and with certain changes in the composition of our board of directors in May 2016. Such provisions in our 2011 Share Incentive Plan required by the HKSE rules have automatically lapsed as the requirements under the HKSE rules are not presently applicable to us. As of December 31, 2021, we have granted (i) share options to subscribe for a total of 44,100,390 shares and (ii) restricted shares in respect of a total of 37,042,344 shares pursuant to the 2011 Share Incentive Plan.

The following paragraphs describe the principal terms included in the 2011 Share Incentive Plan.

Types of Awards. The awards that may be granted under the plan include options, incentive share options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units.

Eligible Participants. We may grant awards to directors, employees and consultants of our Company, any parent or subsidiary of our Company, or any of our related entities that our board designates as a related entity for the purposes of the 2011 Share Incentive Plan. Our compensation committee may, from time to time, select from among all eligible individuals, those to whom awards shall be granted and shall determine the nature and amount of each award.

Option Periods and Payments. Our compensation committee may in its discretion determine, subject to the plan expiration period, the period within which shares must be taken up under an option; the minimum period, if any, for which an option must be held before it can be exercised; and the amount, if any, payable on application or acceptance of the option.

Plan Administration. Our compensation committee will administer the 2011 Share Incentive Plan and has the power to, among other actions, designate eligible participants, determine the number and types of awards

to be granted, and set the terms and conditions of each award granted. The compensation committee's decisions are final, binding, and conclusive for all purposes and upon all parties.

Award Agreement. Awards granted will be evidenced by an award agreement that sets forth the terms, conditions and limitations for each award.

Exercise Price. Our compensation committee may determine the exercise price or purchase price, if any, of any award.

Term of Awards. The term of each award shall be stated in the award agreement. If the participant ceases to be eligible for any reason, the validity of the award shall depend on the terms and conditions of the award agreement. An option will lapse automatically and may not be exercised upon the first to occur of the following events: (a) ten years from the date of the grant, unless an earlier time is set out in the award agreement; (b) three months after termination of service, subject to certain exceptions; (c) one year after the date of termination of service on account of disability or death; (d) the date on which the participant ceases to be eligible by reason of termination of relationship with us and/or any of our subsidiaries on grounds that such participant has been guilty of serious misconduct or convicted of any criminal offense involving integrity or honesty; and (e) date on which our compensation committee cancels the option.

Change in Control and Corporate Transactions. Upon the consummation of a merger or consolidation in which our Company is not the surviving entity, a change of control of our Company, a sale of substantially all of our assets, the complete liquidation or dissolution of our Company or a reverse takeover, each award will terminate, unless the award is assumed by the successor entity. If the successor entity assumes the award or replaces it with a comparable award, or replaces the award with a cash incentive program and provides for subsequent payout, the replacement award or cash incentive program will automatically become fully vested, exercisable and payable, as applicable, upon termination of the participant's employment without cause within 12 months of such corporate transaction. If the award is neither assumed nor replaced, it shall become fully vested and exercisable and released from any repurchase or forfeiture rights immediately prior to the effective date of such corporate transaction, provided that the participant remains eligible on the effective date of the corporate transaction.

Amendment and Termination. With the approval of the Board, our compensation committee may terminate, amend or modify the 2011 Share Incentive Plan, except certain amendments requiring the approval of our shareholders and/or the shareholders of Melco International pursuant to the applicable law. Except amendments made pursuant to the above, no termination, amendment or modification of the plan shall adversely affect in any material way any award previously granted under the plan or any previous plans, without the prior written consent of the participant.

The 2011 Share Incentive Plan has been succeeded by the 2021 Share Incentive Plan on December 6, 2021. No awards may be granted pursuant to the 2011 Share Incentive Plan after that time.

Vesting Schedule. In general, our compensation committee determined, or the award agreement would specify, the vesting schedule.

2021 Share Incentive Plan

We adopted the 2021 Share Incentive Plan to provide our employees, directors and consultants with incentives to increase shareholder value, and to attract and retain the services of those upon whom we depend for the success of our business. The 2021 Share Incentive Plan was approved by the shareholders of Melco International at the annual general meeting held on June 4, 2021 and became effective on December 6, 2021. The 2021 Share Incentive Plan succeeds the 2011 Share Incentive Plan. As of December 31, 2021, we have not made any grants pursuant to the 2021 Share Incentive Plan.

The following paragraphs describe the principal terms of the 2021 Share Incentive Plan.

Types of Awards. The awards that may be granted under the plan include options, incentive share options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units.

Eligible Participants. We may grant awards to directors, employees and consultants of our Company, any parent or subsidiary of our Company, or any of our related entities that our board designates as a related entity for the purposes of the 2021 Share Incentive Plan. Our compensation committee may, from time to time, select from among all eligible individuals, those to whom awards shall be granted and shall determine the nature and amount of each award.

Option Periods and Payments. Our compensation committee may in its discretion determine, subject to the plan expiration period, the period within which shares must be taken up under an option; the minimum period, if any, for which an option must be held before it can be exercised; and the amount, if any, payable on application or acceptance of the option.

Plan Administration. Our compensation committee will administer the 2021 Share Incentive Plan and has the power to, among other actions, designate eligible participants, determine the number and types of awards to be granted, and set the terms and conditions of each award granted. The Company may also from time to time retain or appoint one or more trustees and administrators to assist in the administration of the 2021 Share Incentive Plan. The compensation committee's decisions are final, binding, and conclusive for all purposes and upon all parties.

Award Agreement. Awards granted will be evidenced by an award agreement that sets forth the terms, conditions and limitations for each award.

Exercise Price. Our compensation committee may determine the exercise price or purchase price, if any, of any award.

Term of Awards. The term of each award shall be stated in the award agreement. If the participant ceases to be eligible for any reason, the validity of the award shall depend on the terms and conditions of the award agreement. An option will lapse automatically and may not be exercised upon the first to occur of the following events: (a) ten years from the date of the grant, unless an earlier time is set out in the award agreement; (b) three months after termination of service, subject to certain exceptions; (c) one year after the date of termination of service on account of disability or death; (d) the date on which the participant ceases to be eligible by reason of termination of relationship with us and/or any of our subsidiaries on grounds that such participant has been guilty of serious misconduct or convicted of any criminal offense involving integrity or honesty; and (e) date on which our compensation committee cancels the option.

Change in Control. Upon the consummation of a merger or consolidation in which our Company is not the surviving entity, a change of control of our Company, a sale of substantially all of our assets, the complete liquidation or dissolution of our Company or a reverse takeover, each award will terminate, unless the award is assumed by the successor entity. If the successor entity assumes the award or replaces it with a comparable award, or replaces the award with a cash incentive program and provides for subsequent payout, the replacement award or cash incentive program will automatically become fully vested, exercisable and payable, as applicable, upon termination of the participant's employment without cause within 13 months of such corporate transaction. If the award is neither assumed nor replaced, it shall become fully vested and exercisable and released from any repurchase or forfeiture rights immediately prior to the effective date of such corporate transaction, provided that the participant remains eligible on the effective date of the corporate transaction.

Amendment and Termination. With the approval of the Board, our compensation committee may terminate, amend or modify the 2021 Share Incentive Plan, except certain amendments requiring the approval of

our shareholders and/or the shareholders of Melco International pursuant to the applicable law. Except amendments made pursuant to the above, no termination, amendment or modification of the plan shall adversely affect in any material way any award previously granted under the plan or any previous plans, without the prior written consent of the participant.

Vesting Schedule. In general, our compensation committee determines, or the award agreement would specify, the vesting schedule.

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 issued share capital.

	Ordinary shares beneficially owned (1)	
Name	Number	%
Melco Leisure (2)(3)	812,729,781	55.80
EuroPacific Growth Fund(4)	81,804,750	5.62

(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.

(2) The address of Melco International and Melco Leisure is The Penthouse, 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Melco International is listed on the Main Board of the HKSE.

(3) 812,729,781 ordinary shares are beneficially owned by Mr. Lawrence Ho through Melco Leisure as of March 25, 2022. As of March 25, 2022, Mr. Lawrence Ho, our chairman, chief executive officer and director as well as the chairman, chief executive officer and executive director of Melco International, personally holds 91,445,132 ordinary shares of Melco International, representing approximately 6.03% of the total issued shares of Melco International. In addition, 122,243,024 ordinary shares of Melco International are held by Lasting Legend Ltd., 301,368,606 ordinary shares of Melco International are held by Better Joy Overseas Ltd., 53,491,345 ordinary shares of Melco International are held by Mighty Dragon Developments Limited and 1,566,000 ordinary shares of Melco International are held by Maple Peak Investments Inc., representing approximately 8.06%, 19.87%, 3.53% and 0.10% of the total issued shares of Melco International, all of which companies are owned by Mr. Ho, and/or persons and/or trusts affiliated with Mr. Ho. Mr. Ho also has interest in L3G Holdings Inc., a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho and his immediate family members and held 312,666,187 ordinary shares of Melco International, representing 20.62% of the total issued shares of Melco International. Moreover, Ms. Lo Sau Yan, Sharen, the spouse of Mr. Ho, personally holds 4,212,102 ordinary shares of Melco International, representing 0.28% of the total issued shares of Melco International. Therefore, we believe that Mr. Ho holds an aggregate of 886,992,396 ordinary shares of Melco International, representing 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). Melco Leisure is a wholly-owned subsidiary of Melco International.

(4) Reflects 81,804,750 ordinary shares represented by ADSs. Information regarding beneficial ownership is reported as of December 31, 2018 and is based on the information contained in the Schedule 13G filed by EuroPacific Growth Fund with the SEC on February 14, 2019. According to information reported therein, the 81,804,750 ordinary shares may also be reflected in a filing made by Capital Research Global Investors, Capital International Investors, and/or Capital World Investors. The address of EuroPacific Growth Fund is 333 South Hope Street Los Angeles, California 90071.

In connection with a credit facility entered into by, among others, Melco International in relation to the privately-negotiated sale by Crown Asia Investments Pty, Ltd. to Melco Leisure of 198,000,000 of our ordinary shares, in February 2017 Melco Leisure pledged 727,733,982 ordinary shares of our Company held by it to the lenders pursuant to such credit facility.

As of December 31, 2021, a total of 1,456,547,942 ordinary shares were outstanding, of which 718,288,631 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 December 2006, 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 will have different voting rights from other shareholders after the filing of this annual report. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our Company.

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

B. RELATED PARTY TRANSACTIONS

For discussion of significant related party transactions we entered into during the years ended December 31, 2021, 2020 and 2019, see note 24 to the consolidated financial statements included elsewhere in this annual report.

Employment Agreements

We have entered into employment agreements with key management and personnel of our Company and our subsidiaries. See “Item 6. Directors, Senior Management and Employees — C. Board Practices — Employment Agreements.”

Equity Incentive Plans

See “Item 6. Directors, Senior Management and Employees — B. Compensation of Directors and Executive Officers.”

Facility Agreement

On March 28, 2022, the Company entered into a facility agreement (the “Facility Agreement”) with Melco International pursuant to which a US$250.0 million revolving loan facility was granted by the Company as lender to Melco International as borrower for a period of 12 months after the first utilization date (the last day of such period being the “Final Repayment Date”). Melco International may request for utilization of all or part of the loan from the date of the Facility Agreement until one month prior to the Final Repayment Date for general corporate purposes of Melco International and its subsidiaries (excluding the Company and its subsidiaries). Principal amounts outstanding under the Facility Agreement bear interest at an annual rate of 11.0%, with outstanding principal amounts and accrued interest payable by Melco International on the Final Repayment Date. As of March 31, 2022, the Facility Agreement remains undrawn. The entry into the Facility Agreement was approved by the Audit and Risk Committee of the board of directors of the Company.

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

We are currently a party to certain legal and administrative proceedings, investigations and claims, which relate to matters arising out of the ordinary course of our business. Based on the current status of such proceedings and the information currently available, our management does not believe that the outcome of such proceedings will have a material adverse effect on our business, financial condition or results of operations.

Dividend Policy

On May 14, 2020, we announced the suspension of the Company's quarterly dividend program to preserve liquidity in light of the COVID-19 outbreak and to continue investing in our business. Our board will continue to review from time to time our dividend policy as part of our commitment to maximizing shareholder value, taking into consideration our financial performance and market conditions.

Our board retains complete discretion on whether to pay dividends. Even if our board 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 our board may deem relevant. Dividends will be declared and paid in Hong Kong dollars for holders of ordinary shares and U.S. dollars for holders of our ADSs.

All subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve 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 boards of directors or administration of the relevant subsidiaries.

Our 2015 Credit Facilities, 2020 Credit Facilities, Studio City Notes, 2028 Studio City Senior Secured Credit Facility and other indebtedness we may incur contain, or may be expected to contain, restrictions on payment of dividends to us, which is expected to affect our ability to pay dividends in the foreseeable future. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Shares and ADSs — We cannot assure you that we will make dividend payments in the future."

Under the Companies Act (as amended) of the Cayman Islands, subject to the provisions of our amended and restated memorandum and articles of association adopted on March 29, 2017, the share premium account of our Company may be applied to pay distributions or dividends to shareholders, provided that immediately following the date the distribution or dividend is proposed to be paid, we are able to pay our debts as they fall due in the ordinary course of business.

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 three ordinary shares, have been listed on Nasdaq under the symbol “MPEL” from December 19, 2006 to April 5, 2017 and under the symbol “MLCO” since April 6, 2017. Our ordinary shares were listed on the HKSE under the stock code “6883” from December 7, 2011 until July 3, 2015. On January 2, 2015, we applied for a voluntary withdrawal of listing of our ordinary shares on the Main Board of the HKSE, which was approved by our shareholders on March 25, 2015. The voluntary withdrawal of listing of our ordinary shares on HKSE took effect on July 3, 2015, following which our shares are only traded on the Nasdaq Global Select Market in the form of ADSs.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our registered office is located at Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. We are incorporated in the Cayman Islands as an exempted company with limited liability, are registered with the Cayman Islands Registrar of Companies and have been assigned registration number 143119. Section 3 of our amended and restated memorandum of association provides that the objects for which our company was established are unrestricted and the Company shall 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 (as amended) of the Cayman Islands (hereinafter the “Companies Act”).

The following are summaries of material provisions of our memorandum and articles of association and the Companies Act, 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 3 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 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 do not provide a time limit after which a shareholder’s entitlement to an unclaimed dividend lapses.

Directors

Directors of our company may be appointed either by an ordinary resolution of the shareholders or by the affirmative vote of all directors. Each director holds office until (i) the expiry of his or her term and until a successor has been elected or appointed, or (ii) until the director’s office is vacated by way of resignation, death,

prolonged absence, bankruptcy, disqualification by applicable law, removal by a majority of the directors or removal by the shareholders by special resolution. Our articles of association do not require directors to stand for reelection at staggered intervals.

Voting Rights

Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote. 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 10 % 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 one-third 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 annually and may be convened by our board on its own initiative or upon a request to the directors by shareholders holding in aggregate at least ten percent of our ordinary shares. Advance notice of at least seven 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 of our articles of association, 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 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 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 ordinary 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.

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. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as our board may from time to time determine, provided, however, that the registration of transfers may not be suspended nor the register closed for more than 30 days in any year.

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 ordinary shares will be distributed among

the holders of the 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.

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 attorneys' fees, incurred by us and our subsidiaries as a result of the unsuitable person's or affiliate's 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.

Variations of Rights of Shares

All or any of the rights attached to any class of shares may, subject to the provisions of the Companies Act, be varied or abrogated either with the unanimous written consent of the holders of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution:

- 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 cancelled.

We may by special resolution 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 records, or books or documents 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 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 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 no 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 stockholders 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, 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, a resolution that our company be wound up by the court or be wound up voluntarily shall be a special resolution, except where the company is to be wound up voluntarily because it is unable to pay its debts as they may fall due in which event the resolution shall be an ordinary resolution.

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 vary the rights attached to any class with the unanimous consent in writing of the holders 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 two-thirds 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.

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, nor any right under our memorandum and articles of association, to inspect or obtain copies of our register of members or our corporate records. 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 and 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. dollars 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.

With regard to our operations in the Philippines, the Philippines has been liberalizing foreign exchange controls in the country, and has adopted a floating exchange rate regime. In any event, the Philippine peso still fluctuates against the H.K. dollar and the U.S. dollar from time to time. Although there are no restrictions or limits on the amounts of the Philippine peso or foreign currency that may be taken in or out of the country, the Bangko Sentral ng Pilipinas (BSP), the Central Bank of the Philippines, imposed a requirement that inward and outward transfers of the Philippine peso in excess of PHP50,000 must be with prior authorization of BSP, while foreign currency in excess of US$10,000 or its equivalent must be declared to the Bureau of Customs Desk at the airport upon arrival or before departure, as the case may be.

With regard to our operations in Cyprus, no foreign exchange controls exist and there is a free flow of capital into and out of Cyprus. There are no restrictions on remittances of Euros or any other currency from Cyprus to persons not resident in Cyprus for the purpose of paying dividends or otherwise. There are no restrictions on the import or export of local or foreign currency. However, amounts exceeding EUR10,000 (equivalent to approximately US$11,324) in cash (or its equivalent) or in gold must be declared at the Customs and Excise department desk at the airport upon departure, regardless of whether traveling to or from a country inside or outside the European Union.

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 certain material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the ADSs or ordinary shares. The effects of any applicable state or local laws and other U.S. federal tax laws such as estate and gift tax laws, and the impact of the alternative minimum tax and the Medicare contribution tax on net investment income, are not discussed. This discussion applies only to U.S. Holders that hold the ADSs or ordinary shares as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended, or the Code (generally, property held for investment), and that have the U.S. dollar as their functional currency. This discussion is based on the tax laws of the United States as of the date of this annual report and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances or to holders subject to particular rules, including:

- banks;
- certain financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark to market;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- tax-exempt entities;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our stock by vote or value;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to ADSs or ordinary shares being taken into account in an "applicable financial statement" (as defined in the Code);
- persons who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons that hold ADSs or ordinary shares through a permanent establishment or fixed base outside the United States; or
- partnerships or pass-through entities, or persons holding ADSs or ordinary shares through such entities.

INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ADSs OR ORDINARY SHARES.

The discussion below of the U.S. federal income tax consequences to "U.S. Holders" will apply to you if you are the beneficial owner of ADSs or ordinary shares and you are, for U.S. 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 U.S. federal income tax purposes) created or organized in the United States 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 U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

If you are a partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that holds ADSs or ordinary shares, your tax treatment will generally depend on your status and the activities of the partnership. If you are a partner in such partnership, you should consult your tax advisor.

The discussion below assumes the representations contained in the deposit agreement are true and the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you own ADSs, you should be treated as the owner of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to U.S. federal income tax.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. Accordingly, the availability of a reduced tax rate for any dividends received by certain non-corporate U.S. Holders, including individual U.S. Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our Company.

Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, the gross amount of any distributions we make to you with respect to the ADSs or ordinary shares (including the amount of any taxes withheld therefrom) generally will be includible in your gross income as dividend income on the date of receipt by the depositary, in the case of ADSs, or on the date of receipt by you, in the case of ordinary shares, but only to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Any such dividends will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other U.S. corporations. To the extent the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We currently do not, and we do not intend to, calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that any distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, any dividends may be taxed at the lower capital gains rate applicable to "qualified dividend income," provided (1) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the United States, (2) we are neither a PFIC nor treated as such with respect to you (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." Although it is not free from doubt, ADSs will generally be considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq, as are our ADSs. However, there can be no assurance that our ADSs will continue to be readily tradable on an established securities market in later years. Consequently, there can be no assurance that dividends paid on our ADSs will continue to qualify for the reduced tax rates. You should consult your tax advisors regarding the availability of the lower capital gains rate applicable to qualified dividend income for any dividends paid with respect to our ADSs or ordinary shares.

Any dividends we pay with respect to our ADSs or ordinary shares will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation generally will be limited to the gross amount of the dividend, multiplied by the reduced tax rate applicable to qualified dividend income and divided by the highest tax rate normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any dividends we pay with respect to the ADSs or ordinary shares will generally constitute "passive category income."

Taxation of Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of ADSs or ordinary shares equal to the difference between the amount realized for the ADSs or ordinary shares and your tax basis in the ADSs or ordinary shares. The gain or loss generally will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, that has held the ADSs or ordinary shares for more than one year, you may be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any gain or loss you recognize on a disposition of ADSs or ordinary shares will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes. You should consult your tax advisors regarding the proper treatment of gain or loss in your particular circumstances.

Passive Foreign Investment Company

Based on the market price of our ADSs and ordinary shares, and the composition of our income and assets, we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2021. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our U.S. counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to this paragraph. A non-U.S. corporation will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

- at least 75% of its gross income for such year is passive income; or
- at least 50% of the value of its assets (generally based on a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person), as well as gains from the sale of assets (such as stock) that produce passive income, foreign currency gains, and certain other categories of income. For purposes of determining whether we are a PFIC, we will be treated as

owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, fluctuations in the market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, we generally will continue to be treated as a PFIC with respect to you for that year and for all succeeding years during which you hold ADSs or ordinary shares (regardless of whether we continue to meet the tests described above), unless we cease to be a PFIC and you make a "deemed sale" election with respect to the ADSs or ordinary shares. If such election is made, you will be deemed to have sold ADSs or ordinary shares you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described in the following two paragraphs. After the deemed sale election, your ADSs or ordinary shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC. You are urged to consult your tax advisor about this election.

For each taxable year we are treated as a PFIC with respect to you, you will be subject to special tax rules with respect to any "excess distribution" you receive and any gain you recognize from a sale or other disposition (including a pledge) of the ADSs or ordinary shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or recognized gain will be allocated ratably over your holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year, and any taxable years in your holding period prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other taxable year will be subject to tax at the highest income tax rate in effect for individuals or corporations, as applicable, for each such year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the ADSs or ordinary shares cannot be treated as capital, even if you hold the ADSs or ordinary shares as capital assets.

If we are a PFIC with respect to you for any taxable year, to the extent any of our subsidiaries are also PFICs or we make direct or indirect equity investments in other entities that are PFICs, you will be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion which the value of the ADSs or ordinary shares you own bears to the value of all of our ADSs or ordinary shares, as applicable, and you may be subject to the adverse tax consequences described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the PFIC rules described above regarding excess distributions and recognized gains. If you make an effective mark-to-market election for the ADSs or ordinary shares, you will include in income for each year we are a PFIC an amount equal to the excess, if any, of the fair market value of

the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or other disposition of the ADSs or ordinary shares, to the extent the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under "— Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares," except the lower rate applicable to qualified dividend income would not apply.

The mark-to-market election is available only for "marketable stock," which generally is stock that is regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. Our ADSs are listed on the Nasdaq, which is a qualified exchange or other market for these purposes. Consequently, if the ADSs continue to be listed on Nasdaq and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to you if we were to become a PFIC. There can be no assurance that the ADSs will be "regularly traded" for purposes of the mark-to-market election. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. You should consult your tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Alternatively, if a non-U.S. corporation is a PFIC, a holder of shares in that corporation may elect out of the PFIC rules described above regarding excess distributions and recognized gains by making a "qualified electing fund" election to include in income its *pro rata* share of the corporation's income on a current basis. However, you may make a qualified electing fund election with respect to your ADSs or ordinary shares only if we agree to furnish you annually with certain tax information, and we currently do not intend to prepare or provide such information.

Unless otherwise provided by the U.S. Treasury, each U.S. Holder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. If we are or become a PFIC, you should consult your tax advisors regarding any reporting requirements that may apply to you.

You are strongly urged to consult your tax advisors regarding the application of the PFIC rules to your investment in ADSs or ordinary shares.

Information Reporting and Backup Withholding

Any dividend payments with respect to ADSs or ordinary shares and proceeds from the sale, exchange or other taxable disposition of ADSs or ordinary shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding (currently at a rate of 24%). Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders that are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. The Company does not assume responsibility for backup withholding. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information in a timely manner.

Information with Respect to Foreign Financial Assets

U.S. holders that are individuals (and, to the extent provided in regulations, certain entities) that own "specified foreign financial assets," including possibly the ADSs, with an aggregate value in excess of $50,000 are generally required to file IRS Form 8938 with information regarding such assets. Depending on the circumstances, higher threshold amounts may apply. Specified foreign financial assets include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions; (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in non-U.S. entities. If a U.S. holder is subject to this information reporting regime, the failure to timely file IRS Form 8938 may subject the U.S. holder to penalties. In addition to these requirements, U.S. holders may be required to annually file FinCEN Report 114, Report of Foreign Bank and Financial Accounts with the U.S. Department of Treasury. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of the ADSs.

THE DISCUSSION ABOVE IS A GENERAL DISCUSSION. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ADSs OR ORDINARY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

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.

Nasdaq Stock Market Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depositary bank, Deutsche Bank. In addition, we intend to post our annual report on our website www.melco-resorts.com. Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers (Hong Kong), our Cayman Islands counsel, has provided a letter to the Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to deliver annual reports to our shareholders prior to an annual general meeting.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates.

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollars. The majority of our revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Patacas, H.K. dollars and the Philippine pesos. In addition, a significant portion of our indebtedness, including the Melco Resorts Finance Notes, the Studio City Notes and Studio City Company Notes, and certain expenses, have been and are denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars. We also have a certain portion of our assets and liabilities denominated in the Philippine peso and the Euro.

The value of the H.K. dollar, Pataca, the Philippine peso and the Euro against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar, Pataca, the Philippine peso or the Euro to the U.S. dollar may have a material adverse effect on our revenues and financial condition.

We accept foreign currencies from our customers and as of December 31, 2021, in addition to H.K. dollars, Patacas and Philippine pesos and Euros, we also hold other foreign currencies. However, any foreign exchange risk exposure associated with those currencies is minimal.

We have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the year ended December 31, 2021. Instead, we 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 occasionally enter into foreign exchange transactions as part of financing transactions and capital expenditure programs.

See note 13 to the consolidated financial statements included elsewhere in this annual report for further details related to our indebtedness as of December 31, 2021.

Major currencies in which our cash and bank balances (including restricted cash) are held as of December 31, 2021 were the U.S. dollar, the H.K. dollar, the Philippine peso, the Euro and the Pataca. Based on the cash and bank balances as of December 31, 2021, an assumed 1% change in the exchange rates between currencies other than the U.S. dollar against the U.S. dollar would cause a maximum foreign transaction gain or loss of approximately US$10.5 million for the year ended December 31, 2021.

Based on the balances of indebtedness denominated in currencies other than U.S. dollars as of December 31, 2021, an assumed 1% change in the exchange rates between currencies other than the U.S. dollar against the U.S. dollar would cause a foreign transaction gain or loss of approximately US$4.0 million for the year ended December 31, 2021.

Interest Rate Risk

Our exposure to interest rate risk is associated with our indebtedness bearing interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and we may supplement by hedging activities in a manner we deem prudent. We cannot be sure that these risk management strategies have had the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

As of December 31, 2021, we are subject to fluctuations in HIBOR as a result of our 2015 Credit Facilities, 2020 Credit Facilities and 2028 Studio City Senior Secured Credit Facility. As of December 31, 2021, approximately 94% of our total indebtedness was based on fixed rates. Based on our December 31, 2021 indebtedness level, an assumed 100 basis point change in HIBOR would cause our annual interest cost to change by approximately US$4.0 million.

To the extent that we effect hedging in respect of our credit facilities, the counterparties to such hedging will also benefit from the security and guarantees we provide to the lenders under such credit facilities, which could increase our aggregate secured indebtedness. We do not intend to engage in transactions in derivatives or other financial instruments for trading or speculative purposes and we expect the provisions of our existing and any future credit facilities to restrict or prohibit the use of derivatives and financial instruments for purposes other than hedging.

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

Persons depositing shares are charged a fee for each issuance of ADSs, including issuances resulting from distributions of shares, share dividends, share splits, bonus and rights distributions and other property, and for each surrender of ADSs in exchange for deposited securities. The fee in each case is not in excess of US$5.00 for each 100 ADSs (or fraction thereof) issued or surrendered. Any holder of ADSs is charged a fee not in excess of US$5.00 per 100 ADSs (or portion thereof) issued upon the exercise of rights. The depositary also charges a fee not in excess of US$5.00 per 100 ADSs held for the distribution of cash proceeds pursuant to cash dividends, sale of rights and other entitlements or otherwise. The depositary may also charge an annual fee not in excess of US$5.00 per 100 ADSs for the operation and maintenance costs in administering the ADSs. Persons depositing shares may also be required to pay the following charges:

- Taxes (including any applicable interest and penalties thereon) and other governmental charges;
- Cable, telex, facsimile and electronic transmission and delivery expenses;
- Registration fees as may from time to time be in effect for the registration of shares or other deposited securities with the foreign registrar and applicable to transfers of shares or other deposited securities to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- Expenses and charges incurred by the depositary in connection with the conversion of foreign currency;
- Fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to the shares, deposited securities and ADSs; and
- Any additional fees, charges, costs or expenses that may be incurred by the depositary from time to time.

We will pay all other charges and expenses of the depositary and any agent of the depositary, except the custodian, pursuant to agreements from time to time between us and the depositary. We and the depositary may amend the fees described above from time to time.

Depositary fees payable upon the issuance and cancelation of ADSs are generally paid to the depositary by the brokers receiving the newly issued ADSs from the depositary and by the brokers delivering the ADSs to the depositary for cancelation. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary service fee are charged by the depositary to the holders of record of ADSs as of the applicable ADS record date.

In the case of cash distributions, service fees are generally deducted from the cash being distributed. In the case of distributions other than cash, such as stock dividends or certain rights, the depositary charges the applicable ADS record date holder concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or in The Depository Trust Company (“DTC”)), the depositary sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary generally collects the fees through the settlement 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 service fees paid to the depositary.

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

None.

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 chief executive officer and our 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 chief executive officer 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 chief executive officer 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 the 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. John William Crawford 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 the Nasdaq corporate governance rules 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 certain provisions that specifically apply to our chief executive officer, chief financial officer and any other persons who perform similar functions for us. The code of business conduct and ethics was last amended on November 24, 2021 to include a commitment statement on human rights. We have posted our current code of business conduct and ethics on our website at www.melco-resorts.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]	$ 1,829	$ 1,612
Audit-related fees[2]	309	2,211
Tax fees [3]	197	183
All other fees [4]	140	200

(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 the aggregate fees for tax consultations.

(4) "All other fees" include the aggregate fees for advisory services and an annual charge for an online technical accounting research tool.

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, tax and all other 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, respectively.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

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ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

The following table sets forth information about our repurchases made in the fiscal year ended December 31, 2021.

Period	Total Number of Ordinary Shares Purchased	Average Price Paid Per Ordinary Share (US$)	Total Number of Ordinary Shares Purchased as Part of Publicly Announced Program (1)	Maximum Dollar Value of Ordinary Shares that May Yet be Purchased Under Publicly Announced Program (US$)
January 2021	—	—	106,017,537	298, 760,713
February 2021	—	—	106,017,537	298, 760,713
March 2021	—	—	106,017,537	298, 760,713
April 2021	—	—	106,017,537	298, 760,713
May 2021	—	—	106,017,537	298, 760,713
June 2021	—	—	—	500,000,000
July 2021	—	—	—	500,000,000
August 2021	—	—	—	500,000,000
September 2021	6,360,495	3.32	6,360,495	478,898,820
October 2021	2,968,770	3.31	9,329,265	469,069,477
November 2021	—	—	9,329,265	469,069,477
December 2021	6,786,870	3.08	16,116,135	448,134,913
Total	16,116,135	3.22	16,116,135	448,134,913

Notes:

(1) In November 2018, we announced that our board of directors approved a US$500 million share repurchase program which is effective over a three-year period commencing on November 8, 2018. In June 2021, we announced that our board of directors approved a new US$500 million share repurchase program which replaced the share repurchase program announced in November 2018 and is effective over a three-year period commencing on June 2, 2021.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Nasdaq Stock Market Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. For example, Nasdaq Stock Market Rule 5605(b)(1) generally requires that a majority of an issuer's board of directors must consist of independent directors. Since September 5, 2018, we have had a majority of independent directors serving on our board. Prior to that, we relied on this "home country practice" exception when we did not have a majority of independent directors serving on our board.

In addition, Nasdaq Stock Market Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depositary bank, Deutsche Bank. We intend to post our annual report on our website www.melco-resorts.com. Nasdaq Stock

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Market Rule 5635 also requires each issuer to obtain shareholder approval prior to the issuance of securities in certain circumstances in connection with the acquisition of the stock or assets of another company, equity based compensation of officers, directors, employees or consultants, change of control and certain transactions other than a public offering.

Furthermore, Nasdaq Stock Market Rule 5635(b) requires shareholder approval prior to the issuance of securities when a share option plan is to be established pursuant to which shares may be acquired by officers, directors, employees or consultants. We did not obtain such shareholder approval for our 2021 Share Incentive Plan.

Walkers (Hong Kong), our Cayman Islands counsel, has provided letters to Nasdaq certifying that under the Companies Act (as amended) of the Cayman Islands, we are not required to: (i) have a majority of independent directors serving on our board; (ii) deliver annual reports to our shareholders prior to an annual general meeting; (iii) obtain shareholders' approval prior to any issuance of our ordinary shares; or (iv) obtain shareholders' approval in connection with the adoption of our 2021 Share Incentive Plan. The foregoing is subject to our memorandum and articles of association, as amended and restated from time to time.

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 Melco Resorts & Entertainment 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 adopted on March 29, 2017 (incorporated by reference to Exhibit 1.1 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
2.1	Form of Registrant's American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 registration statement (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.3	Form of Deposit Agreement among the Company, the depositary and the holders and beneficial owners of the American depositary shares issued thereunder (incorporated by reference to Exhibit (a) from Amendment No. 1 to our registration statement on Form F-6 (File No. 333-139159) filed with the SEC on November 29, 2011)
2.4	Deed of Variation and Amendment dated July 27, 2007 between our Company, Melco Leisure and Entertainment Group Limited, Melco International Development Limited, PBL Asia Investments Limited, Publishing and Broadcasting Limited and Crown Limited (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
2.5	Form of Registration Rights Agreement among our Company, Melco Leisure and Entertainment Group Limited and PBL (incorporated by reference to Exhibit 4.10 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.6	Senior Term Loan and Revolving Facilities Agreement, dated January 28, 2013, among Studio City Investments Limited, Studio City Company Limited, certain guarantors as specified therein, Australia and New Zealand Banking Group Limited, Bank of America, N.A., Bank of China Limited, Macau Branch, Citigroup Global Markets Asia Limited, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Macau) Limited and UBS AG Hong Kong Branch as bookrunner mandated lead arrangers, certain other entities as specified therein as mandated lead arranger, lead arrangers, arranger, senior managers and managers, certain financial institutions as lenders, Deutsche Bank AG, Hong Kong Branch as facility agent, Industrial and Commercial Bank of China (Macau) Limited as agent and security trustee, disbursement agent and agent for the agent and security trustee and Bank of China Limited, Macau Branch as issuing bank (incorporated by reference to Exhibit 2.16 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.7	Amendment Agreement, dated March 1, 2013, between Studio City Investments Limited and Deutsche Bank AG, Hong Kong Branch as facility agent, relating to a senior facilities agreement dated January 28, 2013 (incorporated by reference to Exhibit 2.18 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.8	Amended and Restated Shareholders' Deed, dated December 14, 2016, entered into between Melco Leisure and Entertainment Group Limited, Melco International Development Limited, Crown Asia Investments Pty. Ltd., Crown Resorts Limited and the Company (incorporated by reference to Exhibit 99.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on December 19, 2016)

Exhibit Number	Description of Document
2.9	Amendment No. 1 and Joinder to Registration Rights Agreement among our Company, Crown Asia Investments Pty Ltd, Crown Resorts Limited, Melco Leisure and Entertainment Group Limited and Melco International Development Limited, dated as of February 9, 2017 (incorporated by reference to Exhibit 2.19 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
2.10	Amendment No. 2 to Registration Rights Agreement among our Company, Crown Asia Investments Pty Ltd, Crown Resorts Limited, Melco Leisure and Entertainment Group Limited and Melco International Development Limited, dated as of May 15, 2017 (incorporated by reference to Exhibit 2.24 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
2.11	Indenture dated June 6, 2017 relating to Melco Resorts Finance Limited's 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 2.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
2.12	Termination of Amended and Restated Shareholders' Deed Relating to Melco Resorts & Entertainment Limited, dated May 8, 2017, entered into between Melco Leisure and Entertainment Group Limited, Melco International Development Limited, Crown Asia Investments Pty. Ltd., Crown Resorts Limited and the Company (incorporated by reference to Exhibit 2.26 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
2.13	Indenture among Studio City Finance Limited, as issuer, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee, relating to 7.250% Senior Notes due 2024 (incorporated by reference to Exhibit 2.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
2.14	Indenture dated April 26, 2019 relating to Melco Resorts Finance Limited's 5.250% 2026 Senior Notes (incorporated by reference to Exhibit 2.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.15	Indenture dated July 17, 2019 relating to Melco Resorts Finance Limited's 5.625% 2027 Senior Notes (incorporated by reference to Exhibit 2.29 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.16	Indenture dated December 4, 2019 relating to Melco Resorts Finance Limited's 5.375% 2029 Senior Notes (incorporated by reference to Exhibit 2.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
2.17	Indenture dated July 15, 2020 relating to Studio City Finance Limited's 6.000% 2025 Studio City Notes (incorporated by reference to Exhibit 2.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.18	Indenture dated July 15, 2020 relating to Studio City Finance Limited's 6.500% 2028 Studio City Notes (incorporated by reference to Exhibit 2.33 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.19	Indenture dated July 21, 2020 relating to Melco Resorts Finance Limited's 5.750% 2028 Senior Notes (incorporated by reference to Exhibit 2.34 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.20	Indenture dated January 14, 2021 relating to Studio City Finance Limited's 5.000% 2029 Studio City Notes (incorporated by reference to Exhibit 2.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)

Exhibit Number	Description of Document
2.21	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 2.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.22	Senior Facilities Agreement, dated April 29, 2020, entered into between, among others, MCO Nominee One Limited, as borrower, and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators regarding the 2020 Credit Facilities (incorporated by reference to Exhibit 2.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.23	Description of Registrant's Securities (incorporated by reference to Exhibit 2.31 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
2.24*	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
2.25*	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
2.26*	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
4.1	Form of Indemnification Agreement with our directors and executive officers (incorporated by reference to Exhibit 10.1 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.2	Form of Directors' Agreement (incorporated by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.3	Form of Employment Agreement between our Company and an executive officer (incorporated by reference to Exhibit 10.3 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.4	English Translation of Subconcession Contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region between Wynn Macau and PBL Macau, dated September 8, 2006 (incorporated by reference to Exhibit 10.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.5	English Translation of Order of the Secretary for Public Works and Transportation published in Macau Official Gazette no. 9 of March 1, 2006 (incorporated by reference to Exhibit 10.13 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)

Exhibit Number	Description of Document
4.6	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 25/2008 in relation to the City of Dreams Land Concession (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2010 (File No. 001-33178) filed with the SEC on April 1, 2011)
4.7	Cooperation Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., Belle Corporation, PremiumLeisure and Amusement, Inc., Melco Resorts Leisure, MPHIL Holdings No. 1 Corporation and MPHIL Holdings No. 2 Corporation (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.8	Contract of Lease, dated October 25, 2012, between Belle Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.9	Closing Arrangement Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., SM Development Corporation, Belle Corporation, PremiumLeisure and Amusement, Inc., Melco Resorts Leisure, MPHIL Holdings No. 1 Corporation, MPHIL Holdings No. 2 Corporation, MCO Projects Limited and Melco Property Development Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.10	Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MPHIL Holdings No. 2 Corporation, MPHIL Holdings No. 1 Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.42 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.11	2011 Share Incentive Plan, as amended, approved at the extraordinary general meeting on December 7, 2016 (incorporated by reference to Exhibit 4.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2016 (File No. 001-33178), filed with the SEC on April 11, 2017)
4.12	Seventh Amendment in Respect of the Senior Facilities Agreement, dated June 19, 2015, between Melco Resorts Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent (incorporated by reference to Exhibit 4.45 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)
4.13	Amendments, Waivers and Consent Request Letter, dated October 26, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent (incorporated by reference to Exhibit 4.46 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)
4.14	Supplemental Amendments, Waivers and Consent Request Letter, dated November 16, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent (incorporated by reference to Exhibit 4.47 from our annual report on Form 20-F for the fiscal year ended December 31, 2015 (File No. 001-33178), filed with the SEC on April 12, 2016)

Exhibit Number	Description of Document
4.15	Amended and Restated Credit Agreement relating to Studio City Company Limited's HK$233 million revolving credit facility and HK$1 million term loan facility (incorporated by reference to Exhibit 99.7 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.16	Share Repurchase Agreement dated May 4, 2016 between the Registrant and Crown Asia Investments Pty Ltd. (incorporated by reference to Exhibit 99.8 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.17	Purchase Agreement among Studio City Company Limited, as issuer, Studio City Investments Limited as parent guarantor, and subsidiary guarantors as specified therein regarding the 5.875% Senior Secured Notes due 2019 and the 7.250% Senior Secured Notes due 2021 (incorporated by reference to Exhibit 99.10 from our registration statement on Form F-3 (File No. 333-215500), filed with the SEC on December 14, 2016)
4.18	Share Repurchase Agreement, dated May 8, 2017, among Melco Resorts & Entertainment Limited, Crown Asia Investments Pty. Ltd. and Crown Resorts Limited (incorporated by reference to Exhibit 99.1 of our current report on Form 6-K (File No. 001-33178) furnished with the SEC on May 9, 2017)
4.19	Purchase Agreement, dated May 25, 2017, among Melco Resorts Finance Limited, Australia and New Zealand Banking Group Limited, Merrill Lynch International, BOCI Asia Limited, Industrial and Commercial Bank of China (Asia) Limited and Industrial and Commercial Bank of China (Macau) Limited regarding the 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 4.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
4.20	Purchase Agreement, dated June 27, 2017, among Melco Resorts Finance Limited, Australia and New Zealand Banking Group Limited, Deutsche Bank AG Singapore Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Asia) Limited and Industrial and Commercial Bank of China (Macau) Limited regarding the 4.875% 2025 Senior Notes (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2017 (File No. 001-33178), filed with the SEC on April 12, 2018)
4.21	Amended and Restated Shareholders' Agreement, entered into among MCO Cotai Investments Limited, New Cotai, LLC, the Company and SCI in relation to SCI (incorporated by reference to Exhibit 4.25 from our annual report on Form 20-F for the fiscal year ended December 31, 2018 (File No.001-33178), filed with the SEC on March 29, 2019)
4.22	Management Agreement dated August 30, 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.23	Purchase Agreement, dated April 17, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited regarding the 5.250% 2026 Senior Notes (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.24	Purchase Agreement, dated May 30, 2019, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the acquisition of 135.35 million shares of Crown Resorts Limited from CPH Crown Holdings Pty Limited for a price of AUD13.00 per share of Crown Resorts Limited (incorporated by reference to Exhibit 4.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)

Exhibit Number	Description of Document
4.25	Purchase Agreement, dated June 24, 2019, between Melco Resorts & Entertainment Limited and Melco International Development Limited regarding the acquisition of 75% equity interest in ICR Cyprus Holdings Limited from Melco International Development Limited (incorporated by reference to Exhibit 4.29 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.26	Purchase Agreement, dated July 10, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited, Mizuho Securities Asia Limited and Morgan Stanley & Co. LLC regarding the 5.625% 2027 Senior Notes (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.27	Shareholders' Agreement, dated July 31, 2019, between The Cyprus Phassouri (Zakaki) Limited, MCO Europe Holdings (NL) B.V., ICR Cyprus Holdings Limited and Melco Resorts & Entertainment Limited relating to ICR Cyprus Holdings Limited (incorporated by reference to Exhibit 4.31 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.28	Amendment Agreement, dated August 28, 2019, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the amendment of the Purchase Agreement entered into between the parties on May 30, 2019 (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.29	Purchase Agreement, dated November 26, 2019 among Melco Resorts Finance Limited, Deutsche Bank AG, Singapore Branch, Morgan Stanley & Co. LLC, Australia and New Zealand Banking Group Limited, Bank of Communications Co., Ltd Macau Branch, BOCI Asia Limited, Industrial and Commercial Bank of China (Macau) Limited and Mizuho Securities Asia Limited and regarding the 5.375% 2029 Senior Notes (incorporated by reference to Exhibit 4.33 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.30	Termination Agreement, dated February 6, 2020, between Melco Resorts & Entertainment Limited and CPH Crown Holdings Pty Limited regarding the termination of the acquisition of 67,675,000 shares of Crown Resorts Limited under the Purchase Agreement (as amended on August 28, 2019) entered into between the parties on May 30, 2019 (incorporated by reference to Exhibit 4.34 from our annual report on Form 20-F for the fiscal year ended December 31, 2019 (File No.001-33178), filed with the SEC on March 31, 2020)
4.31	Supplemental Agreement, dated March 22, 2021, to the Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MPHIL Holdings No. 2 Corporation, MPHIL Holdings No. 1 Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
4.32	Supplemental Agreement, dated March 22, 2021, to the Contract of Lease, dated October 25, 2012, between Belle Corporation and Melco Resorts Leisure (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2020 (File No.001-33178), filed with the SEC on March 31, 2021)
4.33	2021 Share Incentive Plan (incorporated by reference to Exhibit 4.5 from our registration statement on Form S-8 (File No. 333-261554), filed with the SEC on December 9, 2021)

Exhibit Number	Description of Document
4.34*	Facility Agreement, dated March 28, 2022, entered into between the Company as lender and Melco International Development Limited as borrower in relation to a revolving loan facility
8.1*	List of Significant Subsidiaries
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
15.1*	Consent of Walkers (Hong Kong)
15.2*	Consent of Ernst & Young
101.INS*	Inline XBRL Instance 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)

* Filed with this annual report on Form 20-F

** Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The omitted information is (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed.

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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.

MELCO RESORTS & ENTERTAINMENT LIMITED

Date: March 31, 2022	By:	/s/ Lawrence Yau Lung Ho
		Name: Lawrence Yau Lung Ho
		Title: Chairman and Chief Executive Officer

MELCO RESORTS & ENTERTAINMENT LIMITED

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Melco Resorts & Entertainment Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Melco Resorts & Entertainment 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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Allowance for credit losses on casino accounts receivable
Description of the Matter	At December 31, 2021, the Company's allowance for credit losses with respect to accounts receivable was US$268.4 million, primarily related to casino accounts receivable. As discussed in the Company's accounting policy in note 2(g) to the consolidated financial statements, the allowance for credit losses on casino accounts receivable is estimated based on specific reviews of customer accounts, management's experience with collection trends of the customers, current economic and business conditions and reasonable and supportable forecasts of future economic and business conditions. Auditing the Company's allowance for credit losses on casino accounts receivable was complex due to the significant estimates and judgments involved in the development of the expected credit loss model and the significant assumptions used including the determination of the unit of measurement and the estimated loss rates that consider current and future economic conditions.
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 allowance for credit losses on casino accounts receivable estimation process. For example, we tested the controls over the Company's review of its allowance for credit losses on casino accounts receivable, including management's review of the significant assumptions described above. To test the allowance for credit losses on casino accounts receivable, our audit procedures included, among others, evaluating the methodology used by the Company and testing the completeness and accuracy of the underlying data used by the Company in its expected credit loss model. We also assessed the significant assumptions used by inspecting collection history and correspondence with customers, examining publicly available information on the customers' financial condition and comparing future economic conditions considered in the Company's expected credit loss model to observable market forecast data.
	Impairment assessment of long-lived assets
Description of the Matter	At December 31, 2021, the Company's long-lived asset groups to be held and used in the Company's business, comprising of property and equipment, gaming subconcession, other finite-lived intangible assets, land use rights and operating lease right-of-use assets, was US$6,747.7 million. As discussed in the Company's accounting policy in notes 1(b) and 2(o) 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 various asset groups for recoverability as of December 31, 2021 and concluded no impairment existed at that date. Auditing the Company's impairment assessments involved a high degree of subjectivity due to the significant estimations required to determine the projected future cash flows of the asset groups and the fair values of the asset groups. In particular, these estimates are sensitive to significant assumptions, including future revenue growth rates, gross margin, discount rates and capitalization rates 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 of the asset groups. To test the Company's impairment assessments of the asset groups, our audit procedures included, among others, evaluating the significant assumptions used to develop the projected future cash flows of the assets groups and testing the completeness and accuracy of the underlying data used by the Company. We evaluated the Company's valuation methodologies to determine the fair value of the asset groups and assessed the discount rates and capitalization rates used in the discounted cash flow models by comparing them to the rates that were independently developed using observable market information, with the assistance of our internal valuation specialists. 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. 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.
	Impairment assessment of goodwill
Description of the Matter	At December 31, 2021, the Company's total goodwill was US$81.7 million. As discussed in the Company's accounting policy in notes 1(b) and 2(n) of the consolidated financial statements, goodwill is tested for impairment at the reporting unit level on an annual basis and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable. As the Company generated operating losses due to the severe decline in overall market conditions resulting from the outbreak of COVID-19 continuing during 2021, the Company performed a quantitative assessment on the reporting unit by estimating the fair value of the reporting unit based on an income approach as of December 31, 2021 and concluded no impairment existed on that date. Auditing the Company's goodwill impairment assessment involved subjectivity due to the significant estimation required to determine the fair value of the reporting unit. In particular, the fair value estimate is sensitive to significant assumptions, including future revenue growth rates, gross margin, terminal growth rates and discount rates, which can be affected by expectations about future market and economic conditions, including the 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 goodwill impairment assessment process, including management's review of the significant assumptions described above used in estimating the fair value of the reporting unit. To test the goodwill impairment assessment, our audit procedures included, among others, evaluating the significant assumptions used to estimate fair value and testing the completeness and accuracy of the underlying data used in the discounted cash flow model by the Company. We compared the significant assumptions 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 estimated cash flow forecasts by comparing them with actual operating results. We involved our valuation specialists to assist in assessing the Company's valuation methodology and evaluating the discount rate by comparing them to discount rates that were independently developed using observable market information. We recalculated the fair value of the reporting unit based on management's significant assumptions and compared it to their carrying value. Furthermore, we performed sensitivity analyses of the significant assumptions to evaluate the changes in the fair value of the reporting unit 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 Melco Resorts & Entertainment Limited

Opinion on Internal Control Over Financial Reporting

We have audited Melco Resorts & Entertainment 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, Melco Resorts & Entertainment 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

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MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED 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	$ 1,652,890	$ 1,755,351
Restricted cash	285	13
Accounts receivable, net of allowances for credit losses of $253,424 and $317,275	54,491	129,619
Amounts due from affiliated companies	384	765
Inventories	29,589	37,277
Prepaid expenses and other current assets	109,330	85,798
Assets held for sale	21,777	—
Total current assets	1,868,746	2,008,823
Property and equipment, net	5,910,684	5,681,268
Gaming subconcession, net	27,065	84,663
Intangible assets, net	51,547	58,833
Goodwill	81,721	82,203
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $14,989 and $16,517	177,142	284,608
Restricted cash	140	406
Deferred tax assets, net	4,029	6,376
Operating lease right-of-use assets	68,034	92,213
Land use rights, net	694,582	721,574
Total assets	$ 8,883,690	$ 9,020,967
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 5,992	$ 9,483
Accrued expenses and other current liabilities	935,483	983,865
Income tax payable	11,913	14,164
Operating lease liabilities, current	16,771	27,066
Finance lease liabilities, current	48,551	80,004
Current portion of long-term debt, net	128	—
Amounts due to affiliated companies	1,548	1,668
Liabilities related to assets held for sale	1,497	—
Total current liabilities	1,021,883	1,116,250
Long-term debt, net	6,559,854	5,645,391
Other long-term liabilities	30,520	29,213
Deferred tax liabilities, net	41,030	45,952
Operating lease liabilities, non-current	62,889	75,867
Finance lease liabilities, non-current	347,629	270,223
Total liabilities	$ 8,063,805	$ 7,182,896
Commitments and contingencies (Note 23)		

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED BALANCE SHEETS - continued
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2021	2020
Equity:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,423,370,314 and 1,430,965,312 shares outstanding, respectively	$ 14,565	$ 14,565
Treasury shares, at cost; 33,177,628 and 25,582,630 shares, respectively	(132,856)	(121,028)
Additional paid-in capital	3,238,600	3,207,312
Accumulated other comprehensive losses	(76,008)	(11,332)
Accumulated losses	(2,799,555)	(1,987,396)
Total Melco Resorts & Entertainment Limited shareholders' equity	244,746	1,102,121
Noncontrolling interests	575,139	735,950
Total equity	819,885	1,838,071
Total liabilities and equity	$ 8,883,690	$ 9,020,967

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

MELCO RESORTS & ENTERTAINMENT 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:			
Casino	$ 1,676,263	$ 1,471,356	$ 4,976,686
Rooms	157,501	108,593	349,908
Food and beverage	97,665	74,528	235,120
Entertainment, retail and other	80,927	73,446	175,087
Total operating revenues	2,012,356	1,727,923	5,736,801
Operating costs and expenses:			
Casino	(1,320,882)	(1,350,210)	(3,266,736)
Rooms	(49,895)	(46,690)	(89,778)
Food and beverage	(91,533)	(86,123)	(181,456)
Entertainment, retail and other	(29,463)	(55,379)	(99,945)
General and administrative	(426,407)	(424,398)	(559,480)
Payments to the Philippine Parties	(26,371)	(12,989)	(57,428)
Pre-opening costs	(4,157)	(1,322)	(4,847)
Development costs	(30,677)	(25,616)	(57,433)
Amortization of gaming subconcession	(57,276)	(57,411)	(56,841)
Amortization of land use rights	(22,832)	(22,886)	(22,659)
Depreciation and amortization	(499,739)	(538,233)	(571,705)
Property charges and other	(30,575)	(47,223)	(20,815)
Total operating costs and expenses	(2,589,807)	(2,668,480)	(4,989,123)
Operating (loss) income	(577,451)	(940,557)	747,678
Non-operating income (expenses):			
Interest income	6,618	5,134	9,311
Interest expenses, net of amounts capitalized	(350,544)	(340,839)	(310,102)
Other financing costs	(11,033)	(7,955)	(2,738)
Foreign exchange gains (losses), net	4,566	(2,079)	(10,756)
Other income (expenses), net	3,082	(150,969)	(23,914)
Loss on extinguishment of debt	(28,817)	(19,952)	(6,333)
Costs associated with debt modification	—	(310)	(579)
Total non-operating expenses, net	(376,128)	(516,970)	(345,111)
(Loss) income before income tax	(953,579)	(1,457,527)	402,567
Income tax (expense) credit	(2,885)	2,913	(8,339)
Net (loss) income	(956,464)	(1,454,614)	394,228
Net loss (income) attributable to noncontrolling interests	144,713	191,122	(21,055)
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (811,751)	$ (1,263,492)	$ 373,173
Net (loss) income attributable to Melco Resorts & Entertainment Limited per share:			
Basic	$ (0.566)	$ (0.882)	$ 0.260
Diluted	$ (0.566)	$ (0.884)	$ 0.258

MELCO RESORTS & ENTERTAINMENT 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
Weighted average shares outstanding used in net (loss) income attributable to Melco Resorts & Entertainment Limited per share calculation:			
Basic	1,434,087,641	1,432,052,735	1,436,569,083
Diluted	1,434,087,641	1,432,052,735	1,443,447,422

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

MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	$ (956,464)	$ (1,454,614)	$ 394,228
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(78,992)	20,394	48,734
Other comprehensive (loss) income	(78,992)	20,394	48,734
Total comprehensive (loss) income	(1,035,456)	(1,434,220)	442,962
Comprehensive loss (income) attributable to noncontrolling interests	159,029	178,199	(29,260)
Comprehensive (loss) income attributable to Melco Resorts & Entertainment Limited	$ (876,427)	$ (1,256,021)	$ 413,702

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

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MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Melco Resorts & Entertainment Limited Shareholders' Equity								
	Ordinary Shares		Treasury Shares		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Noncontrolling	
	Shares	Amount	Shares	Amount	Capital	Losses	Losses	Interests	Total Equity
Balance at January 1, 2019	1,538,500,172	$ 15,385	(103,237,171)	$ (657,389)	$ 3,715,579	$ (59,332)	$ (716,966)	$ 675,015	$ 2,972,292
Net income	—	—	—	—	—	—	373,173	21,055	394,228
Foreign currency translation adjustments	—	—	—	—	—	40,529	—	8,205	48,734
Share-based compensation	—	—	—	—	30,815	—	—	10	30,825
Reclassification of share-based compensation plan from equity-settled to cash-settled	—	—	—	—	(4,619)	—	—	(84)	(4,703)
Retirement of repurchased shares	(81,952,230)	(820)	81,952,230	557,818	(556,998)	—	—	—	—
Issuance of shares for restricted shares vested	—	—	1,398,840	6,593	(6,616)	—	—	—	(23)
Exercise of share options	—	—	666,255	2,393	448	—	—	—	2,841
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(30)	—	—	59	29
Dividends declared ($0.21348 per share)	—	—	—	—	—	—	(300,995)	—	(300,995)
Balance at December 31, 2019	1,456,547,942	14,565	(19,219,846)	(90,585)	3,178,579	(18,803)	(644,788)	704,260	3,143,228
Net loss	—	—	—	—	—	—	(1,263,492)	(191,122)	(1,454,614)
Foreign currency translation adjustments	—	—	—	—	—	7,471	—	12,923	20,394
Share-based compensation	—	—	—	—	42,276	—	—	9	42,285
Shares repurchased by the Company	—	—	(9,446,472)	(44,977)	—	—	—	—	(44,977)
Issuance of shares for restricted shares vested	—	—	2,694,507	12,700	(12,750)	—	—	—	(50)
Exercise of share options	—	—	389,181	1,834	(773)	—	—	—	1,061
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(62)	—	—	19	(43)
Changes in shareholdings of Studio City International	—	—	—	—	42	—	—	218,104	218,146
Dividends declared ($0.05504 per share)	—	—	—	—	—	—	(79,116)	—	(79,116)
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	(8,243)	(8,243)
Balance at December 31, 2020	1,456,547,942	14,565	(25,582,630)	(121,028)	3,207,312	(11,332)	(1,987,396)	735,950	1,838,071
Net loss	—	—	—	—	—	—	(811,751)	(144,713)	(956,464)
Foreign currency translation adjustments	—	—	—	—	—	(64,676)	—	(14,316)	(78,992)
Share-based compensation	—	—	—	—	71,894	—	—	14	71,908
Shares repurchased by the Company	—	—	(16,116,135)	(52,026)	—	—	—	—	(52,026)
Issuance of shares for restricted shares vested	—	—	6,042,543	28,516	(28,749)	—	—	—	(233)
Exercise of share options	—	—	2,478,594	11,682	(5,314)	—	—	—	6,368
Changes in shareholdings of the Philippine subsidiaries	—	—	—	—	(6,951)	—	—	(1,567)	(8,518)
Restricted shares granted to employees of an affiliated company	—	—	—	—	408	—	(408)	—	—
Dividends declared to noncontrolling interests	—	—	—	—	—	—	—	(229)	(229)
Balance at December 31, 2021	1,456,547,942	$ 14,565	(33,177,628	$ (132,856)	$ 3,238,600	$ (76,008)	$ (2,799,555)	$ 575,139	$ 819,885

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

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MELCO RESORTS & ENTERTAINMENT 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	$ (956,464)	$ (1,454,614)	$ 394,228
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	579,847	618,530	651,205
Amortization of deferred financing costs and original issue premiums	16,276	17,646	20,324
Interest accretion on finance lease liabilities	17,218	30,952	1,942
Net loss (gain) on disposal of property and equipment	807	987	(169)
Impairment loss recognized on property and equipment	3,643	8,127	9,590
Impairment loss recognized on goodwill	—	13,867	—
Write-off of other assets	—	—	7,556
Provision for credit losses	6,450	133,597	33,176
Provision for input value-added tax	3,023	5,786	3,733
Loss on extinguishment of debt	28,817	19,952	6,333
Costs associated with debt modification	—	310	579
Share-based compensation	67,957	54,392	31,797
Net losses recognized on investment securities	—	165,440	41,737
Changes in operating assets and liabilities:			
Accounts receivable	67,571	27,503	(77,627)
Inventories, prepaid expenses and other	16,134	(2,187)	(593)
Long-term prepayments, deposits and other	61,952	(29,606)	49,726
Accounts payable, accrued expenses and other	(178,853)	(470,570)	(341,756)
Other long-term liabilities	(3,152)	(1,075)	4,381
Net cash (used in) provided by operating activities	(268,774)	(860,963)	836,162
Cash flows from investing activities:			
Payments for capitalized construction costs	(532,660)	(227,672)	(109,851)
Placement of bank deposits with original maturities over three months	(298,666)	(150,000)	(60,152)
Acquisition of property and equipment	(139,155)	(208,860)	(337,560)
Payments for intangible and other assets	(7,579)	(27,335)	(2,505)
Proceeds from sale of property and equipment	4,843	554	1,283
Withdrawals of bank deposits with original maturities over three months	298,666	150,000	60,152
Proceeds from sale of investment securities	—	410,001	49,669
Payments for investment securities	—	—	(617,848)
Acquisition of a subsidiary	—	—	(15,037)
Net cash used in investing activities	$ (674,551)	$ (53,312)	$ (1,031,849)

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MELCO RESORTS & ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(In thousands of U.S. dollars)

	Year Ended December 31, 2021	2020	2019
Cash flows from financing activities:			
Principal payments on long-term debt	$ (502,831)	$ (1,454,837)	$ (2,592,631)
Repurchase of shares	(52,026)	(44,977)	—
Payments of deferred financing costs	(37,396)	(84,057)	(28,825)
Purchase of shares of a subsidiary	(8,518)	—	—
Net (payments for) proceeds from issuance of shares of subsidiaries	(445)	218,441	83,233
Principal payments on finance lease liabilities	(152)	(73)	—
Proceeds from exercise of share options	7,101	1,061	2,700
Proceeds from long-term debt	1,416,012	2,707,165	2,933,632
Dividends paid	—	(79,116)	(300,995)
Net cash provided by financing activities	821,745	1,263,607	97,114
Effect of exchange rate on cash, cash equivalents and restricted cash	19,359	(26,064)	10,486
(Decrease) increase in cash, cash equivalents and restricted cash, including those classified within assets held for sale	(102,221)	323,268	(88,087)
Cash, cash equivalents and restricted cash at beginning of year	1,755,770	1,432,502	1,520,589
Cash, cash equivalents and restricted cash at end of year, including those classified within assets held for sale	1,653,549	1,755,770	1,432,502
Less: cash and cash equivalents classified within assets held for sale	(234)	—	—
Cash, cash equivalents and restricted cash at end of year	$ 1,653,315	$ 1,755,770	$ 1,432,502
Supplemental cash flow disclosures:			
Cash paid for interest, net of amounts capitalized	$ (310,319)	$ (251,438)	$ (253,312)
Cash paid for income taxes, net of refunds	$ (4,524)	$ (5,364)	$ (3,889)
Cash paid for amounts included in the measurement of lease liabilities — operating cash flows from operating leases	$ (23,398)	$ (22,362)	$ (40,542)
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modification or other reassessment events	$ 8,849	$ 3,549	$ 27,693
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment	$ 29,251	$ 34,241	$ 56,623
Change in input value-added tax related to acquisition of property and equipment	$ 8,276	$ —	$ 8,648
Change in accrued expenses and other current liabilities and other long-term liabilities related to construction costs	$ 145,284	$ 66,960	$ 43,236
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ —	$ 6,356	$ —
Deferred financing costs included in accrued expenses and other current liabilities	$ 211	$ 1,356	$ 4,204
Change in accrued expenses and other current liabilities related to dividends declared to noncontrolling interests	$ —	$ 8,243	$ —
Offering expenses capitalized for the issuance of shares of a subsidiary included in accrued expenses and other current liabilities	$ —	$ 445	$ —

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

MELCO RESORTS & ENTERTAINMENT 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

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

Melco together with its subsidiaries (collectively referred to as the "Company") is a developer, owner and operator of integrated resort facilities in Asia and Europe. The Company currently operates Altira Macau, an integrated resort located at Taipa, the Macau Special Administrative Region of the People's Republic of China ("Macau"), City of Dreams, an integrated resort located at Cotai, Macau and Grand Dragon Casino, a casino located at Taipa, Macau. The Company's business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. Melco, through its subsidiaries, including Studio City International Holdings Limited ("Studio City International"), which is majority-owned by Melco and with its ADSs listed on the New York Stock Exchange in the U.S., also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco, through its majority-owned subsidiaries, ICR Cyprus Holdings Limited ("ICR Cyprus") and its subsidiaries (collectively referred to as "ICR Cyprus Group"), is currently developing City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus ("Cyprus"), and is currently operating a temporary casino in Limassol and is licensed to operate four satellite casinos in Cyprus ("Cyprus Operations"). Upon the opening of City of Dreams Mediterranean, the Company will continue to operate the satellite casinos while operation of the temporary casino will cease.

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.

In Macau, 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 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.

In the Philippines, City of Dreams Manila's operations have been impacted by the on-and-off travel restrictions and was operated at limited operational capacity under different levels of community

MELCO RESORTS & ENTERTAINMENT 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

quarantine measures in Metro Manila as imposed by the Philippine government in response to COVID-19 cases. During the period from March 29, 2021 to April 30, 2021 and from August 6, 2021 to September 16, 2021, City of Dreams Manila's operations were closed due to a resurgence in COVID-19 cases. On October 16, 2021, the Philippine government downgraded the community quarantine measure to Alert Level 3, allowing hotels to take vaccinated local guests on staycation packages, and was further downgraded to Alert Level 2 on November 5, 2021 allowing hotels to take leisure guests. The Philippine government re-opened the borders to fully vaccinated international tourists with a negative RT-PCR test taken within 48 hours of departure of their country of origin effective on February 10, 2022 and lowered COVID-19 restrictions to Alert Level 1 effective on March 1, 2022 which allows casinos to operate at 100% capacity, subject to certain guidelines.

In Cyprus, the Company's Cyprus Operations were closed during the period from January 1, 2021 to May 16, 2021 due to the Cyprus government mandated lockdown. The Cyprus Operations were resumed on May 17, 2021 at limited capacities after the Cyprus government relaxed COVID-19 restrictions. With a surge in COVID-19 cases, authorities stepped up COVID-19 restrictions from the end of December 2021 by reducing the capacity at certain venues and increasing restrictions for unvaccinated people, however, the casinos of the Cyprus Operations remained open during the period and such restrictions have been eased after February 21, 2022.

The COVID-19 outbreak has also impacted the construction schedules of the remaining development project at Studio City and the City of Dreams Mediterranean project in Cyprus. 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 opening of City of Dreams Mediterranean is now expected to be in the second half of 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.

Also, there have been concerns over the recent military conflict between Russia and Ukraine which has led to sanctions and export controls 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. Such military conflict and the new and growing lists of sanctions and measures are extensive and rapidly changing, could be difficult to comply with and could also significantly increase the Company's business and compliance costs as well as having a negative impact on the Company's business and ability to accept certain customers from Russia, and may materially and adversely affect the Company's business in Cyprus.

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 $1,652,890 and available borrowing capacity of $1,580,812, subject to the satisfaction of certain conditions precedent.

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

MELCO RESORTS & ENTERTAINMENT 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

reductions, refinancing certain 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) Limited ("Melco Resorts Macau"), a subsidiary of Melco, ceased all gaming promoter arrangements in Macau. The Company is currently unable to reasonably estimate the financial impact to its future results of operations, cash flows and financial condition from this change in its operations.

(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 Studio City Entertainment Limited ("Studio City Entertainment"), a subsidiary of Melco, entered into a services and right to use agreement dated 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 gaming area at Studio City ("Studio City Casino") since Studio City Entertainment does not hold a gaming license in Macau. Under such arrangements, Melco Resorts Macau deducts gaming taxes and the costs incurred in connection with its operations from Studio City Casino's gross gaming revenues. Studio City Entertainment receives the residual amount and recognizes such residual amount as its revenue from provision of gaming related services. 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.

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. On March 11, 2022, Melco Resorts Macau 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 Macau Patacas ("MOP") 47,000,000 (equivalent to $5,851) and provide a bank guarantee in favor of the Macau government for the payment of potential labor liabilities should Melco Resorts Macau 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.

Under the indentures of the Company's senior notes, holders of the senior notes can require the respective issuer to repurchase all or any part of the senior notes at par, plus any accrued and unpaid interest (the "Special Put Option") (i) upon the occurrence of any event after which none of Melco

1. ORGANIZATION AND BUSINESS - continued

(c) **Macau gaming subconcession contract** - continued

Resorts Finance Limited ("Melco Resorts Finance"), a subsidiary of Melco, or any of its subsidiaries has such licenses, concessions, subconcessions or other permits or authorizations as are necessary to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as such relevant issuers and its subsidiaries were entitled, permitted or authorized to as of the issue date of the respective senior notes or, in the case of Studio City Finance Limited ("Studio City Finance") and Studio City Company Limited ("Studio City Company"), both majority-owned subsidiaries of Melco, in 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 issuers 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 addition, in relation to the Company's various credit facilities, 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.

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**

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

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

(b) **Use of Estimates**

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

MELCO RESORTS & ENTERTAINMENT 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

(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) **Investment Securities**

Investment securities consist of investments in mutual funds that mainly invest in bonds and fixed interest securities and investments in equity interests in a public company on which the Company has no significant influence. The investment securities are considered as marketable equity securities. Management determines the appropriate classification of its investment securities at the time of purchase and re-evaluates the classifications at each balance sheet date. Investment securities are classified as either current and non-current based on the nature of each security and its availability for use in current operations.

Investment securities are measured at fair value with changes in fair values recognized in the accompanying consolidated statements of operations.

(f) **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.

(g) **Accounts Receivable and Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino receivables. The Company issues credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is also given to its gaming promoters in the Philippines, and historically, to gaming promoters in Macau, which receivables can be offset against commissions payable and any other value items held by the Company to the respective customers and for which the Company intends to set off when required. As of December 31, 2021 and 2020, a substantial portion of the Company's markers were due from customers and gaming promoters residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(g) **Accounts Receivable and Credit Risk** - continued

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.

(h) **Inventories**

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

(i) **Assets Held For Sale**

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

(j) **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 accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under 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 integrated resort facilities are completed and opened.

MELCO RESORTS & ENTERTAINMENT 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) **Property and Equipment** - continued

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

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

(k) **Capitalized Interest**

Interest, including amortization of deferred financing costs, associated with major development and construction projects is capitalized and included in the cost of the projects. The capitalization of interest ceases when the project is substantially completed or the development activity is substantially suspended. The amount to be capitalized is determined by applying the weighted average interest rate of the Company's outstanding borrowings to the average amount of accumulated qualifying capital expenditures for assets under construction during the year. Total interest expenses incurred amounted to $380,904, $352,673 and $310,102, of which $30,360, $11,834 and nil were capitalized during the years ended December 31, 2021, 2020 and 2019, respectively.

(l) **Gaming Subconcession**

The deemed cost of the gaming subconcession in Macau was capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of Melco Resorts Macau in 2006, and amortized over the term of agreement which is due to expire in June 2022 on a straight-line basis.

(m) **Internal-Use Software**

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

(n) **Goodwill and Intangible Assets**

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

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are carried at cost, less accumulated amortization. The Company's finite-lived intangible assets consist of the gaming subconcession, internal-use software and proprietary rights. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The

MELCO RESORTS & ENTERTAINMENT 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) **Goodwill and Intangible Assets** - continued

Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is more likely than not that the asset is impaired. If it is determined that it is more likely than not that the asset is impaired after assessing the qualitative factors, the Company then performs a quantitative impairment test. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment loss is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. On January 1, 2020, the Company adopted the accounting standards update on goodwill impairment testing on a prospective basis. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair values of the reporting units are determined using income valuation approaches through the application of discounted cash flow method. Estimating fair values of the reporting units involves significant assumptions, including future revenue growth rates, gross margin, terminal growth rates and discount rates. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

No impairment losses on goodwill and intangible assets were recognized during the years ended December 31, 2021 and 2019. During the year ended December 31, 2020, an impairment loss of $13,867 was recognized against goodwill of the Japan Ski Resort as described in Note 26 as a result of a significant decline in profits due in large part to the COVID-19 outbreak.

(o) **Impairment of Long-lived Assets (Other Than Goodwill)**

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

During the years ended December 31, 2021, 2020 and 2019, impairment losses of $3,643, $8,127 and $9,590 were recognized, respectively, mainly due to reconfigurations and renovations at the Company's operating properties, and of which $1,147 and $6,293 in the years ended December 31, 2021 and 2019, respectively, related to a significant decrease in the market value of a parcel of freehold land as described in Note 6. The fair value of the freehold land was calculated by using level 3 inputs based on the direct comparison method. The impairment losses are 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(p) **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.

(q) **Land Use Rights**

Land use rights represent the upfront land premium paid for the use of land held under operating leases, which are recorded at cost less accumulated amortization. Amortization is provided over the estimated term of the land use rights of 40 years on a straight-line basis.

(r) **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 $154,459 of operating lease right-of-use assets (including the reclassification of deferred rent assets, prepaid rent, deferred rent liabilities and accrued rent to operating lease right-of-use assets) and $170,833 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(r) **Leases** - continued

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.

(s) **Revenue Recognition**

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(s) **Revenue Recognition** - continued

Dragon Casino, given the Company operates the casino under a right to use agreement with the owner of the casino premises and has full responsibility for the casino operations in accordance with its gaming subconcession, it is the principal and casino revenue is, therefore, recognized on a gross basis.

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

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

Contract and Contract-Related Liabilities

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

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

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

	Outstanding gaming chips		Loyalty program liabilities		Advance customer deposits and ticket sales	
	2021	2020	2021	2020	2021	2020
Balance at January 1	$ 205,780	$ 473,330	$ 29,175	$ 39,591	$ 277,867	$ 255,884
Balance at December 31	72,147	205,780	24,350	29,175	309,718	277,867
(Decrease) increase	$ (133,633)	$ (267,550)	$ (4,825)	$ (10,416)	$ 31,851	$ 21,983

(t) **Gaming Taxes and License Fees**

The Company is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees are mainly recognized as casino expense in the accompanying consolidated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(t) **Gaming Taxes and License Fees** - continued

statements of operations. These taxes and license fees totaled $842,722, $754,733 and $2,550,755 for the years ended December 31, 2021, 2020 and 2019, respectively.

(u) **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 primarily in connection with the development of further expansions to City of Dreams, Studio City and Cyprus Operations. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(v) **Development Costs**

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

(w) **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 $39,811, $34,061 and $89,376 for the years ended December 31, 2021, 2020 and 2019, respectively.

(x) **Foreign Currency Transactions and Translations**

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

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

(y) **Comprehensive (Loss) Income and Accumulated Other Comprehensive Losses**

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 losses consisted solely of foreign currency translation adjustments, net of tax and noncontrolling interests.

(z) **Share-based Compensation Expenses**

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(z) **Share-based Compensation Expenses** - continued

period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 18.

(aa) **Income Tax**

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(ab) **Net (Loss) Income Attributable to Melco Resorts & Entertainment Limited Per Share** - continued

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

	Year Ended December 31,		
	2021	2020	2019
Weighted average number of ordinary shares outstanding used in the calculation of basic net (loss) income attributable to Melco Resorts & Entertainment Limited per share	1,434,087,641	1,432,052,735	1,436,569,083
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	—	—	6,878,339
Weighted average number of ordinary shares outstanding used in the calculation of diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share	1,434,087,641	1,432,052,735	1,443,447,422
Anti-dilutive share options and restricted shares excluded from the calculation of diluted net (loss) income attributable to Melco Resorts & Entertainment Limited per share	46,532,956	40,618,693	8,053,109

(ac) **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	$ 1,652,890	$ 1,755,351
Current portion of restricted cash	285	13
Non-current portion of restricted cash	140	406
Total cash, cash equivalents and restricted cash	$ 1,653,315	$ 1,755,770

4. INVESTMENT SECURITIES

On May 30, 2019, Melco executed a definitive purchase agreement, as amended on August 28, 2019 (collectively, the "Share Sale Agreement") pursuant to which Melco agreed to, through its subsidiary, acquire and an independent third party, CPH Crown Holdings Pty Limited ("CPH"), agreed to sell, an aggregate of 135,350,000 shares of Crown Resorts Limited ("Crown"), an Australian-listed corporation, representing approximately 19.99% of the issued shares of Crown, in two equal tranches at Australian dollars ("AUD") 13.00 per share. On June 6, 2019, the Company completed the acquisition of the first tranche of approximately 9.99% issued shares of Crown and recognized non-current investment securities of AUD880,639,927 (equivalent to $618,455) (including transaction costs).

On February 6, 2020, the Company agreed with CPH to terminate the obligation to purchase the second tranche of approximately 9.99% issued shares of Crown as contemplated under the Share Sale Agreement at no consideration.

On April 29, 2020, the Company disposed of the first tranche of approximately 9.99% issued shares of Crown at AUD8.15 per share to an independent third party. The aggregate consideration was AUD551,551,250 (equivalent to $359,060). Upon completion of this disposal, the Company ceased to be a shareholder of Crown.

During the year ended December 31, 2020, the Company disposed of all of its investments in mutual funds that were mainly invested in bonds and fixed interest securities.

The components of (losses) gains on marketable equity securities were as follows:

	Year Ended December 31,	
	2020	2019
Net losses recognized on market equity securities	$ (165,440)	$ (41,737)
Less: Net losses (gains) recognized on marketable equity securities sold during the year	165,440	(3,085)
Unrealized losses recognized on marketable equity securities still held at the reporting date	$ —	$ (44,822)

5. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2021	2020
Casino	$ 321,808	$ 460,863
Hotel	907	1,011
Other	189	1,537
Sub-total	322,904	463,411
Less: allowances for credit losses[1]	(268,413)	(333,792)
	54,491	129,619
Non-current portion	—	—
Current portion	$ 54,491	$ 129,619

Note
(1) As of December 31, 2021 and 2020, the allowances for credit losses of $14,989 and $16,517 are recorded as a reduction of the long-term casino accounts receivables, which are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 83.4% and 72.2% of gross casino accounts receivables as of December 31, 2021 and 2020, respectively. The Company's allowances for credit losses from its hotel and other receivables are not material.

Movement in the allowances for credit losses are as follows:

	Year Ended December 31,		
	2021	2020	2019
Balance at beginning of year	$333,792	$ 258,019	$ 228,344
Provision for credit losses	6,426	131,845	32,888
Write-offs	(69,712)	(57,868)	(4,460)
Effect of exchange rate	(2,093)	1,796	1,247
Balance at end of year	$268,413	$ 333,792	$ 258,019

6. ASSETS HELD FOR SALE

In September 2021, the Company announced discontinuing its pursuit of a Yokohama integrated resort development in Japan. In December 2021, an external advisor was engaged to locate potential buyers and prepare marketing materials for the disposal of the Company's assets in Japan, including the Japan Ski Resort as described in Note 26 and a parcel of freehold land together with the accompanying building structures in Hakone, Japan (collectively be referred to as the "Disposal Group"). As of December 31, 2021, the disposal was in progress and was anticipated to be completed within one year. After consideration of the relevant facts, the Company concluded the assets and liabilities of the Disposal Group met the criteria for classification as held for sale which is reported under the Corporate and Other segment.

6. ASSETS HELD FOR SALE - continued

The major classes of assets of the Disposal Group classified as assets held for sale as of December 31, 2021 were mainly comprised of:

Property and equipment, net	$ 19,922
Operating lease right-of-use assets	672
Cash and cash equivalents	234
Others	949
	$ 21,777

The liabilities related to assets held for sale of $1,497 as of December 31, 2021 mainly represented accounts payable, accrued expenses and other current liabilities, and operating lease liabilities.

During the year ended December 31, 2021, an impairment loss of $1,147 was provided for a parcel of freehold land included in the Disposal Group due to a significant decrease in its market value as of December 31, 2021.

7. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2021	2020
Cost		
Buildings	$ 6,312,791	$ 6,326,744
Furniture, fixtures and equipment	1,077,769	1,065,280
Leasehold improvements	1,165,452	1,175,678
Plant and gaming machinery	267,838	276,499
Transportation	218,017	219,646
Construction in progress	1,020,551	399,041
Freehold land	59,809	86,603
Sub-total	10,122,227	9,549,491
Less: accumulated depreciation and amortization	(4,211,543)	(3,868,223)
Property and equipment, net	$ 5,910,684	$ 5,681,268

As of December 31, 2021 and 2020, construction in progress, mainly in relation to Studio City and Cyprus Operations, included interest capitalized in accordance with applicable accounting standards and other direct incidental costs capitalized which, in the aggregate, amounted to $93,207 and $46,277, respectively.

The cost and accumulated amortization of right-of-use assets held under finance lease arrangements were $276,838 and $91,530 as of December 31, 2021 and $246,638 and $80,565 as of December 31, 2020, respectively. Further information on the lease arrangements is included in Note 14.

8. GAMING SUBCONCESSION, NET

	December 31, 2021	December 31, 2020
Deemed cost	$ 897,866	$ 903,160
Less: accumulated amortization	(870,801)	(818,497)
Gaming subconcession, net	$ 27,065	$ 84,663

The Company expects that amortization of the gaming subconcession will be approximately $27,065 in 2022.

9. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

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

	Mocha Clubs[1]	Corporate and Other[2]	Total
Balance at January 1, 2019	$ 81,376	$ —	$ 81,376
Acquisition	—	13,731	13,731
Foreign currency translations	444	69	513
Balance at December 31, 2019	81,820	13,800	95,620
Impairment	—	(13,867)	(13,867)
Foreign currency translations	383	67	450
Balance at December 31, 2020	82,203	—	82,203
Foreign currency translations	(482)	—	(482)
Balance at December 31, 2021	$ 81,721	$ —	$ 81,721

Notes

(1) The amount represents goodwill which arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. As of December 31, 2021, the gross amount of goodwill and accumulated impairment losses were $81,721 and nil, respectively.

(2) The amount represents goodwill which arose from the acquisition of Japan Ski Resort in 2019 as described in Note 26. As of December 31, 2021, the gross amount of goodwill and accumulated impairment losses were $13,783 and $13,783, respectively.

9. GOODWILL AND INTANGIBLE ASSETS, NET - continued

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31, 2021	December 31, 2020
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,210	$ 4,235
Total indefinite-lived intangible assets	4,210	4,235
Finite-lived intangible assets:		
Internal-use software	56,106	51,882
Less: accumulated amortization	(19,331)	(9,110)
	36,775	42,772
Proprietary rights	11,942	12,013
Less: accumulated amortization	(1,380)	(187)
	10,562	11,826
Total finite-lived intangible assets	47,337	54,598
Total intangible assets, net	$ 51,547	$58,833

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

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

The amortization expenses of finite-lived intangible assets (other than gaming subconcession) recognized for the years ended December 31, 2021, 2020 and 2019 were $11,555, $6,342 and $2,232, respectively.

As of December 31, 2021, the estimated future amortization expenses of finite-lived intangible assets (other than gaming subconcession) are as follows:

Year ending December 31,	
2022	$11,377
2023	8,063
2024	3,763
2025	3,230
2026	3,214
Over 2026	17,690
	$47,337

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

10. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

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

	December 31,	
	2021	2020
Deferred financing costs, net	$ 35,987	$ 44,033
Deferred rent assets	30,647	34,311
Advance payments for construction costs	27,993	59,564
Long-term prepayments	24,978	49,648
Other long-term assets and other	23,677	58,209
Deposits for acquisition of property and equipment	20,332	11,687
Other deposits	11,581	13,984
Input value-added tax, net	1,947	13,172
Long-term casino accounts receivables, net of allowances for credit losses of $14,989 and $16,517	—	—
Long-term prepayments, deposits and other assets	$177,142	$284,608

Input value-added tax, net represents the value-added tax expected to be recoverable from the tax authority in the Philippines mainly connected with the purchase of assets or services for City of Dreams Manila. Certain input value-added tax incurred on purchase of assets of $8,276, nil and $8,648 was considered non-refundable and, therefore, recognized as property and equipment for the years ended December 31, 2021, 2020 and 2019, respectively. During the years ended December 31, 2021, 2020 and 2019, provisions for input value-added tax expected to be non-recoverable amounting to $3,023, $5,786 and $3,733, respectively, were recognized in the accompanying consolidated statements of operations.

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

11. LAND USE RIGHTS, NET

	December 31,	
	2021	2020
Altira Macau	$ 146,128	$ 146,989
City of Dreams	398,630	400,981
Studio City	652,014	655,858
	1,196,772	1,203,828
Less: accumulated amortization	(502,190)	(482,254)
Land use rights, net	$ 694,582	$ 721,574

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2021	2020
Advance customer deposits and ticket sales	$309,718	$277,867
Construction cost payables	128,383	57,200
Interest expenses payable	105,637	96,491
Operating expense and other accruals and liabilities	86,859	73,177
Staff cost accruals	86,294	99,612
Gaming tax and license fee accruals	85,468	87,321
Outstanding gaming chips	72,147	205,780
Property and equipment payables	36,397	48,769
Loyalty program liabilities	24,350	29,175
Dividends payable	230	8,473
	$935,483	$983,865

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

13. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31,	
	2021	2020
Senior Notes		
2017 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $13,161 and $16,583, respectively)	$ 986,839	$ 983,417
2019 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $3,776 and $4,529, respectively)	496,224	495,471
2019 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $4,954 and $5,686, respectively)	595,046	594,314
2019 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $2,041 and $7,991, respectively)	1,147,959	892,009
2020 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $3,393 and $4,519, respectively)	846,607	845,481
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
2021 5.000% Studio City Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $4,798)	1,095,202	—
2019 7.250% Studio City Notes, due 2024 (net of unamortized deferred financing costs of $6,165)	—	593,835
Credit Facilities		
2015 Credit Facilities	128	129
2020 Credit Facilities[1]	399,693	249,910
2016 Studio City Credit Facilities[2]	128	129
	6,559,982	5,645,391
Current portion of long-term debt	(128)	—
	$6,559,854	$5,645,391

Notes

(1) As of December 31, 2021 and 2020, the unamortized deferred financing costs related to the revolving credit facility of the 2020 Credit Facilities of $35,598 and $43,593 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheet, respectively.

(2) 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

2017 4.875% Senior Notes

On June 6, 2017, Melco Resorts Finance issued $650,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100% of the principal amount (the "First 2017 4.875% Senior Notes"); and on July 3, 2017, Melco Resorts Finance further issued $350,000 in aggregate principal amount

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2017 4.875% Senior Notes - continued

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

Melco Resorts Finance had the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time prior to June 6, 2020, at a "make-whole" redemption price. On or after June 6, 2020, Melco Resorts Finance has the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance had the option to redeem up to 35% of the 2017 4.875% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to June 6, 2020. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2017 4.875% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2017 4.875% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2017 4.875% Senior Notes at a fixed redemption price.

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

2019 5.250% Senior Notes

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

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 5.250% Senior Notes - continued

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time prior to April 26, 2022, at a "make-whole" redemption price. On or after April 26, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.250% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to April 26, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.250% Senior 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, each holder of the 2019 5.250% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.250% Senior Notes at a fixed redemption price.

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

2019 5.625% Senior Notes

On July 17, 2019, Melco Resorts Finance issued $600,000 in aggregate principal amount of 5.625% senior notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2019 5.625% Senior Notes"). The interest on the 2019 5.625% Senior Notes is accrued at a rate of 5.625% per annum, payable semi-annually in arrears on January 17 and July 17 of each year, and commenced on January 17, 2020. The 2019 5.625% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.625% Senior Notes were used to partially repay the 2015 Revolving Credit Facility in July 2019.

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time prior to July 17, 2022, at a "make-whole" redemption price. On or after July 17, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.625% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 17, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.625% Senior 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, each holder of the 2019 5.625% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.625% Senior Notes at a fixed redemption price.

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 5.625% Senior Notes - continued

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

2019 5.375% Senior Notes

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

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

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

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 5.375% Senior Notes - continued

On June 29, 2021, the 2019 5.375% Senior Notes, which were originally listed on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX"), were also listed on the Chongwa (Macao) Financial Asset Exchange Co., Limited.

2020 5.750% Senior Notes

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

Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time prior to July 21, 2023 at a "make-whole" redemption price. On or after July 21, 2023, Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2020 5.750% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 21, 2023. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2020 5.750% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming subconcession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2020 5.750% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2020 5.750% Senior Notes at a fixed redemption price.

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

2020 Studio City Notes

On July 15, 2020, Studio City Finance 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

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 Studio City Notes - continued

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 as described below) (the "2020 Studio City Notes Guarantors") jointly, severally and unconditionally guarantee the 2020 Studio City Notes on a senior basis (the "2020 Studio City Notes Guarantees"). The 2020 Studio City Notes Guarantees are general obligations of the 2020 Studio City Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the 2020 Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2020 Studio City Notes Guarantors. The 2020 Studio City Notes Guarantees are effectively subordinated to the 2020 Studio City Notes Guarantors' obligations under all existing and any future secured indebtedness to the extent of the value of such property and assets securing such indebtedness.

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, 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

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2020 Studio City Notes - continued

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.

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.

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

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2021 5.000% Studio City Notes - continued

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 SGX, were also listed on the Chongwa (Macao) Financial Asset Exchange Co., Limited.

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.

13. LONG-TERM DEBT, NET - continued

(a) Senior Notes - continued

2019 7.250% Studio City Notes - continued

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.

(b) Credit Facilities

2015 Credit Facilities

On June 29, 2015, Melco Resorts Macau (the "Borrower") amended and restated the Borrower's prior senior secured credit facilities agreement from Hong Kong dollars ("HK$") 9,362,160,000 (equivalent to $1,203,362) to a HK$13,650,000,000 (equivalent to $1,750,000) senior secured credit facilities agreement (the "2015 Credit Facilities"), comprising a HK$3,900,000,000 (equivalent to $500,000) term loan facility (the "2015 Term Loan Facility") and a HK$9,750,000,000 (equivalent to $1,250,000) multicurrency revolving credit facility (the "2015 Revolving Credit Facility").

In December 2019, the Company partially prepaid an outstanding principal amount of HK$2,750,000,000 (equivalent to $353,062) of the 2015 Term Loan Facility, together with accrued interest and associated costs, with a portion of the net proceeds from the offering of the 2019 5.375% Senior Notes. In connection with this prepayment, the Company recorded a loss on extinguishment of debt of $2,612 during the year ended December 31, 2019.

Before the signing and effective date of the Waiver Letter (as described below), the maturity date of the 2015 Credit Facilities was: (i) June 29, 2021 in respect of the 2015 Term Loan Facility; and (ii) June 29, 2020 in respect of the 2015 Revolving Credit Facility, or if earlier, the date of repayment, prepayment or cancellation in full of the 2015 Credit Facilities. The 2015 Term Loan Facility was repayable in quarterly instalments according to an amortisation schedule. Each loan made under the 2015 Revolving Credit Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. Borrowings under the 2015 Credit Facilities bore interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the 2015 Borrowing Group (as described below). The Borrower was permitted to select an interest period for borrowings under the 2015 Credit Facilities ranging from one to six months or any other agreed period.

13. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2015 Credit Facilities - continued

On May 6, 2020, MCO Nominee One Limited ("MCO Nominee One"), a subsidiary of Melco, drew down HK$2,730,000,000 (equivalent to $352,189) of the revolving credit facility under the 2020 Credit Facilities (as described below) and, on May 7, 2020, the Company used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, other than HK$1,000,000 (equivalent to $129) which remained outstanding under the 2015 Term Loan Facility. Following the repayment of outstanding amounts under the 2015 Credit Facilities, together with accrued interest and associated costs, on May 7, 2020, all other commitments under the 2015 Term Loan Facility and a part of the commitments under the 2015 Revolving Credit Facility were cancelled. Post-cancellation, the available commitments under the 2015 Revolving Credit Facility were HK$1,000,000 (equivalent to $129), collateralized by cash of HK$2,130,000 (equivalent to $275). The Company recorded a loss on extinguishment of debt of $1,236 and a cost associated with debt modification of $310 during the year ended December 31, 2020 in connection with this repayment and a part of the 2015 Revolving Credit Facility commitment cancellation.

Compliance with certain provisions of the 2015 Credit Facilities were waived pursuant to a waiver letter from Bank of China Limited, Macau Branch (in its capacity as the sole lender under the 2015 Credit Facilities) ("BOC Macau") to the Borrower dated April 29, 2020 (the "Waiver Letter"). The Waiver Letter became effective on May 7, 2020. Pursuant to the terms of the Waiver Letter, BOC Macau agreed, among other things, to relax the Borrower's obligations under the 2015 Credit Facilities by way of a waiver of (i) to extend the maturity date of the 2015 Credit Facilities to June 24, 2022; (ii) the repayment term of the 2015 Term Loan Facility; (iii) interest rate of the borrowings change to HIBOR plus a margin of 1% per annum; (iv) the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions, (v) the requirement to make substantially all of the representations, and (vi) certain current and/or future defaults and events of default that may arise under the terms of the 2015 Credit Facilities, subject to certain conditions and terms.

As of December 31, 2021, the outstanding principal amount of the 2015 Term Loan Facility and the 2015 Revolving Credit Facility was HK$1,000,000 (equivalent to $128) and nil, respectively, and the available borrowing capacity under 2015 Revolving Credit Facility was HK$1,000,000 (equivalent to $128).

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

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

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

13. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2015 Credit Facilities - continued

The Borrower is obligated to pay a commitment fee on the undrawn amount of the 2015 Revolving Credit Facility and recognized loan commitment fees of $1, $1,512 and $2,322 during the years ended December 31, 2021, 2020 and 2019, respectively.

2020 Credit Facilities

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

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

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

Borrowings under the 2020 Credit Facilities bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. MCO Nominee One may select an interest period for borrowings under the 2020 Credit Facilities ranging from one to six months or any other agreed period. MCO Nominee One is obligated to pay a commitment fee quarterly in arrears from April 29, 2020 on the undrawn amount of the 2020 Credit Facilities and recognized loan commitment fees of $10,613 and $6,022 during the years ended December 31, 2021 and 2020.

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

On November 5, 2021, MCO Nominee One further received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to waive certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities, in each case in respect of the relevant periods ended or

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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13. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2020 Credit Facilities - continued

ending on the following applicable test dates: (a) March 31, 2022; (b) June 30, 2022; (c) September 30, 2022; and (d) December 31, 2022. Such consent became effective on November 9, 2021.

As of December 31, 2021, the outstanding principal amount of the 2020 Credit Facilities was HK$3,117,000,000 (equivalent to $399,693), and the available borrowing capacity under the 2020 Credit Facilities was HK$11,733,000,000 (equivalent to $1,504,523).

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"), a majority-owned subsidiary of Melco, 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

13. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

2016 Studio City Credit Facilities - continued

related finance documents. The 2016 Studio City Credit Facilities are secured, by substantially all of the material assets of Studio City Investments and its subsidiaries.

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

In addition, modification, expiry, or termination of the gaming 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.

Philippine Credit Facility

On October 14, 2015, Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), a majority-owned subsidiary of Melco, entered into an on-demand, unsecured credit facility agreement of Philippine Pesos ("PHP") 2,350,000,000 (equivalent to $49,824), as amended from time to time (the "Philippine Credit Facility") with a lender to finance advances to Melco Resorts Leisure (PHP) Corporation ("Melco Resorts Leisure"), a majority-owned subsidiary of Melco. As of December 31, 2021, the Philippine Credit Facility availability period, as amended from time to time, is up to January 31, 2022 and was further extended to May 1, 2022, in January 2022, and the maturity date of each individual drawdown, as amended from time to time, to be the earlier of: (i) the date which is 180 days from the date of drawdown, and (ii) the date which is 180 days after the end of the availability period. The individual drawdowns under the Philippine Credit Facility are subject to certain conditions precedent, including issuance of a promissory note in favor of the lender evidencing such drawdown. As of December 31, 2021, borrowings under the Philippine Credit Facility bear interest, as amended from time to time, at the higher of: (i) the PHP BVAL Reference Rate of

13. LONG-TERM DEBT, NET - continued

(b) Credit Facilities - continued

Philippine Credit Facility - continued

the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, and (ii) Philippines Term Deposit Facility Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, such rate to be set one business day prior to the relevant interest period. The Philippine Credit Facility includes a tax gross-up provision requiring MRP to pay without any deduction or withholding for or on account of tax.

As of December 31, 2021, the Philippine Credit Facility had not yet been drawn and the available borrowing capacity under the Philippine Credit Facility was PHP2,350,000,000 (equivalent to $46,283).

(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 5.43%, 5.71% and 5.45% 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	$ 128
2023	—
2024	—
2025	1,899,693
2026	500,000
Over 2026	4,200,128
	$ 6,599,949

14. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including the land and certain of the building structures for City of Dreams Manila under the MRP Lease Agreement as described in Note 22, Cyprus casino sites, Mocha Clubs sites, office space, warehouses, staff quarters, and certain parcels of land in Macau on which Altira Macau, City of Dreams and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractually agreed incremental rates and on the general inflation rate once agreed by the Company and its lessors and in some cases contingent rental expenses stated as a percentage of turnover. Certain leases include options to extend the lease term and options to terminate the lease term. The land concession contracts in Macau have a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contracts in Macau is 40 years.

14. LEASES - continued

Lessee Arrangements - continued

The components of lease costs are as follows:

	Year Ended December 31,		
	2021	2020	2019
Operating lease costs:			
Amortization of land use rights	$ 22,832	$ 22,886	$ 22,659
Operating lease costs	29,401	31,039	39,681
Short-term lease costs	473	842	1,569
Variable lease costs	(629)	(5,565)	9,595
Finance lease costs:			
Amortization of right-of-use assets	15,682	12,836	12,326
Interest costs	31,642	41,550	39,696
Total lease costs	$ 99,401	$ 103,588	$ 125,526

Other information related to lease term and discount rate is as follows:

	December 31,	
	2021	2020
Weighted average remaining lease term		
Operating leases	21.49 years	19.8 years
Finance leases	11.5 years	12.5 years
Weighted average discount rate		
Operating leases	5.73%	5.76%
Finance leases	7.09%	13.49%

Maturities of lease liabilities as of December 31, 2021 are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2022	$ 17,211	$ 50,345
2023	9,089	49,232
2024	6,392	50,560
2025	6,107	50,560
2026	6,104	50,560
Over 2026	86,977	330,154
Total future minimum lease payments	131,880	581,411
Less: amount representing interest	(52,220)	(185,231)
Present value of future minimum lease payments	79,660	396,180
Current portion	(16,771)	(48,551)
Non-current portion	$ 62,889	$ 347,629

14. LEASES - continued

Lessor Arrangements

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

During the years ended December 31, 2021 and 2020, the Company earned minimum operating lease income of $45,019 and $37,257, respectively and contingent operating lease income of $5,080 and $(1,955), respectively. Total lease income for the years ended December 31, 2021 and 2020 were reduced by $882 and $18,356 as a result of the rent concessions and uncollectable lease income related to the effects of the COVID-19 outbreak, respectively. During the year ended December 31, 2019, the Company earned minimum operating lease income of $36,938 and contingent operating lease income of $14,295.

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	$ 48,136
2023	43,647
2024	43,789
2025	44,306
2026	20,287
Over 2026	2,758
	$202,923

15. 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, long-term

15. FAIR VALUE MEASUREMENTS - continued

receivables 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 $6,370,180 and $5,982,252, respectively, as compared to its carrying value, excluding unamortized deferred financing costs and original issue premiums, of $6,599,949 and $5,700,168, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2017 4.875% Senior Notes, the 2019 5.250% Senior Notes, the 2019 5.625% Senior Notes, the 2019 5.375% Senior Notes, the 2020 5.750% Senior Notes, the 2020 Studio City Notes, the 2021 5.000% Studio City Notes and the 2019 7.250% Studio City Notes. Fair values for the 2015 Credit Facilities, the 2020 Credit Facilities and the 2016 Studio City Credit Facilities approximated the carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 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.

16. CAPITAL STRUCTURE

Treasury Shares

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

No ordinary shares were issued by Melco to its depositary bank for future vesting of restricted shares and exercise of share options during the years ended December 31, 2021, 2020 and 2019. Melco issued 6,042,543, 2,694,507 and 1,398,840 of ordinary shares upon vesting of restricted shares; and 2,478,594, 389,181 and 666,255 of ordinary shares upon exercise of share options during the years ended December 31, 2021, 2020 and 2019, respectively.

On March 21, 2018, the Board of Directors of Melco authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period which commenced on March 21, 2018 under a share repurchase program. On November 8, 2018, the Board of Directors of Melco further authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period commenced on November 8, 2018 under an additional share repurchase program (this share repurchase program together with the share repurchase program authorized on March 21, 2018, the "2018 Share Repurchase Programs"). Purchases under the 2018 Share Repurchase Programs might be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 of the U.S. Securities Exchange Act, and/or in privately-negotiated transactions. The timing and the amount of ordinary shares and/or ADSs purchased were determined by Melco's management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The share repurchase program that was authorized on March 21, 2018 expired on March 21, 2021. The 2021 Share Repurchase Program (as described below) is effective on June 2, 2021 and replaced the share repurchase program that was authorized on November 8, 2018 and originally due to expire in November 2021.

16. CAPITAL STRUCTURE - continued

Treasury Shares - continued

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

During the year ended December 31, 2021, 5,372,045 ADSs, equivalent to 16,116,135 ordinary shares were repurchased under the 2021 Share Repurchase Program, of which nil ordinary shares repurchased were retired. During the year ended December 31, 2020, 3,148,824 ADSs, equivalent to 9,446,472 ordinary shares were repurchased under the 2018 Share Repurchase Programs, of which nil ordinary shares repurchased were retired. During the year ended December 31, 2019, no ordinary share were repurchased under the 2018 Share Repurchase Programs, while 81,952,230 ordinary shares previously repurchased under the 2018 Share Repurchase Programs were retired.

As of December 31, 2021 and 2020, Melco had 1,456,547,942 and 1,456,547,942 issued ordinary shares, and 33,177,628 and 25,582,630 treasury shares, with 1,423,370,314 and 1,430,965,312 ordinary shares outstanding, respectively.

17. INCOME TAXES

(Loss) income before income tax consisted of:

	Year Ended December 31,		
	2021	2020	2019
Macau operations	$ (456,089)	$ (772,988)	$ 665,591
Hong Kong operations	(434,618)	(342,715)	(72,676)
Philippine operations	(51,436)	(102,990)	61,768
Cyprus operations	(13,454)	(11,190)	16,432
Other jurisdictions operations	2,018	(227,644)	(268,548)
(Loss) income before income tax	$ (953,579)	$ (1,457,527)	$ 402,567

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

17. INCOME TAXES - continued

The income tax expense (credit) consisted of:

	Year Ended December 31,		
	2021	2020	2019
Income tax expense - current:			
Macau Complementary Tax	$ 172	$ 6,402	$ 1,130
Lump sum in lieu of Macau Complementary Tax on dividends	2,359	2,367	2,345
Hong Kong Profits Tax	48	38	64
Philippine Corporate Income Tax	1	59	5
Philippine withholding tax on dividends	2,937	—	—
Cyprus Corporate Income Tax	188	—	1,699
Income tax in other jurisdictions	323	2,182	1,867
Sub-total	6,028	11,048	7,110
(Over) under provision of income taxes in prior years:			
Macau Complementary Tax	(874)	(544)	38
Hong Kong Profits Tax	18	(2)	(3)
Philippine Corporate Income Tax	(62)	(5)	(1)
Cyprus Corporate Income Tax	—	58	—
Income tax in other jurisdictions	14	482	326
Sub-total	(904)	(11)	360
Income tax (credit) expense - deferred:			
Macau Complementary Tax	(4,535)	(9,762)	(900)
Hong Kong Profits Tax	2,493	(26)	(341)
Philippine Corporate Income Tax	209	(3,774)	2,283
Cyprus Corporate Income Tax	—	(64)	(606)
Income tax in other jurisdictions	(406)	(324)	433
Sub-total	(2,239)	(13,950)	869
Total income tax expense (credit)	$ 2,885	$ (2,913)	$ 8,339

17. **INCOME TAXES** - continued

A reconciliation of the income tax expense (credit) 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	$(953,579)	$(1,457,527)	$ 402,567
Macau Complementary Tax rate	12%	12%	12%
Income tax (credit) expense at Macau Complementary Tax rate	(114,429)	(174,903)	48,308
Lump sum in lieu of Macau Complementary Tax on dividends	2,359	2,367	2,345
Effect of different tax rates of subsidiaries operating in other jurisdictions	(31,653)	(36,938)	2,178
(Over) under provision in prior years	(904)	(11)	360
Effect of income for which no income tax expense is payable	(6,308)	(8,171)	(9,763)
Effect of expenses for which no income tax benefit is receivable	101,111	107,037	54,856
Effect of profits generated by gaming operations exempted	(10,851)	—	(165,947)
Effect of tax losses that cannot be carried forward	6,742	32,605	—
Changes in valuation allowances	(13,360)	32,166	30,473
Change in income tax rate	16,521	—	—
Expired tax losses	53,657	42,935	45,529
Income tax expense (credit)	$ 2,885	$ (2,913)	$ 8,339

Melco and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands, where they are incorporated, while Melco is subject to Hong Kong Profits Tax on profits from its activities conducted in Hong Kong. Certain subsidiaries incorporated or conducting businesses in Macau, Hong Kong, the Philippines, Cyprus and other jurisdictions are subject to Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions, respectively, during the years ended December 31, 2021, 2020 and 2019.

Macau Complementary Tax, Hong Kong Profits Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions have been provided at 12%, 16.5%, 12.5% and the respective tax rates in other jurisdictions, on the estimated taxable income earned in or derived from the respective jurisdictions, during the years ended December 31, 2021, 2020 and 2019, if applicable.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") was signed by President Duterte of the Philippines as Republic Act (RA) No. 11534 and took effect on April 11, 2021. CREATE reduced the minimum corporate income tax in the Philippines from 2% to 1% starting July 1, 2020 until June 30, 2023 and the corporate income tax rate in the Philippines from 30% to 25% starting July 1, 2020.

Pursuant to the approval notice issued by the Macau government in September 2016, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations for an additional five years from 2017 to 2021. One of Melco's subsidiaries in Macau was also exempted from Macau Complementary Tax on profits generated from income received from Melco Resorts Macau for an additional five years from 2017 to 2021, to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax pursuant to a notice issued by the Macau

17. INCOME TAXES - continued

government in January 2017. The exemption coincides with Melco Resorts Macau's exemption from Macau Complementary Tax. Pursuant to Dispatch of the Macau Chief Executive dated February 17, 2022, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming revenues for the period from January 1, 2022 to June 26, 2022. Such subsidiary has applied for the extension of the Macau Complementary Tax exemption for the same period in 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. Melco Resorts Macau's non-gaming profits also remain subject to Macau Complementary Tax and Melco Resorts Macau casino revenues remain subject to the Macau special gaming tax and other levies in accordance with its gaming subconcession agreement.

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

During the year ended December 31, 2021, Melco Resorts Macau and Melco's subsidiary in Macau did not have any profits generated by gaming operations exempted from Macau Complementary Tax, while had Melco Resorts Leisure not received the income tax exemption on profits generated by gaming operations in the Philippines, the Company's consolidated net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2021 would have been increased by $10,688, and diluted loss per share would have been increased by $0.007 per share. During the year ended December 31, 2020, Melco Resorts Macau, Melco Resorts Leisure and Melco's subsidiary in Macau did not have any profits generated by gaming operations exempted from Macau Complementary Tax and Philippine Corporate Income Tax. During the year ended December 31, 2019, had Melco Resorts Macau, Melco Resorts Leisure and Melco's subsidiary in Macau not received the income tax exemption on profits generated by gaming operations in Macau and the Philippines, the Company's consolidated net income attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2019 would have been reduced by $145,617, and diluted earnings per share would have been reduced by $0.101 per share.

In August 2017, Melco Resorts Macau received an extension of the agreement with the Macau government for an additional five years applicable to tax years 2017 through 2021, in which the extension agreement provides for an annual payment of MOP18,900,000 (equivalent to $2,359) as payments in lieu of Macau Complementary Tax otherwise due by the shareholders of Melco Resorts Macau on dividend distributions from gaming profits. Such annual payment is required regardless of whether dividends are actually distributed or whether Melco Resorts Macau has distributable profits in the relevant year. Melco Resorts Macau has applied for an extension of such arrangement from January 1, 2022 to June 26, 2022 at an amount to be set by the Macau government.

The effective tax rates for the years ended December 31, 2021, 2020 and 2019 were (0.30)%, 0.20% and 2.07%, 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 expired tax losses, the effect of changes in valuation allowances, the effect of expenses for which no income tax benefit is receivable, the effect of income for which no income tax expense is payable and the effect of different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of profits generated by gaming operations being exempted from Philippine Corporate Income Tax, the effect of tax losses that cannot be carried forward and the effect of change in income tax rate for the year ended

17. **INCOME TAXES** - continued

December 31, 2021; the effect of tax losses that cannot be carried forward for the year ended December 31, 2020 and the effect of profits generated by gaming operations being exempted from Macau Complementary Tax and Philippine Corporate Income 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	$ 190,779	$ 220,287
Depreciation and amortization	70,110	64,588
Lease liabilities	48,887	48,184
Others	4,159	4,974
Sub-total	313,935	338,033
Valuation allowances	(267,316)	(284,656)
Total deferred tax assets	46,619	53,377
Deferred tax liabilities		
Right-of-use assets	(25,817)	(28,942)
Land use rights	(45,963)	(47,690)
Intangible assets	(505)	(508)
Unrealized capital allowances	(5,141)	(7,553)
Others	(6,194)	(8,260)
Total deferred tax liabilities	(83,620)	(92,953)
Deferred tax liabilities, net	$ (37,001)	$ (39,576)

As of December 31, 2021 and 2020, valuation allowances of $267,316 and $284,656 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 of $80,034 have no expiry date and the remaining tax losses amounting to $1,238,220 will expire by 2022 through 2031. Adjusted operating tax losses carried forward of $347,744 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.

Aggregate undistributed earnings of certain of Melco's foreign subsidiaries available for distribution to Melco of approximately $846,735 and $893,024 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 Melco. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, Melco would have to record a deferred income tax liability in respect of those undistributed earnings of approximately $101,608 and $107,162 as at December 31, 2021 and 2020, respectively.

17. INCOME TAXES - continued

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

	Year Ended December 31,		
	2021	2020	2019
At beginning of year	$15,132	$ 7,504	$4,929
Additions based on tax positions related to current year	2,028	8,057	2,575
Reductions due to expiry of the statute of limitations	(818)	(429)	—
At end of year	$16,342	$15,132	$7,504

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $16,342 and $15,132 as of December 31, 2021 and 2020, respectively.

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.

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

18. SHARE-BASED COMPENSATION

2006 Share Incentive Plan

Melco adopted a share incentive plan in 2006 ("2006 Share Incentive Plan"), as amended, for grants of share options and nonvested shares of Melco's ordinary shares to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award was 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2006 Share Incentive Plan was 100,000,000 over 10 years. On December 7, 2011, Melco adopted a new share incentive plan ("2011 Share Incentive Plan") as described below and no further awards may be granted under the 2006 Share Incentive Plan on or after such date as all subsequent awards will be issued under the 2011 Share Incentive Plan.

MELCO RESORTS & ENTERTAINMENT LIMITED

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18. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Share Options

A summary of the share options activity under the 2006 Share Incentive Plan for the year ended December 31, 2021, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2021	1,884,291	$ 1.75		
Exercised	(1,867,743)	1.75		
Expired	(16,548)	1.75		
Outstanding as of December 31, 2021	—	$ —	—	$ —
Fully vested and exercisable as of December 31, 2021	—	$ —	—	$ —

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

	Year Ended December 31,		
	2021	2020	2019
Proceeds from the exercise of share options	$ 2,756	$ 397	$ 44
Intrinsic value of share options exercised	$ 7,370	$ 747	$ 920

As of December 31, 2021, there were no unrecognized compensation costs related to share options under the 2006 Share Incentive Plan.

2011 Share Incentive Plan

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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18. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options

During the years ended December 31, 2021, 2020 and 2019, the exercise prices for share options granted under the 2011 Share Incentive Plan were determined at the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of two to three years. The share options granted expire 10 years from the date of grant.

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

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

	Year Ended December 31,		
	2021	2020	2019
Expected dividend yield	2.5%	3.10%	2.75%
Expected stock price volatility	45.46%	43.50%	41.81%
Risk-free interest rate	1.00%	0.43%	2.34%
Expected term (years)	5.6	5.6	5.6

A summary of the share options activity under the 2011 Share Incentive Plan for the year ended December 31, 2021, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2021	28,846,227	$ 5.93		
Granted	4,606,884	6.84		
Exercised	(787,074)	5.52		
Forfeited or expired	(1,969,931)	5.99		
Outstanding as of December 31, 2021	30,696,106	$ 6.07	6.70	$ —
Fully vested and expected to vest as of December 31, 2021	30,696,106	$ 6.07	6.70	$ —
Exercisable as of December 31, 2021	15,886,549	$ 6.77	5.08	$ —

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18. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options - continued

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

	Year Ended December 31,		
	2021	2020	2019
Weighted average grant date fair value	$ 2.28	$ 1.21	$ 2.59
Proceeds from the exercise of share options	$ 4,345	$ 664	$ 2,798
Intrinsic value of share options exercised	$ 1,655	$ 129	$ 1,201

As of December 31, 2021, there were $12,295 unrecognized compensation costs related to share options under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.79 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the 2011 Share Incentive Plan to the eligible management personnel of the Company in lieu of the 2020 bonus for their services performed during 2020. A total of 1,899,897 restricted shares were granted and vested immediately on March 31, 2021 (the “2020 Bonus Shares”) with the grant date fair value of $19.91 per ADS or $6.6367 per share, which was the closing price of Melco’s ADS trading on the Nasdaq Global Select Market on the date of grant. Share-based compensation expenses of $13,799, of which $921 were capitalized, were recognized for such grant during the year ended December 31, 2020 based on the estimated bonus amount.

On July 7, 2021, a total of 52,056 restricted shares were granted to employees of an affiliated company, a subsidiary of Melco International, for their services rendered to Melco International, with vesting periods of three months to twelve months. The grant date fair value for these restricted shares, which was determined with reference to the market closing price of Melco’s ADS trading on the Nasdaq Global Select Market on the date of grant, were recognized as deemed distribution to Melco International in respect of share-based compensation against retained earnings over the vesting period. Deemed distribution to Melco International in respect of these restricted shares of $136 was recognized during the year ended December 31, 2021.

Other than the restricted shares granted under the 2020 Bonus Shares as described above, the grant date fair values for restricted shares granted under the 2011 Share Incentive Plan during the years ended December 31, 2021, 2020 and 2019, with vesting periods of generally three months to three years, were determined with reference to the market closing prices of Melco’s ADS trading on the Nasdaq Global Select Market on the dates of grant.

18. **SHARE-BASED COMPENSATION** - continued

2011 Share Incentive Plan - continued

Restricted Shares - continued

A summary of the restricted shares activity under the 2011 Share Incentive Plan for the year ended December 31, 2021, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	13,356,630	$ 5.46
Granted	12,098,709	6.07
Vested	(6,297,699)	6.91
Forfeited	(626,256)	5.66
Unvested as of December 31, 2021	18,531,384	$ 5.35

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

	Year Ended December 31,		
	2021	2020	2019
Weighted average grant date fair value	$ 6.07	$ 4.17	$ 8.14
Grant date fair value of restricted shares vested	$ 43,533	$ 20,317	$ 8,825

As of December 31, 2021, there were $53,669 unrecognized compensation costs related to restricted shares under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.36 years.

2021 Share Incentive Plan

Melco adopted the 2021 Share Incentive Plan, effective on December 6, 2021, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award is 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2021 Share Incentive Plan may be increased from time to time, provided that the maximum aggregate number of Melco's ordinary shares which may be issued upon exercise of options granted under the 2021 Share Incentive Plan shall not be more than 10% of the total number of the issued share capital of Melco on the date the new plan limit is approved by the shareholders of Melco International in accordance with the applicable listing rules in Hong Kong. As of December 31, 2021, there were 145,654,794 ordinary shares available for grants of various share-based awards under the 2021 Share Incentive Plan.

During the year ended December 31, 2021, neither share options nor restricted shares were granted under the 2021 Share Incentive Plan.

Certain restricted shares were approved by Melco be granted under the 2021 Share Incentive Plan to the eligible management personnel of the Company and its affiliated company in lieu of the 2021 bonus for their services performed during 2021 (the "2021 Bonus Shares"). The 2021 Bonus Shares are expected to be

18. SHARE-BASED COMPENSATION - continued

2021 Share Incentive Plan - continued

granted in April 2022 and vest immediately on its grant date. Based on the estimated bonus amount, share-based compensation expenses of $10,929, of which $729 were capitalized, were recognized for such grant during the year ended December 31, 2021 for the management personnel rendered services to the Company and deemed distribution to Melco International in respect of the restricted shares granted to employees of an affiliated company of $272 was recognized during the year ended December 31, 2021.

MRP Share Incentive Plan

MRP adopted a share incentive plan (the "MRP Share Incentive Plan"), effective on June 24, 2013, which has been subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase MRP common shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of MRP and its subsidiaries, and the Company and its affiliates. The maximum term of an award is 10 years from the date of grant. The maximum aggregate number of common shares to be available for all awards under the MRP Share Incentive Plan is 442,630,330 shares and with up to 5% of the issued capital stock of MRP from time to time over 10 years. On April 24, 2019 and June 24, 2019, the board and the shareholders of MRP approved an amendment to the Amended Articles of Incorporation of MRP, respectively, whereby, without changing the total amount of the authorized capital stock, the par value per MRP common share was increased from PHP1 (equivalent to $0.02) per share to PHP500,000 (equivalent to $9,857) per share, thereby decreasing the total number of MRP common shares on a pro-rata basis ("Reverse Stock Split"). The Reverse Stock Split was approved by the Philippine Securities and Exchange Commission (the "Philippine SEC") on May 12, 2020. As of December 31, 2021, there were 305 MRP common shares available for grants of various share-based awards under the MRP Share Incentive Plan. All share and per share data of MRP common shares relating to the transactions carried out before May 12, 2020 as disclosed in the accompanying consolidated financial statements, represent the number of shares or value per share of MRP common shares before the Reverse Stock Split.

On May 22, 2019, MRP offered to all eligible participants of the MRP Share Incentive Plan the option to retire all outstanding equity awards, including the unvested share options, vested but unexercised share options and unvested restricted shares (collectively, the "MRP Outstanding Awards") by the payment of cash to the eligible participants (the "MRP SIP Retirement Arrangements") in light of the delisting of the MRP. The acquiescence of such MRP SIP Retirement Arrangements was obtained from the Philippine SEC on May 17, 2019. As a result of all eligible participants electing to participate in the MRP SIP Retirement Arrangements, all the MRP Outstanding Awards, including a total of 15,971,173 outstanding share options (including both unvested and vested but unexercised share options) and 29,068,424 outstanding restricted shares under the MRP Share Incentive Plan, were irrevocably cancelled and extinguished pursuant to the MRP SIP Retirement Arrangements on May 31, 2019 (the "MRP SIP Modification").

Under the MRP SIP Retirement Arrangements, MRP will pay the eligible participants a fixed amount in cash ("MRP Settlement Amount") according to the original vesting schedules of the outstanding share options and restricted shares, subject to other terms and conditions. The MRP Settlement Amount of the outstanding restricted shares is PHP7.25 (equivalent to $0.14) per share, based on the offer price of a voluntary tender offer in 2018 and the MRP Settlement Amount of the outstanding share options which was determined using the Black-Scholes valuation model. The weighted average fair value of the share options at the modification date was PHP4.23 (equivalent to $0.08) per option.

18. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

MRP uses the Black-Scholes valuation model to determine the estimated fair value for each outstanding share option under the MRP SIP Retirement Arrangements at the modification date, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid. Expected volatility is based on the historical volatility of MRP common shares trading on the Philippine Stock Exchange, Inc. and the historical volatility of a peer group of publicly traded companies. Expected terms are based upon the expected exercise behavior of the outstanding options. The risk-free interest rate used for each period presented is based on the Philippine government bond yield for the period equal to the expected term.

The fair values of the outstanding share options under the MRP SIP Retirement Arrangements at modification date were estimated using the following weighted average assumptions:

Expected dividend yield	—
Expected stock price volatility	45.00%
Risk-free interest rate	5.81%
Expected term (years)	5.7

As a result of the MRP SIP Modification, on May 31, 2019, the Company recognized a liability of $4,064 with a corresponding reduction in additional paid-in capital of $4,619 and non-controlling interests of $84. All the MRP Outstanding Awards were modified from equity-settled to cash-settled, with other terms unchanged. Since the fair values of the modified awards and the original awards were the same on the modification date, no incremental share-based compensation expenses resulted. At each balance sheet date until the liability is settled, the liability is accrued for the MRP Outstanding Awards as they become vested at the MRP Settlement Amount, with a corresponding share-based compensation expense recognized in the accompanying consolidated statements of operations.

As at December 31, 2021 and 2020, the accrued liability associated with the cash-settled share options and restricted shares was nil and $333, respectively. No fair value gain or loss on remeasurement of the liability associated with the cash-settled share options and restricted shares was recognized for the years ended December 31, 2021, 2020 and 2019.

Share Options

There were no share options granted under the MRP Share Incentive Plan during the years ended December 31, 2021, 2020 and 2019.

18. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

Share Options - continued

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

	Number of share Options	Weighted Average Remaining Contractual Term
Cash-settled		
Outstanding as of January 1, 2021	1,025,657	
Vested	(1,025,657)	
Outstanding as of December 31, 2021	—	—

There were no share options exercised under the MRP Share Incentive Plan for the years ended December 31, 2021, 2020 and 2019.

During the years ended December 31, 2021, 2020 and 2019, MRP paid $87, $495 and $760 to settle the vested share options that are classified as cash-settled awards under the MRP Share Inventive Plan, respectively.

As of December 31, 2021, there were no unrecognized compensation costs related to share options under the MRP Share Incentive Plan.

Restricted Shares

There were no restricted shares granted under the MRP Share Incentive Plan during the years ended December 31, 2021 2020, and 2019.

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

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Cash-settled		
Unvested as of January 1, 2021	2,313,502	$ 0.15
Vested	(2,313,502)	0.15
Unvested as of December 31, 2021	—	$ —

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

	Year Ended December 31,		
	2021	2020	2019
Grant date fair value of restricted shares vested	$ 351	$ 1,030	$ 2,026

18. SHARE-BASED COMPENSATION - continued

MRP Share Incentive Plan - continued

Restricted Shares - continued

During the years ended December 31, 2021, 2020 and 2019, MRP paid $346, $871 and $2,948 to settle the vested restricted shares that are classified as cash-settled awards under the MRP Share Incentive Plan, respectively.

As of December 31, 2021, there were no unrecognized compensation costs related to restricted shares under the MRP Share Incentive Plan.

Melco International Share Incentive Plan

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

In accordance with the applicable accounting standards, the share-based compensation expenses related to the grant of share-based awards under the Melco International Share Incentive Plan to an employee of the Company, to the extent of services received by the Company, are recognized in the accompanying consolidated statements of operations with a corresponding increase in additional paid-in capital, representing capital contribution from Melco International.

Share Options

During the year ended December 31, 2019, the exercise price for share options granted under the Melco International Share Incentive Plan was determined at the higher of the closing price of Melco International's ordinary shares trading on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on the date of grant and the average closing prices of Melco International's ordinary shares trading on the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant. These share options became exercisable over a vesting period of 2.8 years. The share options granted expire 10 years from the date of grant.

Melco International uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco International's ordinary shares trading on the Hong Kong Stock Exchange. Expected term is based upon the vesting term and the expected term adopted by other publicly traded companies. The risk-free interest rate used for each period presented is based on the Hong Kong Government Bond rate at the time of grant for the period equal to the expected term.

The fair value of share options granted under the Melco International Share Incentive Plan was estimated on the date of grant using the following weighted average assumptions:

	Year Ended December 31, 2019
Expected dividend yield	0.40%
Expected stock price volatility	43.33%
Risk-free interest rate	1.17%
Expected term (years)	4.9

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18. SHARE-BASED COMPENSATION - continued

Melco International Share Incentive Plan - continued

Share Options - continued

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

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2021	14,200,000	$ 2.45		
Outstanding as of December 31, 2021	14,200,000	$ 2.43	7.69	$—
Fully vested and expected to vest as of December 31, 2021	14,200,000	$ 2.43	7.69	$ —
Exercisable as of December 31, 2021	9,467,000	$ 2.43	7.69	$ —

There were no share options exercised under the Melco International Share Incentive Plan during the years ended December 31, 2021, 2020 and 2019. There were no share options granted under the Melco International Share Incentive Plan during the years ended December 31, 2021 and 2020. During the year ended December 31, 2019, the weighted average grant date fair value for share options under the Melco International Share Incentive Plan was $0.90.

As of December 31, 2021, there were $1,806 unrecognized compensation costs related to share options under the Melco International Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.50 year.

Restricted Shares

During the year ended December 31, 2019, the grant date fair value for restricted shares granted under the Melco International Share Incentive Plan, with a vesting period of 2.8 years, was determined with reference to the closing price of Melco International's ordinary shares trading on the Hong Kong Stock Exchange on the date of grant.

Under the existing arrangements of the Melco International Share Incentive Plan, a grantee shall satisfy any tax or other liabilities to which he or she may become subject to as a result of his or her participation in the Melco International Share Incentive Plan by his or her own cash.

During the year ended December 31, 2020, to enhance administration flexibility of the board of Melco International in the implementation of the Melco International Share Incentive Plan, Melco International revised the rules of the Melco International Share Incentive Plan so as to give authority to Melco International to deduct or withhold a portion of the awards granted to the grantee pursuant to the Melco International Share Incentive Plan (the "Awards") if Melco International is statutorily required to deduct or withhold an amount to satisfy the tax obligation of any grantee arising from the grant of the Awards (the "Grantee Tax Obligation"), or if a grantee otherwise elects to satisfy his/her Grantee Tax Obligation (which is not statutorily required to be deducted or withheld) and/or exercise cost (in case a grantee exercises his/ her share options granted under the Melco International Share Incentive Plan) by way of deduction or

18. SHARE-BASED COMPENSATION - continued

Melco International Share Incentive Plan - continued

Restricted Shares - continued

withholding of the relevant portion of his/her Awards (the "Net Settlement Arrangement"). The Net Settlement Arrangement was approved by the board of Melco International on March 31, 2020 and further approved by the shareholders of Melco International for amendments to the Melco International Share Incentive Plan on June 5, 2020.

On June 30, 2020, an employee of the Company, who was granted certain share-based awards under the Melco International Share Incentive Plan on September 6, 2019, elected the Net Settlement Arrangement on certain awards and approximately 2,569,000 restricted shares were modified from equity-settled to cash-settled with all other terms unchanged.

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

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2021	3,252,000	$ 2.45
Vested	(1,626,000)	2.43
Unvested as of December 31, 2021	1,626,000	$ 2.43

During the years ended December 31, 2021 and 2020, the grant date fair value of restricted shares vested under the Melco International Share Incentive Plan were $3,953 and $3,979, respectively. There were no restricted shares vested under the Melco International Share Incentive Plan during the year ended December 31, 2019.

The weighted average grant date fair value for restricted shares under the Melco International Share Incentive Plan was $2.43 during the year ended December 31, 2019 and there were no restricted shares granted under the Melco International Share Incentive Plan during the years ended December 31, 2021 and 2020.

As of December 31, 2021, there were $1,671 unrecognized compensation costs related to restricted shares under the Melco International Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.50 year.

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18. SHARE-BASED COMPENSATION - continued

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

	Year Ended December 31,		
	2021	2020	2019
Share-based compensation expenses:			
2011 Share Incentive Plan	$53,466	$49,579	$28,466
2021 Share Incentive Plan	10,929	—	—
MRP Share Incentive Plan	108	671	1,113
Melco International Share Incentive Plan	6,641	7,021	2,218
Total share-based compensation expenses	71,144	57,271	31,797
Less: Share-based compensation expenses capitalized in property and equipment	(3,187)	(2,879)	—
Share-based compensation expenses recognized in general and administrative expenses	$67,957	$54,392	$31,797

19. EMPLOYEE BENEFIT PLANS

The Company has obligations to make the required contributions with respect to the defined contribution retirement benefits schemes as set out below.

The Company operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the "Defined Contribution Fund Schemes"). The Company either contributes a fixed percentage of the eligible employees' relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Company's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from originally 4 to 10 years from the date of employment and changed to upon contribution to 10 years from the date of employment effective in April 2021. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Company by independent trustees.

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

During the years ended December 31, 2021, 2020 and 2019, the Company's contributions into the defined contribution retirement benefits schemes were $26,984, $30,310 and $33,391, respectively.

20. DISTRIBUTION OF PROFITS

All subsidiaries of Melco incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve 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 aggregate balance of the reserves amounted to $31,524 and $31,524, respectively.

The Company's borrowings, subject to certain exceptions and conditions, contain certain restrictions on paying dividends and other distributions, as defined in the respective indentures governing the relevant senior notes and credit facility agreements, details of which are disclosed in Note 13 under each of the respective borrowings.

21. DIVIDENDS

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

On March 12, 2020, Melco paid a quarterly dividend of $0.05504 per share, and during the year ended December 31, 2020, Melco recorded a total amount of quarterly dividends of $79,116 as a distribution against retained earnings.

On March 14, 2019, May 30, 2019, August 15, 2019 and November 22, 2019, Melco paid quarterly dividends of $0.0517, $0.0517, $0.05504 and $0.05504 per share, respectively, and during the year ended December 31, 2019, Melco recorded a total amount of quarterly dividends of $300,995 as distributions against retained earnings.

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

Pursuant to a memorandum of agreement entered into by a subsidiary of Melco with the Philippine Parties as described below and certain of its subsidiaries in 2012 for the development of City of Dreams Manila, the relevant parties of the Licensees as described below and certain of its subsidiaries entered into the following agreements which became effective on March 13, 2013 and end on the date of expiry of the Regular License as described below, currently expected to be on July 11, 2033 unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) Regular License

On April 29, 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted as of March 13, 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No. 1 Corporation, a subsidiary of MRP, and its subsidiaries including Melco Resorts Leisure (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with Melco Resorts Leisure, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf

22. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA - continued

(a) **Regular License** - continued

of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license, and is valid until July 11, 2033. Further details of the terms and commitments under the Regular License are included in Note 23(b).

(b) **Cooperation Agreement**

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, Melco Resorts Leisure is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in Note 23(b).

(c) **Operating Agreement**

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

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

(d) **MRP Lease Agreement**

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

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

23. COMMITMENTS AND CONTINGENCIES

(a) **Capital Commitments**

As of December 31, 2021, the Company had capital commitments contracted for but not incurred mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams and Cyprus Operations totaling $452,698.

(b) **Other Commitments**

Gaming Subconcession — Macau

On September 8, 2006, the Macau government granted a gaming subconcession to Melco Resorts Macau to operate its gaming business in Macau. Pursuant to the gaming subconcession agreement, Melco Resorts Macau committed to pay the Macau government the following:

i) A fixed annual premium of MOP30,000,000 (equivalent to $3,735).

ii) A variable premium depending on the number and type of gaming tables and gaming machines that Melco Resorts Macau operates. The variable premium is calculated as follows:

- MOP300,000 (equivalent to $37) per year for each gaming table (subject to a minimum of 100 tables) reserved exclusively for certain kinds of games or to certain players;
- MOP150,000 (equivalent to $19) per year for each gaming table (subject to a minimum of 100 tables) not reserved exclusively for certain kinds of games or to certain players; and
- MOP1,000 (equivalent to $0.1) per year for each electrical or mechanical gaming machine, including the slot machine.

iii) A special gaming tax of an amount equal to 35% of the gross revenues of the gaming business operations on a monthly basis.

iv) A sum of 4% of the gross revenues of the gaming business operations to utilities designated by the Macau government (a portion of which must be used for promotion of tourism in Macau) on a monthly basis.

v) Melco Resorts Macau must maintain a guarantee issued by a Macau bank in favor of the Macau government for a maximum amount of MOP300,000,000 (equivalent to $37,349) until the 180th day after the termination date of the gaming subconcession.

As a result of the bank guarantee issued by the bank to the Macau government as disclosed in Note 23(b)(v) above, a sum of 1.75% per annum of the guarantee amount will be payable by Melco Resorts Macau quarterly to the bank.

Regular License — Philippines

Other commitments required by PAGCOR under the Regular License are as follows:

- To secure a surety bond in favor of PAGCOR in the amount of PHP100,000,000 (equivalent to $1,970) to ensure prompt and punctual remittances/payments of all license fees.
- License fees must be remitted on a monthly basis, in lieu of all taxes with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations. The license fees are inclusive of the 5% franchise tax under the terms of the PAGCOR charter.

23. COMMITMENTS AND CONTINGENCIES - continued

(b) **Other Commitments** - continued

Regular License — Philippines - continued

- The Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR.
- PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires.
- Grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) the holder has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As of December 31, 2021 and 2020, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement — Philippines

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

Gaming License — Cyprus

On June 26, 2017, the Cyprus government granted a gaming license (the “Cyprus License”) to a subsidiary of ICR Cyprus (the “Cyprus Subsidiary”) to develop, operate and maintain an integrated casino resort in Limassol, Cyprus and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary has committed to pay the Cyprus government the following:

i) Annual license fee for the temporary casino and integrated casino resort of Euros (“EUR”) 2,500,000 (equivalent to $2,831) per year for the first four years, and EUR5,000,000 (equivalent to $5,662) per year for the next four years. Upon the completion of the eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000,000 (equivalent to $5,662) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period.

ii) Aggregate annual license fee for three operating satellite casinos of EUR2,000,000 (equivalent to $2,265).

iii) A casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

iv) If the Cyprus Subsidiary fails to open the integrated casino resort by the opening date, as defined in the Cyprus License as April 30, 2021 which was further extended to September 30, 2022 based

23. COMMITMENTS AND CONTINGENCIES - continued

(b) Other Commitments - continued

on the approval of the Steering Committee and the Council of Ministers in Cyprus made in February 2021 (the "Opening Date"), the Cyprus Subsidiary shall pay to the Cyprus government the amount of EUR10,000 (equivalent to $11) for each day the integrated casino resort remains unopened past the Opening Date, up to a maximum of EUR1,000,000 (equivalent to $1,132). If the integrated casino resort does not open for 100 business days past the Opening Date, the Cyprus government may terminate the Cyprus License.

Studio City Land Concession — Macau

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) Guarantees

Except as disclosed in Notes 13 and 23(b), the Company has made the following significant guarantees as of December 31, 2021:

- Melco Resorts Macau has issued a promissory note ("Livrança") of MOP550,000,000 (equivalent to $68,472) to a bank in respect of the bank guarantee issued to the Macau government under its gaming subconcession.
- Melco has entered into two deeds of guarantee with third parties amounting to $35,000 to guarantee certain payment obligations of the City of Dreams' operations.
- In October 2013, one of the Melco's subsidiaries entered into a trade credit facility agreement for HK$200,000,000 (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.
- Melco Resorts Leisure has issued a corporate guarantee of PHP100,000,000 (equivalent to $1,970) to a bank in respect of a surety bond issued to PAGCOR as disclosed in Note 23(b) under Regular License.

(d) Litigation

On December 7, 2021, the Independent Liquor and Gaming Authority in Australia ("ILGA") commenced proceedings in the Supreme Court of New South Wales against Melco and six individual directors and/or officers of Melco, principally seeking a payment of AUD3,676,000 (equivalent to $2,664) together with (i) the corresponding interest on such amount from August 3, 2020 to the date of judgment, and (ii) ILGA's legal costs in the proceedings by ILGA allegedly associated with its seeking in its assessment of whether a major change was proposed or occurred as a result of Melco's acquisition of shares in Crown in 2019. Based on the progress of such proceedings to date, the Company is currently unable to determine the range of reasonably possible losses, if any, and believes that the outcomes of such proceedings will have no material financial impact on the Company. No provision for disputed costs has been made in these consolidated financial statements.

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23. COMMITMENTS AND CONTINGENCIES - continued

(d) **Litigation** - continued

As of December 31, 2021, the Company was a party to certain other legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impacts on the Company's consolidated financial statements as a whole.

24. 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 International and its subsidiaries	**Revenues (services provided by the Company):**			
	Shared service fee income for corporate office	$1,345	$1,521	$ 1,366
	Management fee income for Cyprus project[1]	—	—	1,056
	Costs and expenses (services provided to the Company):			
	Management fee expenses[2]	1,749	1,477	2,798
	Management fee expenses for Cyprus Project[1]	—	—	1,316
	Share-based compensation expenses[3]	6,641	7,021	2,218
A joint venture and a subsidiary of MECOM Power and Construction Limited ("MECOM")[4]	**Costs and expenses (services provided to the Company):**			
	Consultancy fee expense	—	—	10,031
	Purchase of assets:			
	Construction and renovation work performed and recognized as property and equipment	—	—	10,174

Notes

(1) The amount mainly represents management fee income for services provided by the Company to Melco International for management and operation for the project in Cyprus, and such amount was further recharged with mark-up by a subsidiary of Melco International to ICR Cyprus Group. The amount represents the transactions for the period up to the completion of the Acquisition of ICR Cyprus on July 31, 2019 as described in Note 26.

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

(3) The amount represents the share-based compensation expenses related to the grant of certain share-based awards under the Melco International Share Incentive Plan to an employee of the Company. Further information on the share-based compensation arrangements is included in Note 18.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

24. RELATED PARTY TRANSACTIONS - continued

(4) A company in which Mr. Lawrence Yau Lung Ho, Melco's Chief Executive Officer, 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 Transactions

As of December 31, 2021, Mr. Lawrence Yau Lung Ho and his controlled entity; and an independent director of Melco held an aggregate principal amount of $60,000 and $5,500 senior notes issued by the subsidiaries of Melco, respectively. As of December 31, 2020, Mr. Lawrence Yau Lung Ho and his controlled entity; and an independent director of Melco held an aggregate principal amount of $60,000 and $6,500 senior notes issued by the subsidiaries of Melco, respectively.

During the year ended December 31, 2021, total interest expenses of $4,494 and $316 in relation to the senior notes issued by subsidiaries of Melco, were paid or payable to Mr. Lawrence Yau Lung Ho and his controlled entity; and an independent director of Melco, respectively. During the year ended December 31, 2020, total interest expenses of $1,740 and $258 in relation to the senior notes issued by subsidiaries of Melco, were paid or payable to Mr. Lawrence Yau Lung Ho and his controlled entity; and an independent director of Melco, respectively. During the year ended December 31, 2019, total interest expenses of $32 in relation to the senior notes issued by the subsidiaries of Melco were paid or payable to an independent director of Melco.

On July 31, 2019, the Company acquired from Melco International all of Melco International's holdings of ordinary shares of ICR Cyprus. Further details of the transaction are included in Note 26.

(a) **Amounts Due from Affiliated Companies**

The outstanding balances mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies as of December 31, 2021 and 2020 are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2021	2020
Melco International and its subsidiaries and joint venture	$ 384	$ 765

(b) **Amounts Due to Affiliated Companies**

The outstanding balances mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company as of December 31, 2021 and 2020, are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2021	2020
Subsidiaries of Melco International	$1,536	$1,656
Others	12	12
	$1,548	$1,668

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business in Asia and Europe and its principal operating and developmental activities occur in three geographic areas: Macau, the Philippines and Cyprus. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of Mocha Clubs, Altira Macau, City of Dreams, Studio City, City of Dreams Manila and Cyprus Operations. Japan development projects, including Japan Ski Resort, and Grand Dragon Casino are included in the Corporate and Other category.

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

Total Assets	December 31,		
	2021	2020	2019
Macau:			
Mocha Clubs	$ 121,214	$ 132,304	$ 145,919
Altira Macau	266,161	307,657	429,980
City of Dreams	2,942,233	3,288,051	3,461,487
Studio City	3,668,526	3,407,884	3,153,721
Sub-total	6,998,134	7,135,896	7,191,107
The Philippines:			
City of Dreams Manila	576,794	613,664	721,205
Cyprus:			
Cyprus Operations	451,771	326,047	261,106
Corporate and Other	856,991	945,360	1,315,004
Total consolidated assets	$ 8,883,690	$ 9,020,967	$ 9,488,422

Capital Expenditures	Year Ended December 31,		
	2021	2020	2019
Macau:			
Mocha Clubs	$ 1,368	$ 3,490	$ 6,620
Altira Macau	6,123	11,519	17,707
City of Dreams	52,520	119,014	134,075
Studio City	505,783	214,625	89,846
Sub-total	565,794	348,648	248,248
The Philippines:			
City of Dreams Manila	22,912	15,622	58,697
Cyprus:			
Cyprus Operations	186,361	74,523	39,911
Corporate and Other	7,083	25,460	124,265
Total capital expenditures	$ 782,150	$ 464,253	$ 471,121

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. SEGMENT INFORMATION - continued

The Company's segment information and reconciliation to net (loss) income attributable to Melco Resorts & Entertainment Limited is as follows:

	Year Ended December 31,		
	2021	2020	2019
Operating revenues			
Macau:			
Mocha Clubs	$ 84,954	$ 65,322	$ 117,473
Altira Macau	56,205	108,854	465,056
City of Dreams	1,146,919	985,619	3,050,491
Studio City	372,277	266,522	1,355,321
Sub-total	1,660,355	1,426,317	4,988,341
The Philippines:			
City of Dreams Manila	268,597	224,688	602,479
Cyprus:			
Cyprus Operations	52,631	51,005	94,731
Corporate and Other	30,773	25,913	51,250
Total operating revenues	$ 2,012,356	$ 1,727,923	$ 5,736,801
Adjusted property EBITDA [(1)]			
Macau:			
Mocha Clubs	$ 17,054	$ 3,560	$ 23,280
Altira Macau	(53,974)	(58,773)	51,470
City of Dreams	201,954	(1,326)	922,776
Studio City	(20,490)	(79,000)	415,098
Sub-total	144,544	(135,539)	1,412,624
The Philippines:			
City of Dreams Manila	88,962	28,983	247,091
Cyprus:			
Cyprus Operations	1,593	2,280	29,757
Total adjusted property EBITDA	235,099	(104,276)	1,689,472
Operating costs and expenses:			
Payments to the Philippine Parties	(26,371)	(12,989)	(57,428)
Pre-opening costs	(4,157)	(1,322)	(4,847)
Development costs	(30,677)	(25,616)	(57,433)
Amortization of gaming subconcession	(57,276)	(57,411)	(56,841)
Amortization of land use rights	(22,832)	(22,886)	(22,659)
Depreciation and amortization	(499,739)	(538,233)	(571,705)
Land rent to Belle	(2,848)	(3,195)	(3,061)
Share-based compensation	(67,957)	(54,392)	(31,797)
Property charges and other	(30,575)	(47,223)	(20,815)
Corporate and Other expenses	(70,118)	(73,014)	(115,208)
Total operating costs and expenses	(812,550)	(836,281)	(941,794)
Operating (loss) income	$ (577,451)	$ (940,557)	$ 747,678

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. SEGMENT INFORMATION - continued

	Year Ended December 31,		
	2021	2020	2019
Non-operating income (expenses):			
Interest income	$ 6,618	$ 5,134	$ 9,311
Interest expenses, net of amounts capitalized	(350,544)	(340,839)	(310,102)
Other financing costs	(11,033)	(7,955)	(2,738)
Foreign exchange gains (losses), net	4,566	(2,079)	(10,756)
Other income (expenses), net	3,082	(150,969)	(23,914)
Loss on extinguishment of debt	(28,817)	(19,952)	(6,333)
Costs associated with debt modification	—	(310)	(579)
Total non-operating expenses, net	(376,128)	(516,970)	(345,111)
(Loss) income before income tax	(953,579)	(1,457,527)	402,567
Income tax (expense) credit	(2,885)	2,913	(8,339)
Net (loss) income	(956,464)	(1,454,614)	394,228
Net loss (income) attributable to noncontrolling interests	144,713	191,122	(21,055)
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$ (811,751)	$ (1,263,492)	$ 373,173

Note

(1) "Adjusted property EBITDA" is net (loss) income before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle, Corporate and Other expenses, and other non-operating income and expenses. The Company uses Adjusted property EBITDA to measure the operating performance of Mocha Clubs, Altira Macau, City of Dreams, Studio City, City of Dreams Manila and Cyprus Operations and to compare the operating performance of its properties with those of its competitors.

The Company's geographic information for long-lived assets is as follows:

Long-lived Assets

	December 31,		
	2021	2020	2019
Macau	$ 6,080,616	$ 6,054,014	$ 6,207,746
The Philippines	341,307	369,664	398,110
Cyprus	378,738	232,374	152,066
Hong Kong and other foreign countries	32,972	64,702	86,726
Total long-lived assets	$ 6,833,633	$ 6,720,754	$ 6,844,648

26. ACQUISITION OF SUBSIDIARIES

Acquisition of ICR Cyprus

On July 31, 2019, the Company completed its acquisition from Melco International of all of Melco International's holding of ordinary shares of ICR Cyprus, which represented a 75% equity interest in ICR Cyprus (the "Acquisition of ICR Cyprus") for a consideration represented by the issuance of 55,500,738 ordinary shares of Melco, which were equivalent to 18,500,246 ADSs. The Acquisition of ICR Cyprus is accounted for as a transaction involving a transfer of business between entities under common control in accordance with the applicable accounting standards. Accordingly, the transfer of Melco International's equity interest in ICR Cyprus to Melco was accounted for at carrying values of net assets transferred and the consideration in excess of the net assets of ICR Cyprus Group of $192,304 was recognized as an increase in the Company's additional paid-in capital in 2017, the inception of common control resulting from the acquisition of ICR Cyprus and its subsidiaries by Melco International.

Acquisition of Japan Ski Resort

On November 28, 2019, the Company completed its acquisition of a 100% equity interest in Kabushiki Kaisha Okushiga Kogen Resort (the "Japan Ski Resort"), a company which currently operates a ski resort in Nagano, Japan, for a cash consideration of Japanese Yen 1,685,000,000 (equivalent to $15,394), for its future business development in Japan. The acquisition was not material to the Company's consolidated financial statements. In connection with this acquisition, the Company recorded goodwill of $13,731 which was primarily attributable to the benefit of future market development of the Company and was not deductible for tax purposes. Acquisition-related costs were expensed as incurred and were not significant.

The Company accounted for the acquisition as a business combination in accordance with the applicable accounting standards and recorded the assets acquired and liabilities assumed at their respective fair values as of the acquisition date. The Company estimated fair value using level 2 inputs, which are observable inputs for similar assets, and level 3 inputs, which are unobservable inputs, for other acquired assets and assumed liabilities. The allocation of the purchase price was finalized in 2020 with no adjustments to the provisional fair values of the assets acquired and liabilities assumed as of the date of acquisition.

For the period from November 28, 2019 through December 31, 2019, Japan Ski Resort's net revenue, operating income and net income were not material. Pro forma results of operations for the acquisition have not been presented because it is not material to the consolidated results of operations.

27. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES

The Philippine subsidiaries

During the years ended December 31, 2020 and 2019, certain transactions, which affected Melco's shareholding in MRP, were carried out and the Company recognized a decrease of $62 and $30 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of noncontrolling interest in MRP, respectively.

As a result of the Reverse Stock Split, only those shareholders of MRP who originally owned 500,000 MRP common shares with a par value of PHP1 (equivalent to $0.02) per share (each an "Original Share") and in multiples thereof immediately prior to the Reverse Stock Split would now own whole shares (each a "MRP Whole Share") of stock of MRP. Other holders of the Original Shares could now only hold a fractional share of MRP ("MRP Fractional Share"). To facilitate the elimination of MRP Fractional Shares held by other shareholders of MRP, MPHIL Corporation ("MPHIL"), a subsidiary of Melco, offered to purchase the

27. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES - continued

The Philippine subsidiaries - continued

resulting MRP Fractional Shares at the purchase price to be calculated by multiplying the number of Original Shares represented by the relevant MRP Fractional Shares (which were equal to the number of Original Shares held by the relevant shareholder immediately prior to the Reverse Stock Split) by the price of PHP7.25 (equivalent to $0.14) per Original Share ("Fractional Share Elimination Plan"). A shareholder could also sell any MRP Whole Shares to MPHIL under the Fractional Share Elimination Plan. Any holder of MRP Fractional Shares and/or MRP Whole Shares may accept this offer during the two-year period commencing from June 5, 2020.

During the year ended December 31, 2021, the Company through MPHIL and MCO (Philippines) Investments Limited, a subsidiary of Melco, purchased 123.103 common shares of MRP at a total consideration of PHP440,032,000 (equivalent to $8,518) from the noncontrolling interests, which increased Melco's shareholding in MRP and the Company recognized a decrease of $6,951 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in MRP.

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

Studio City International

During July and August 2020, Studio City International announced and completed a series of private offers of its 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, of which $219,198 was from noncontrolling interests. The private placements increased Melco's shareholding in Studio City International and the Company recognized an increase of $42 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in Studio City International.

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

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

27. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES - continued

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

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income attributable to Melco Resorts & Entertainment Limited	$(811,751)	$(1,263,492)	$ 373,173
Transfers (to) from noncontrolling interests:			
The Philippine subsidiaries			
Decrease in additional paid-in capital resulting from the issuance of common shares of MRP to independent directors	—	(16)	(30)
Decrease in additional paid-in capital resulting from purchases of common shares of MRP from the open market	(6,951)	(46)	—
Sub-total	(6,951)	(62)	(30)
Studio City International			
Increase in additional paid-in capital resulting from the private placements	—	42	—
Sub-total	—	42	—
Changes from net (loss) income attributable to Melco Resorts & Entertainment Limited's shareholders and transfers from noncontrolling interests	$(818,702)	$(1,263,512)	$ 373,143

28. 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, of which approximately $134,944 was from noncontrolling interests and with approximately $165,056 from Melco (the "2022 Private Placements"). The 2022 Private Placements increased Melco's shareholding in Studio City International which was funded by the Company's drawdown of $170,000 from the 2020 Credit Facilities on February 23, 2022. The Company retains its controlling financial interests in Studio City International before and after the 2022 Private Placements.

MELCO RESORTS & ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

28. SUBSEQUENT EVENTS - continued

(c) On March 28, 2022, Melco entered into a facility agreement (the "Facility Agreement") with Melco International pursuant to which a $250,000 revolving loan facility was granted by Melco as lender to Melco International as borrower for a period of 12 months after the first utilization date (the last day of such period being "Final Repayment Date"). Melco International may request for utilization of all or part of the loan from the date of the Facility Agreement until one month prior to the Final Repayment Date for general corporate purposes of Melco International and its subsidiaries (excluding the Company). Principal amounts outstanding under the Facility Agreement bear interest at an annual rate of 11%, with outstanding principal amounts and accrued interest payable by Melco International on the Final Repayment Date. As of March 31, 2022, the Facility Agreement remains undrawn.

MELCO RESORTS & ENTERTAINMENT 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	$ 4,069	$ 36,213
Amounts due from affiliated companies	201,303	150,651
Prepaid expenses and other current assets	9,467	4,044
Total current assets	214,839	190,908
Investments in subsidiaries	1,338,568	1,917,223
Deferred tax assets	3,314	6,015
Total assets	$ 1,556,721	$ 2,114,146
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	$ 17,440	$ 20,488
Income tax payable	931	931
Amounts due to an affiliated company	249,215	174,989
Total current liabilities	267,586	196,408
Other long-term liabilities	1,512	3,419
Advances from affiliated companies	1,042,877	812,198
Total liabilities	1,311,975	1,012,025
Shareholders' equity:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,423,370,314 and 1,430,965,312 shares outstanding, respectively	14,565	14,565
Treasury shares, at cost; 33,177,628 and 25,582,630 shares, respectively	(132,856)	(121,028)
Additional paid-in capital	3,238,600	3,207,312
Accumulated other comprehensive losses	(76,008)	(11,332)
Accumulated losses	(2,799,555)	(1,987,396)
Total shareholders' equity	244,746	1,102,121
Total liabilities and shareholders' equity	$ 1,556,721	$ 2,114,146

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MELCO RESORTS & ENTERTAINMENT 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	$ 9,547	$ 14,614	$ 18,381
Operating costs and expenses:			
General and administrative	(51,285)	(60,688)	(47,689)
Development costs	(32,000)	(30,242)	(50,795)
Property charges and other	(956)	(3,782)	—
Total operating costs and expenses	(84,241)	(94,712)	(98,484)
Operating loss	(74,694)	(80,098)	(80,103)
Non-operating income (expenses):			
Interest income	20	58	305
Foreign exchange gains (losses), net	6,211	(4,871)	(1,983)
Other income, net	15,092	14,530	11,627
Share of results of subsidiaries	(755,678)	(1,195,569)	442,325
Total non-operating (expenses) income, net	(734,355)	(1,185,852)	452,274
(Loss) income before income tax	(809,049)	(1,265,950)	372,171
Income tax (expense) credit	(2,702)	2,458	1,002
Net (loss) income	$ (811,751)	$ (1,263,492)	$ 373,173

MELCO RESORTS & ENTERTAINMENT 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	$ (811,751)	$ (1,263,492)	$ 373,173
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(64,676)	7,471	40,529
Other comprehensive (loss) income	(64,676)	7,471	40,529
Total comprehensive (loss) income	$ (876,427)	$ (1,256,021)	$ 413,702

MELCO RESORTS & ENTERTAINMENT 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 (used in) provided by operating activities	$ (21,401)	$ 389,520	$ 413,044
Cash flow from an investing activity:			
Advances to subsidiaries	(20,005)	(282,605)	(100,065)
Cash used in an investing activity	(20,005)	(282,605)	(100,065)
Cash flows from financing activities:			
Repurchase of shares	(52,026)	(44,977)	—
Proceeds from exercise of share options	7,101	1,061	2,700
Advances from subsidiaries	54,187	3,685	24,281
Dividends paid	—	(79,116)	(300,995)
Net cash provided by (used in) financing activities	9,262	(119,347)	(274,014)
(Decrease) increase in cash and cash equivalents	(32,144)	(12,432)	38,965
Cash and cash equivalents at beginning of year	36,213	48,645	9,680
Cash and cash equivalents at end of year	$ 4,069	$ 36,213	$ 48,645
Supplemental cash flow disclosures:			
Cash refund for income taxes	$ —	$ —	$ 638
Assignment of advance to subsidiary to offset with advance from subsidiary	$235,897	$ —	$ —
Capitalization of advance to subsidiary as investment in subsidiary	$235,897	$ —	$ —

MELCO RESORTS & ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO 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 the Company has been presented for the years ended December 31, 2021, 2020 and 2019. The Company received cash dividends of nil, $325,000 and $400,000 from its subsidiary during the years ended December 31, 2021, 2020 and 2019, respectively.

2. Basis of Presentation

   The accompanying condensed financial information has been prepared using the same accounting policies as set out in Melco's consolidated financial statements except that the parent company has used the equity method to account for its investments in subsidiaries.

Exhibit 2.24

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.

ARTICLE 10
COLLATERAL AND SECURITY

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

[SIGNATURE PAGE - INDENTURE]

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

[SIGNATURE PAGE - INDENTURE]

EXHIBIT A

[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:

[Back of Note]
STUDIO CITY COMPANY LIMITED
7.00% Senior Secured Notes due 2027

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

EXHIBIT B

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: __________________________________

EXHIBIT D

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:

EXHIBIT E

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:

EXHIBIT F

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 2.25

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

[SIGNATURE PAGE – SUPPLEMENTAL INDENTURE]

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

[SIGNATURE PAGE – SUPPLEMENTAL INDENTURE]

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

[SIGNATURE PAGE – SUPPLEMENTAL INDENTURE]

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

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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.

Execution Version

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

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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.

Section 5
Non-Distressed Disposals, 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.

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*).

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.

---

* 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.

Conformed signing pages (with updated notice details)

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:

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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 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
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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**

} **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

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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**

} **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

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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: **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:

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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: **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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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
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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 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
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British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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60 Wyndham Street
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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 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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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 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
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Road Town
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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
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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
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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 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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Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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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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Hong Kong SAR

Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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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

Address: Studio City Investments Limited
Ocorian Corporate Services (BVI) 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: **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
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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 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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Hong Kong SAR

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 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
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:

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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 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
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

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
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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:

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 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
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Road Town
Tortola
British Virgin Islands
Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

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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

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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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

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 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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Road Town
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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: **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

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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: **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

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With a copy to:

Address: Melco Resorts & Entertainment Limited
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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**

/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
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British Virgin Islands

Attention: Company Secretary

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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
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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 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
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British Virgin Islands

Attention: Company Secretary

Fax: +1 284 494 7279

With a copy to:

Address: Melco Resorts & Entertainment Limited
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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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Attention: Company Secretary

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With a copy to:

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Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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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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Attention: Ms. Stephanie Cheung, Executive Vice President and Chief Legal Officer

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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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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: **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
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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: **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
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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: **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
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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 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

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Ocorian Corporate Services (BVI) Limited
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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 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
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Wickhams Cay I
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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 affixing the common seal of

STUDIO CITY (HK) TWO LIMITED

(新濠影滙(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

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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

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
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 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
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Notice details for credit matters

Address: 18/F, ICBC Tower, Macau Landmark
555 Avenida da Amizade
Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
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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
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Macau
Attention: Nicolas U / Cat Tang / Gisele Wai
Telephone: +853 8398 2655 / 8398 2108 / 8398 2553
Fax: +853 8398 2160

Exhibit 4.34

Execution Version

US$250,000,000
FACILITY AGREEMENT

dated 28 March 2022

for

MELCO INTERNATIONAL DEVELOPMENT LIMITED
新濠國際發展有限公司

with

MELCO RESORTS & ENTERTAINMENT LIMITED
acting as lender

GIBSON, DUNN & CRUTCHER LLP

32/F Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong
+852 2214 3700 *Tel* +852 2214 3710

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THIS AGREEMENT is dated 28 March 2022 and made between:

(1) **MELCO INTERNATIONAL DEVELOPMENT LIMITED 新濠國際發展有限公司**, registered in Hong Kong (CR No. 0000099) with its registered address at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, as borrower (the "**Borrower**"); and

(2) **MELCO RESORTS & ENTERTAINMENT LIMITED**, an exempted company limited by shares incorporated under the laws of the Cayman Islands with registered number 143119 whose registered office is at Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1- 9005, Cayman Islands as lender (the "**Lender**").

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Authorisation**" means:

(a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or

(b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"**Availability Period**" means the period from and including the date of this Agreement to and including the date falling one (1) Month prior to the Final Repayment Date.

"**Available Commitment**" means the Lender's Commitment *minus*:

(a) the amount of any outstanding Loans; and

(b) in relation to any proposed Utilisation, the amount of any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in:

(a) Hong Kong; and

(b) New York.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means US$250,000,000 to the extent not cancelled, reduced or transferred by the Lender under this Agreement.

“**Confidential Information**” means all information relating to the Borrower, the Group, the Finance Documents or the Facility of which the Lender becomes aware in its capacity as, or for the purpose of becoming, the Lender or which is received by the Lender in relation to, or for the purpose of becoming the Lender under, the Finance Documents or the Facility from any member of the Group or any of its advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach by the Lender of Clause 30 (*Confidential Information*);

(b) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(c) is known by the Lender before the date the information is disclosed to it or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with the Borrower and which, in either case, as far as the Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 19 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Disruption Event**” means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**Event of Default**” means any event or circumstance specified as such in Clause 19 (*Events of Default*). “**Facility**” means the revolving loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“**Facility Office**” means the office or offices notified by the Lender to the Borrower in writing on or before the date of this Agreement (or, following the date of this Agreement, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**FATCA**” means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Final Repayment Date**" means the date falling 12 Months after the first Utilisation Date.

"**Finance Document**" means this Agreement, any Utilisation Request and any other document designated as such by the Lender and the Borrower.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close- out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**GAAP**" means generally accepted accounting principles in Hong Kong, including IFRS.

"**Governmental Agency**" means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

"**Group**" means the Borrower and its Subsidiaries (as defined in paragraph (b) of Clause 3.1 (*Purpose*)) from time to time.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Indirect Tax**” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“**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 the Limitation Ordinance (Cap. 347) of the Laws of Hong Kong, the possibility that an undertaking to assume liability for or indemnify a person against non- payment of stamp duty may be void and defences of set-off or counterclaim;

(c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases;

(d) similar principles, rights and remedies under the laws of any Relevant Jurisdiction; and

(e) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Lender as a condition precedent under this Agreement on or before the first Utilisation Date.

“**Loan**” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

“**Material Adverse Effect**” means a material adverse effect on (a) the business, assets or financial condition of the Borrower; (b) the ability of the Borrower to perform its payment obligations under the Finance Documents; or (c) the validity or enforceability of any of the Finance Documents.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

“**Party**” means a party to this Agreement.

“**Related Fund**”, in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Jurisdiction**” means, in relation to the Borrower:

(a) its jurisdiction of incorporation; and

(b) any jurisdiction where it conducts its business.

"**Repeating Representations**" means each of the representations set out in Clauses 15.1 (*Status*) to 15.6 (*Governing law and enforcement*), Clause 15.11 (*Financial statements*) and any other representations designated as repeating representations in any other Finance Document.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**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.

"**Senior Credit Agreement**" means the US$1,000,000,000 credit agreement dated 7 June 2021 entered into between (i) Melco Investment Resources Limited, as company, (ii) Melco International Development Limited and Melco Leisure and Entertainment Group Limited, as guarantors, (iii) Industrial and Commercial Bank of China (Macau) Limited, as arranger, (iv) the financial institutions listed in Schedule 1 thereto, as original lenders and (v) Industrial and Commercial Bank of China (Macau) Limited as facility agent and security agent.

"**Specified Time**" means a day or time determined in accordance with Schedule 3 (*Timetables*).

"**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 equity share capital of which 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.

"**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).

"**Tax Deduction**" has the meaning given to such term in Clause 10.1 (*Tax definitions*).

"**Unpaid Sum**" means any sum due and payable but unpaid by the Borrower under the Finance Documents.

"**US**" means the United States of America.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which a Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 2 (*Utilisation Request*).

1.2 **Construction**

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) the "**Lender**", the "**Borrower**" or any "**Party**" 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 Finance Documents;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) "**including**" shall be construed as "including without limitation" (and cognate expressions shall be construed similarly);

(v) "**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;

(vi) 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);

(vii) 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;

(viii) a provision of law is a reference to that provision as amended or re-enacted from time to time; and

(ix) a time of day is a reference to Hong Kong time.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.

(e) Where this Agreement specifies an amount in a given currency (the "**specified currency**") "**or its equivalent**", the "**equivalent**" is a reference to the amount of any other currency which, when converted into the specified currency utilising the Lender's spot rate of exchange (or, if the Lender does not have an available spot rate of exchange, any publicly available spot rate of exchange selected by the Lender (acting reasonably)) for the purchase of the specified currency with that other currency at or about 11 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

1.3 **Currency symbols and definitions**

"**$**", "**US$**" and "**US dollars**" denote the lawful currency of the United States of America.

1.4 **Third party rights**

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of the Laws of Hong Kong to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

SECTION 2
THE FACILITY

2. **THE FACILITY**

2.1 **The Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a US dollar revolving loan facility in an aggregate amount equal to the Commitments.

3. **PURPOSE**

3.1 **Purpose**

(a) The Borrower shall apply all amounts borrowed by it under the Facility towards the general corporate purposes of the Borrower and its Subsidiaries (excluding the Lender and its Subsidiaries).

(b) For the purpose of this Clause 3.1, "**Subsidiary**" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and "control" for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

3.2 **Monitoring**

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

The Lender will only be obliged to comply with Clause 5.4 (*Availability of Loan*) in relation to any Utilisation if on or before the Utilisation Date, it has received all of the documents and other evidence listed in Schedule 1 (*Conditions Precedent*) in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.

4.2 **Further conditions precedent**

The Lender will only be obliged to comply with Clause 5.4 (*Availability of Loan*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) no Default is continuing or would result from the proposed Loan; and

(b) the Repeating Representations to be made by the Borrower are true in all material respects.

4.3 **Maximum number of Loans**

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation more than 10 Loans would be outstanding.

SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time or such later time as the Lender may agree.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period; and

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be US dollars.

(b) The amount of the proposed Loan must be an amount which is not more than the Available Commitment and which is a minimum of US$5,000,000 or, if less, the Available Commitment.

5.4 Availability of Loan

If the conditions set out in Clause 4 (*Conditions of Utilisation*) and Clauses 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and amount*) have been met, the Lender shall make the relevant Loan available by the Utilisation Date through its Facility Office.

5.5 Cancellation of Available Facility

The Commitments which, at that time, are unutilised shall be immediately cancelled at 5 p.m. on the last day of the Availability Period.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Loans

The Borrower shall repay all Loans and all amounts outstanding under the Finance Documents on the Final Repayment Date.

6.2 Reborrowing

The Borrower may reborrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain any Loan or it is or will become unlawful for any Affiliate of a Lender for that Lender to do so:

(a) the Lender shall promptly notify the Borrower upon becoming aware of that event;

(b) upon the Lender notifying the Borrower, the Available Commitment will be immediately cancelled; and

(c) the Borrower shall repay the Loans within ten (10) Business Days of the date the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Voluntary cancellation

The Borrower may, if it gives the Lender not less than five (5) Business Days' (or such shorter period as the Lender may agree) prior notice, cancel the whole or any part (being a minimum amount of US$1,000,000) of the Available Commitment.

7.3 Voluntary prepayment of Loans

The Borrower may, if it gives the Lender not less than five (5) Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of US$1,000,000).

7.4 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty.

(c) The Borrower may reborrow any part of the Facility which is prepaid.

(d) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Commitments cancelled under this Agreement may be subsequently reinstated.

(f) If all or part of a Loan is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedents*)), an amount of the Commitment (equal to the amount of the Loan which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

SECTION 5
COSTS OF UTILISATION

8. INTEREST

8.1 Calculation of interest

The rate of interest on each Loan is 11.00 per cent. per annum.

8.2 Payment of interest

Without prejudice to Clause 7.4(b) (*Restrictions*), the Borrower shall pay all accrued interest on each Loan on the Final Repayment Date.

8.3 Default interest

(a) If the Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is 13.00 per cent. per annum . Any interest accruing under this Clause 8.3 shall be immediately payable by the Borrower on demand by the Lender.

(b) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each interest period (each of a duration selected by the Lender (acting reasonably)) applicable to that Unpaid Sum but will remain immediately due and payable.

9. FEES

[*intentionally omitted*]

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

10. TAX GROSS-UP AND INDEMNITIES

10.1 Tax definitions

(a) In this Clause 10:

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means an increased payment made by the Borrower to the Lender under Clause 10.2 (*Tax gross-up*) or a payment under Clause 10.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 10 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

10.2 Tax gross-up

(a) All payments to be made by the Borrower to the Lender under the Finance Documents shall be made free and clear of and without any Tax Deduction unless the Borrower is required to make a Tax Deduction, in which case the sum payable by the Borrower (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that the Lender receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.

(b) The Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Borrower on becoming so aware in respect of a payment payable to the Lender.

(c) If the Borrower is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

10.3 Tax indemnity

(a) Without prejudice to Clause 10.2 (*Tax gross-up*), if the Lender is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for the purposes of Tax to be received or receivable by the Lender whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender, the Borrower shall, within three Business Days of demand of the Lender, promptly indemnify the Lender, together with any interest, penalties, costs and expenses payable or incurred in connection therewith, **provided that** this Clause 10.3 shall not apply to:

(i) any Tax imposed on and calculated by reference to the net income actually received or receivable by the Lender (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by the Lender but not actually receivable) by the jurisdiction in which the Lender is incorporated;

(ii) any Tax imposed on and calculated by reference to the net income of the Facility Office of the Lender actually received or receivable by the Lender (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by the Lender but not actually receivable) by the jurisdiction in which its Facility Office is located; or

(iii) a FATCA Deduction required to be made by a Party.

(b) If the Lender intends to make a claim under paragraph (a) above, it shall notify the Borrower of the event giving rise to the claim.

10.4 **Tax credit**

If the Borrower makes a Tax Payment and the Lender determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) the Lender has obtained and utilised that Tax Credit,

the Lender shall pay an amount to the Borrower which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

10.5 **Stamp taxes**

The Borrower shall:

(a) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and

(b) within three Business Days of demand, indemnify the Lender against any cost, loss or liability the Lender incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document.

10.6 **Indirect tax**

(a) All amounts set out or expressed in a Finance Document to be payable by the Borrower to the Lender shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by the Borrower to the Lender in connection with a Finance Document, the Borrower shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

(b) Where a Finance Document requires the Borrower to reimburse or indemnify the Lender for any costs or expenses, the Borrower shall also at the same time pay and indemnify the Lender against all Indirect Tax incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

10.7 **FATCA information**

(a) Subject to paragraph (c) below, each Party shall, within 10 Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige the Lender to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

10.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment.

11. INCREASED COSTS

11.1 Increased Costs

(a) Subject to Clause 11.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Lender, pay the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement. The terms "law" and "regulation" in this paragraph (a) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement, "**Increased Costs**" means:

(i) a reduction in the rate of return from the Facility or on the Lender's (or its Affiliate's) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by the Lender);

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by the Lender of any of its obligations under any Finance Document or making any Loan or Unpaid Sum available.

11.2 Increased Cost claims

(a) If the Lender intends to make a claim pursuant to Clause 11.1 (*Increased Costs*), it shall notify the Borrower of the event giving rise to the claim.

(b) The Lender shall, as soon as practicable after a demand by the Borrower, provide a certificate confirming the amount of its Increased Costs.

11.3 Exceptions

Clause 11.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(a) attributable to a Tax Deduction required by law to be made by the Borrower;

(b) attributable to a FATCA Deduction required to be made by a Party;

(c) compensated for by Clause 10.3 (*Tax indemnity*) (or would have been compensated for under Clause 10.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (a) of Clause 10.3 (*Tax indemnity*) applied); or

(d) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.

12. MITIGATION BY THE LENDERS

12.1 Mitigation

(a) The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 10 (*Tax Gross-up and Indemnities*) or Clause 11 (*Increased Costs*), including:

(i) providing such information as the Borrower may reasonably request in order to permit the Borrower to determine its entitlement to claim any exemption or other relief (whether pursuant to a double taxation treaty or otherwise) from any obligation to make a Tax Deduction; and

(ii) in relation to any circumstances which arise following the date of this Agreement, transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of the Borrower under the Finance Documents.

12.2 Limitation of liability

(a) The Borrower shall promptly indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 12.1 (*Mitigation*).

(b) The Lender is not obliged to take any steps under Clause 12.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

12.3 **Conduct of business by the Lender**

No provision of this Agreement will:

(a) interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

13. OTHER INDEMNITIES

13.1 **Currency indemnity**

(a) If any sum due from the Borrower under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against the Borrower; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within three Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) The Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

13.2 **Other indemnities**

The Borrower shall, within three Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of:

(a) the occurrence of any Event of Default;

(b) any information produced or approved by the Borrower being or being alleged to be misleading and/or deceptive in any respect;

(c) any enquiry, investigation, subpoena (or similar order) or litigation with respect to the Borrower or with respect to the transactions contemplated or financed under any Finance Document;

(d) a failure by the Borrower to pay any amount due under a Finance Document on its due date or in the relevant currency;

(e) funding, or making arrangements to fund, a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or

(f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

13.3 Indemnity to the Lender

The Borrower shall promptly indemnify the Lender against any cost, loss or liability incurred by the Lender (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default;

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

14. COSTS AND EXPENSES

14.1 Transaction expenses

The Borrower shall, within three Business Days of demand, pay the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing and execution of:

(a) this Agreement and any other documents referred to in this Agreement; and

(b) any other Finance Documents executed after the date of this Agreement.

14.2 Amendment costs

If:

(a) the Borrower requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 22.7 (*Change of currency*),

the Borrower shall, within three Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

14.3 Enforcement costs

The Borrower shall, within three Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of rights under, any Finance Document.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

15. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 15 to the Lender on the date of this Agreement.

15.1 Status

(a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(b) It has the power to own its assets and carry on its business as it is being conducted.

15.2 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations.

15.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets, breach of which would reasonably be expected to have a Material Adverse Effect.

15.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents and the transactions contemplated by those Finance Documents.

15.5 Validity and admissibility in evidence

All Authorisations required:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents;

(b) to make the Finance Documents admissible in evidence in its Relevant Jurisdictions; and

(c) for it to carry on its business, and which are material,

have been obtained or effected and are in full force and effect.

15.6 Governing law and enforcement

Subject to the Legal Reservations:

(a) the choice of Hong Kong law as the governing law of this Agreement will be recognised and enforced in its jurisdiction of incorporation; and

(b) any judgment obtained in the courts of Hong Kong in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

15.7 **Deduction of Tax**

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Agreement to make any Tax Deduction from any payment it may make under any Finance Document.

15.8 **No filing or stamp taxes**

It is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

15.9 **No default**

(a) No Event of Default is continuing or would reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which would reasonably be expected to have a Material Adverse Effect.

15.10 **No misleading information**

All information supplied by the Borrower was true, complete and accurate in all material respects as at the date it was given and was not misleading in any respect.

15.11 **Financial statements**

(a) Its audited financial statements most recently supplied to the Lender were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements.

(b) Its financial statements most recently supplied to the Lender give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition and operations for the period to which they relate, save to the extent expressly disclosed in such financial statements.

15.12 **Pari passu ranking**

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

15.13 **No proceedings**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which is reasonably expected to be adversely determined and, if adversely determined, is reasonably expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against the Borrower.

15.14 **Repetition**

The Repeating Representations are deemed to be made by the Borrower by reference to the facts and circumstances then existing on the date of each Utilisation Request and on the last day of each Month following that Utilisation Date while the relevant Loan remains outstanding.

16. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 16 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

16.1 **Financial statements**

The Borrower shall supply to the Lender:

(a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years, its audited consolidated financial statements for that financial year; and

(b) as soon as the same become available, but in any event within 90 days after the end of the first six (6) months of each of its financial years, its consolidated financial statements for that the first six (6) months of that financial year.

16.2 **Requirements as to financial statements**

(a) The Borrower must ensure that each set of financial statements delivered by the Borrower pursuant to Clause 16.1 (*Financial statements*) gives a true and fair view of (in the case of any such financial statements which are audited) or fairly represents (in the case of any such financial statements which are unaudited) its financial condition as at the date as at which those financial statements were drawn up.

(b) The Borrower must ensure that each set of financial statements delivered pursuant to Clause 16.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the first set of financial statements delivered pursuant to pursuant to Clause 16.1 (*Financial statements*) unless, in relation to any set of financial statements, it notifies the Lender that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Borrower) deliver to the Lender:

(i) a full description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods on which the first set of financial statements delivered pursuant to pursuant to Clause 16.1 (*Financial statements*) were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Lender to enable it to make a proper comparison between the financial position shown by the set of financial statements prepared on the changed basis and the Borrower's most recent audited financial statements delivered to the Lender under Clause 16.1 (*Financial statements*).

Any reference in this Agreement to those financial statements will be construed as a reference to those financial statements as adjusted to reflect the basis on which the first set of financial statements delivered pursuant to pursuant to Clause 16.1 (*Financial statements*) were prepared.

(c) If the Borrower notifies the Lender of a change under paragraph (b) above, the Borrower and the Lender must enter into negotiations in good faith for a period of not more than 30 days with a view to agreeing any amendments to this Agreement required to put the Borrower and the Lender to the extent practicable in the same position as they would have been in if the change had not happened. Any such amendments agreed by the Borrower and the Lender will bind all the Parties.

(d) If no agreement is reached under paragraph (c) above on the required amendments to this Agreement, the Borrower must supply with each set of its financial statements another set of its financial statements prepared on the same basis as the first set of financial statements delivered pursuant to pursuant to Clause 16.1 (*Financial statements*).

16.3 **Information: miscellaneous**

The Borrower shall supply to the Lender:

(a) all documents dispatched by the Borrower to its shareholders (or any class of them) (other than any public announcement made by the Borrower only through publication on the website of The Stock Exchange of Hong Kong Limited and the Borrower) or its creditors generally at the same time as they are despatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower, and which have or would be reasonably likely to, if adversely determined, have a Material Adverse Effect;

(c) promptly, such further information regarding the financial condition, business and operations of the Borrower as the Lender may reasonably request except to the extent that disclosure of the information would breach any law, regulation, stock exchange requirement or duty of confidentiality or would constitute material non-public information; and

(d) promptly, notice of any change in authorised signatories of the Borrower signed by a director or company secretary of the Borrower accompanied by specimen signatures of any new authorised signatories.

16.4 **Notification of default**

(a) The Borrower shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(b) Promptly upon a request by the Lender, the Borrower shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

16.5 **Direct electronic delivery by Borrower**

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to the Lender by delivering that information directly to the Lender in accordance with Clause 24.4 (*Electronic communication*) to the extent the Lender agrees to this method of delivery.

16.6 **"Know your customer" checks**

The Borrower shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender in order for the Lender or any prospective new Lender to conduct all "know your customer" and other similar procedures that it is required to conduct under any applicable law or regulation in connection with the transaction contemplated by the Finance Documents.

17. **FINANCIAL COVENANTS**

[*intentionally omitted*]

18. **GENERAL UNDERTAKINGS**

The undertakings in this Clause 18 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

18.1 **Authorisations**

The Borrower shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Lender of,

any Authorisation required to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

18.2 **Compliance with laws**

The Borrower shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

18.3 **Pari passu ranking**

The Borrower shall ensure that its payment obligations under the Finance Documents rank and continue to rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.4 **Negative pledge**

In this Clause 18.4, "**Quasi-Security**" means an arrangement or transaction described in paragraph (b) below.

(a) The Borrower shall not create or permit to subsist any Security over any of its assets.

(b) The Borrower shall not:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by it;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into or permit to subsist any title retention arrangement;

(iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(v) enter into or permit to subsist any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to:

(i) any Security or Quasi-Security granted in connection with the Senior Credit Facility;

(ii) any Security or Quasi-Security granted by it in the ordinary course of business; or

(iii) any other Security or Quasi-Security granted over any of its assets where such Security or Quasi-Security does not have or would not reasonably be expected to have a Material Adverse Effect.

18.5 **Disposals**

(a) The Borrower shall not, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

(b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:

(i) made in the ordinary course of trading of the disposing entity;

(ii) of assets in exchange for other assets comparable or superior as to type, value and quality and for a similar purpose (other than an exchange of a non-cash asset for cash);

(iii) permitted under the Senior Credit Agreement; or

(iv) which does not fall within paragraphs (i) to (iii) above but does not have or would not reasonably be expected to have a Material Adverse Effect.

18.6 **Merger**

(a) The Borrower shall not enter into any amalgamation, demerger, merger or corporate reconstruction.

(b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal permitted pursuant to Clause 18.5 (*Disposals*).

18.7 **Change of business**

The Borrower shall procure that no substantial change is made to the general nature of its business from that carried on at the date of this Agreement if such change has or would reasonably be expected to have a Material Adverse Effect.

18.8 **Financial Indebtedness**

(a) The Borrower shall not incur or permit to remain outstanding any Borrowings, save for any Borrowings:

(i) permitted, not prohibited or otherwise approved under the Senior Credit Agreement; or

(ii) incurred with the prior written consent of the Lender.

(b) For the purpose of this Clause 18.8, "**Borrowings**" means, in respect of the Borrower, monies borrowed the amount of which would be included in the aggregate amount as it appears under the line item "Borrowings – due within one year" and the line item "Borrowings – due after one year" in the consolidated financial statements of the Borrower delivered under Clause 16.1 (*Financial statements*).

18.9 **Arm's length basis**

Save as permitted by the Lender, the Borrower shall not enter into any transaction with any person except on arm's length terms and for full market value.

19. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in the following sub-clauses of this Clause 19 (other than Clause 19.12 (*Acceleration*)) is an Event of Default.

19.1 **Non-payment**

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within three (3) Business Days of its due date.

19.2 Other obligations

(a) The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 19.1 (*Non-payment*).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of (A) the Lender giving notice to the Borrower of the failure to comply and (B) the Borrower becoming aware of the failure to comply.

19.3 Misrepresentation

Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, unless the circumstances giving rise to the misrepresentation, breach of warranty or misstatement:

(a) are capable of remedy; and

(b) are remedied within 20 Business Days of the earlier of (A) the Lender giving notice of the misrepresentation, breach of warranty or misstatement of the Borrower and (B) the Borrower becoming aware of the misrepresentation, breach of warranty or misstatement.

19.4 Cross default

(a) Any Financial Indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of the Borrower is cancelled or suspended by a creditor of the Borrower as a result of an event of default (however described).

(d) Any creditor of the Borrower becomes entitled to declare any Financial Indebtedness of the Borrower due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 19.4 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than US$50,000,000 (or its equivalent in any other currency or currencies).

19.5 Insolvency

(a) The Borrower is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of the Borrower is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of the Borrower.

19.6 **Insolvency proceedings**

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

(ii) a composition or arrangement with any creditor of the Borrower, or an assignment for the benefit of creditors generally of the Borrower or a class of such creditors;

(iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any of its assets; or

(iv) enforcement of any Security over any assets of the Borrower,

or any analogous procedure or step is taken in any jurisdiction.

Paragraph (i) above shall not apply to any winding-up petition which is frivolous or vexatious or which is being contested in good faith and with due diligence, and, in each case, is discharged, stayed or dismissed within 14 days of commencement.

19.7 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower having an aggregate value of not less than US$50,000,000 (or its equivalent in other currency or currencies), and is not discharged within 14 days.

19.8 **Unlawfulness and invalidity**

(a) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

(b) Any obligation or obligations of the Borrower under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lender under the Finance Documents.

(c) Any Finance Document ceases to be in full force and effect or is alleged by a party to it (other than the Lender) to be ineffective.

19.9 **Repudiation**

The Borrower repudiates or evidences an intention to repudiate a Finance Document.

19.10 **Cessation of business**

The Borrower ceases, or threatens to cease, to carry on all or a material part of its business except as a result of any disposal allowed under this Agreement.

19.11 **Material adverse change**

Any other event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

19.12 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Lender may by notice to the Borrower:

(a) without prejudice to any Loans then outstanding:

(i) cancel the Available Commitment, whereupon the Available Commitment shall immediately be cancelled and the Facility shall immediately cease to be available for further utilisation; or

(ii) cancel any part of any Commitment (and reduce such Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Commitment shall be immediately reduced accordingly); and/or

(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender.

SECTION 9
CHANGES TO PARTIES

20. CHANGES TO THE LENDER

20.1 Assignments and transfers by the Lender

Subject to this Clause 20, the Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

20.2 Conditions of assignment or transfer

The consent of the Borrower is not required for any assignment or transfer by a Lender pursuant to this Clause 20.

20.3 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, the Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of the Borrower;

(iii) the performance and observance by the Borrower of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Borrower and its related entities in connection with this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of the Borrower and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 20; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non- performance by the Borrower of its obligations under the Finance Documents or otherwise.

20.4 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

21. CHANGES TO THE BORROWER

21.1 Assignments and transfers by the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents, except with the prior written consent of the Lender.

SECTION 11
ADMINISTRATION

22. PAYMENT MECHANICS

22.1 Payments to the Lender

(a) On each date on which the Borrower is required to make a payment under a Finance Document, it shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Lender, in each case, specifies.

22.2 Distributions to the Borrower

The Lender may (with the consent of the Borrower or in accordance with Clause 23 (*Set-off*)) apply any amount received by it for the Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

22.3 Partial payments

(a) If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Lender shall apply that payment towards the obligations of the Borrower under the Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and

(iii) **thirdly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) The Lender may vary the order set out in paragraphs (a)(i) to (a)(iii) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by the Borrower.

22.4 No set-off by Borrower

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

22.5 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

22.6 **Currency of account**

(a) Subject to paragraphs (b) and (c) below, US dollars is the currency of account and payment for any sum due from the Borrower under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than US dollars shall be paid in that other currency.

22.7 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant market and otherwise to reflect the change in currency.

22.8 **Disruption to payment systems etc.**

If either the Lender determines (in its discretion) that a Disruption Event has occurred or the Lender is notified by the Borrower that a Disruption Event has occurred:

(a) the Lender may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Lender may deem necessary in the circumstances;

(b) the Lender shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) any such changes agreed upon by the Lender and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 28 (*Amendments and Waivers*); and

(d) the Lender shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 22.8.

23. **SET-OFF**

The Lender may set off any matured obligation due from the Borrower under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24. NOTICES

24.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

24.2 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 the Finance Documents is that identified with its name below or any substitute address, fax number or department or officer as the Party may notify to the other Party by not less than five Business Days' notice.

24.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:

(i) if by way of fax, only when received in legible form; or

(ii) if by way of letter, only 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 24.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document which becomes effective, in accordance with paragraph (a) above, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following day.

24.4 Electronic communication

(a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including 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 or delivery as specified in paragraph (a) above to be made between the Borrower and the Lender 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 or delivery.

(c) Any such electronic communication or delivery as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.

(d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5 p.m. in the place in which the Party to whom the relevant communication or document 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 a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 24.4.

24.5 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Lender, 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.

25. CALCULATIONS AND CERTIFICATES

25.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with the Lender, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

25.2 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

25.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the relevant market differs, in accordance with that market practice.

26. PARTIAL INVALIDITY

If, at any time, any provision of a Finance 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 such provision under the law of any other jurisdiction will in any way be affected or impaired.

27. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of the Lender 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 Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

28. AMENDMENTS AND WAIVERS

28.1 Required consents

Any term of the Finance Documents may be amended or waived only with the consent of the Lender and Borrower.

29. COUNTERPARTS

Each Finance Document 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 the Finance Document.

30. CONFIDENTIAL INFORMATION

30.1 Confidentiality

The Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 30.2 (*Disclosure of Confidential Information)*, and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

30.2 Disclosure of Confidential Information

The Lender may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as the Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrower and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by the Lender or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) who is a Party;

(viii) who is a lender or other funding source of the Lender or its Subsidiaries; or

(ix) with the consent of the Borrower,

in each case, such Confidential Information as the Lender shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) and (b)(viii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; or

(C) in relation to paragraphs (b)(v) and (b)(vi) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Lender, it is not practicable so to do in the circumstances.

30.3 **Entire agreement**

This Clause 30 constitutes the entire agreement between the Parties in relation to the obligations of the Lender under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

30.4 **Inside information**

The Lender acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Lender undertakes not to use any Confidential Information for any unlawful purpose.

30.5 **Notification of disclosure**

The Lender agrees (to the extent permitted by law and regulation) to inform the Borrower:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 30.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 30.

30.6 **Continuing obligations**

The obligations in this Clause 30 are continuing and, in particular, shall survive and remain binding on the Lender for a period of 12 months from the date on which all amounts payable by the Borrower under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

31. GOVERNING LAW

This Agreement is governed by Hong Kong law.

32. ENFORCEMENT

32.1 Jurisdiction of Hong Kong courts

(a) The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").

(b) The Parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) Notwithstanding paragraphs (a) and (b) above, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

32.2 Waiver of immunities

The Borrower irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

(a) suit;

(b) jurisdiction of any court;

(c) relief by way of injunction or order for specific performance or recovery of property;

(d) attachment of its assets (whether before or after judgment); and

(e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
CONDITIONS PRECEDENT

1. **The Borrower**

(a) A copy of the constitutional documents of the Borrower.

(b) A copy of a resolution of the board of directors of the Borrower:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents and resolving that it execute the Finance Documents;

(ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) A certificate from the Borrower (signed by a director) confirming that borrowing the Commitments would not cause any borrowing or similar limit binding on it to be exceeded.

(e) A certificate of an authorised signatory of the Borrower certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. **Other documents and evidence**

(a) A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(b) Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 9 (*Fees*) and Clause 14 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.

SCHEDULE 2
UTILISATION REQUEST

From: [*Borrower*]

To: [*Lender*]

Dated:

[Borrower] – [ ] Facility Agreement

dated [ ] (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement shall have the same meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[ ] (or, if that is not a Business Day, the next Business Day)
Amount:	[ ] or, if less, the Available Commitment

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) of the Facility Agreement is satisfied on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to [*account*].

5. This Utilisation Request is irrevocable.

Yours faithfully

…………………………………
authorised signatory for
[*name of Borrower*]

SCHEDULE 3
TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of a Utilisation Request*))	11:00 a.m. on the day falling five Business Days prior to the proposed Utilisation Date

THE BORROWER

MELCO INTERNATIONAL DEVELOPMENT LIMITED 新濠國際發展有限公司

/s/ Yuk Man Chung

By: Yuk Man Chung

Address: 38th Floor, The Centrium, 60 Wyndham Street, Central,
Hong Kong

Email: VincentLeung@melco-group.com

Fax: (852) 3162 3579

Attention: The Company Secretary

THE LENDER

MELCO RESORTS & ENTERTAINMENT LIMITED

/s/ Stephanie Cheung

By: Stephanie Cheung

Address: 38th Floor, The Centrium, 60 Wyndham Street, Central,
Hong Kong SAR

Email: mco-comsec@melco-resorts.com

Fax: +852 2537 3618

Attention: Company Secretary

Melco Resorts & Entertainment Limited
List of Significant Subsidiaries
As of December 31, 2021

1. COD Resorts Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
2. MCO Cotai Investments Limited, incorporated in the Cayman Islands
3. MCO Europe Holdings (NL) B.V., incorporated in the Netherlands
4. MCO Holdings Limited, incorporated in the Cayman Islands
5. MCO International Limited, incorporated in the Cayman Islands
6. MCO Investments Limited, incorporated in the Cayman Islands
7. MCO Nominee One Limited, incorporated in the Cayman Islands
8. Melco Resorts (Macau) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
9. Melco Resorts Finance Limited, incorporated in the Cayman Islands
10. Melco Resorts Services Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
11. MSC Cotai Limited, incorporated in the British Virgin Islands
12. SCP Holdings Limited, incorporated in the British Virgin Islands
13. SCP One Limited, incorporated in the British Virgin Islands
14. SCP Two Limited, incorporated in the British Virgin Islands
15. Studio City Company Limited, incorporated in the British Virgin Islands
16. Studio City Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
17. Studio City Finance Limited, incorporated in the British Virgin Islands
18. Studio City Holdings Limited, incorporated in the British Virgin Islands
19. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
20. Studio City International Holdings Limited, incorporated in the Cayman Islands
21. Studio City Investments Limited, incorporated in the British Virgin Islands

Exhibit 12.1

Certification by the Chief Executive Officer

I, Lawrence Yau Lung Ho, certify that:

1. I have reviewed this annual report on Form 20-F of Melco Resorts & Entertainment 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/ Lawrence Yau Lung Ho

Name: Lawrence Yau Lung Ho
Title: Chairman and Chief Executive Officer

Certification by the Chief Financial Officer

I, Geoffrey Stuart Davis, certify that:

1. I have reviewed this annual report on Form 20-F of Melco Resorts & Entertainment 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 Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Melco Resorts & Entertainment 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, Lawrence Yau Lung Ho, Chief Executive 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/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Chairman and Chief Executive Officer

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 Melco Resorts & Entertainment 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

31 March 2022 Our Ref: JT/WL/M6207-S10414

The Board of Directors
Melco Resorts & Entertainment Limited
c/o Intertrust Corporate Services (Cayman)
Limited
One Nexus Way
Camana Bay
Grand Cayman KY1-9005
Cayman Islands

Dear Sirs

FORM 20-F

We consent to the reference to our firm under the heading "Board Practices", the heading "Documents on Display" and the heading "Corporate Governance" in the Annual Report on Form 20-F of Melco Resorts & Entertainment Limited for the year ended 31 December 2021, which will be filed with the U.S. Securities and Exchange Commission (the "Commission") on 31 March 2022 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under the Exchange Act, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ WALKERS
WALKERS (HONG KONG)

Exhibit 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form F-3 No. 333-255390) of Melco Resorts & Entertainment Limited,

2. Registration Statement (Form S-8 No. 333-185477) pertaining to the 2011 Share Incentive Plan of Melco Resorts & Entertainment Limited, and

3. Registration Statement (Form S-8 No. 333-261554) pertaining to the 2021 Share Incentive Plan of Melco Resorts & Entertainment Limited;

of our reports dated March 31, 2022, with respect to the consolidated financial statements of Melco Resorts & Entertainment Limited and the effectiveness of internal control over financial reporting of Melco Resorts & Entertainment Limited included in this Annual Report (Form 20-F) of Melco Resorts & Entertainment Limited for the year ended December 31, 2021.

/s/ Ernst & Young
Hong Kong
March 31, 2022