As confidentially submitted to the Securities and Exchange Commission on July 17, 2018

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Studio City International Holdings Limited

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands*	**7011**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

[36/F, The Centrium
60 Wyndham Street
Hong Kong]
[+852 2598-3600]
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

[Cogency Global Inc.
10 East 40th Street, 10th Floor
New York, NY 10016
(800) 221-0102]
(Name, address, including zip code, and telephone number, including area code, of agent for service)

copies to:

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15 Queen's Road Central, Hong Kong	**Hong Kong**
+852 3761 3300	**+852 2533 3300**

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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 7(a)(2)(B) of the Securities 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.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee
Class A ordinary shares, par value US$0.0001 per share(1)	US$	US$

(1) American depositary shares issuable upon deposit of the Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A ordinary shares.

(2) Includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the Class A ordinary shares are first bona fide offered to the public, and also includes Class A ordinary shares that may be purchased by the underwriters pursuant to an option to purchase additional ADSs. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.

(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

* Prior to the completion of this offering, Studio City International Holdings Limited will undergo a series of organizational transactions, as a part of which it will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting any offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to Completion, Dated , 2018

American Depositary Shares

Studio City International Holdings Limited

Representing Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, by Studio City International Holdings Limited. We are offering ADSs to be sold in the offering. Each ADS represents Class A ordinary shares, or SC Class A Shares.

Prior to this offering, there has been no public market for the ADSs or SC Class A Shares. We anticipate the initial public offering price will be between US$ and US$ per ADS. We [have applied] to list the ADSs on the New York Stock Exchange under the symbol "MSC."

Upon completion of this offering, we will have two authorized classes of ordinary shares: SC Class A Shares and Class B ordinary shares, or SC Class B Shares. Holders of the SC Class A Shares and SC Class B Shares are entitled to one vote per share and will vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. Holders of the SC Class B Shares do not have any right to receive dividends or distributions upon our liquidation or winding up or to otherwise share in the profits or surplus assets of the Company.

Upon completion of this offering, the investors in this offering will collectively own ADSs, representing SC Class A Shares and a % voting and economic interest in our company. As described under "Use of Proceeds," we will contribute the net proceeds from this offering to our subsidiary, MSC Cotai Limited, or MSC Cotai, in exchange for ordinary shares of MSC Cotai, or MSC Cotai Shares. MCE Cotai Investments Limited, or MCE Cotai, will own SC Class A Shares, representing a % voting and economic interest in Studio City International. New Cotai will own SC Class B Shares, representing a % voting, non-economic interest in our company. New Cotai will also have a participation interest, or Participation Interest, in MSC Cotai, which will entitle New Cotai to receive from MSC Cotai an amount equal to % of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions. Immediately following the conclusion of this offering, SC Class A Shares will collectively represent approximately % of the voting power in our company and SC Class B Shares will collectively represent approximately % of the voting power in our company.

Following the completion of this offering and the Assured Entitlement Distribution, we will be a "controlled company" within the meaning of the New York Stock Exchange corporate governance rules because Melco Resorts, through MCE Cotai, will hold % of our then outstanding SC Class A Shares, assuming the underwriters do not exercise their over-allotment option, or % of our then outstanding SC Class A Shares if the underwriters exercise their over-allotment option in full. See "Principal Shareholders."

Investing in the ADSs involves a high degree of risk. See "Risk Factors" beginning on page 22.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per ADS	Total
Initial public offering price	US$	US$
Underwriting discounts and commissions(1)	US$	US$
Proceeds, before expenses, to us	US$	US$

(1) For a description of compensation payable to the underwriters, see "Underwriting."

The underwriters have an option to purchase up to an additional ADSs from us at the initial public offering price, less the underwriting discounts and commissions, within 30 days from the date of this prospectus.

The underwriters expects to deliver the ADSs against payment in U.S. Dollars in New York, New York, to purchasers on or about , 2018.

Deutsche Bank Securities **Credit Suisse** **Morgan Stanley**

Prospectus dated , 2018

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We have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters have not authorized any other person to provide you with different or additional information. We are offering to sell, and seeking offers to buy, the ADSs offered hereby, but only under circumstances and in jurisdictions where offers and sales are permitted and lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the ADSs.

Neither we nor any of the underwriters have taken any action that would permit a public offering of the ADSs outside the United States or permit the possession or distribution of this prospectus or any related free-writing prospectus outside the United States. Persons outside the United States who come into possession of this prospectus or any related free-writing prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until , 2018 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information, financial statements and related notes appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under "Risk Factors," before deciding whether to buy the ADSs.

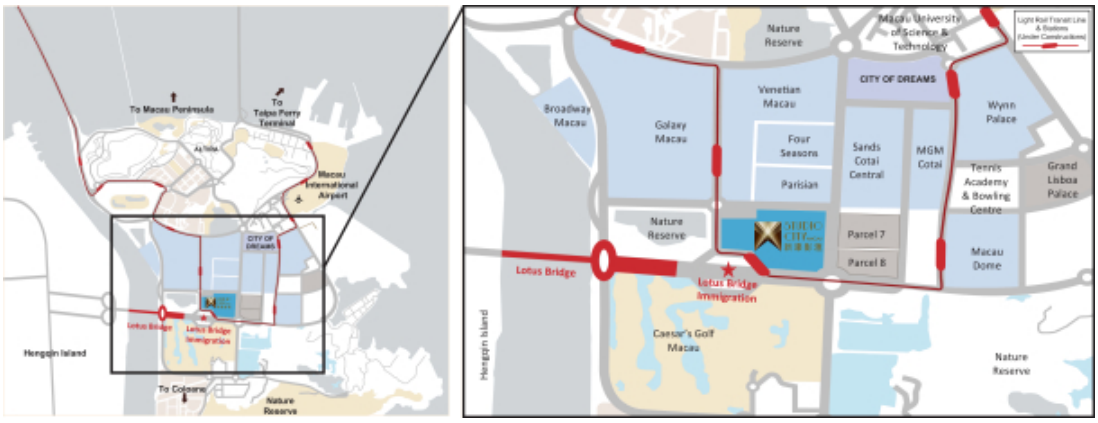
Our Business

Studio City is a world-class gaming, retail and entertainment resort located in Cotai, Macau. Studio City Casino has 250 mass market gaming tables and approximately 970 gaming machines, which we believe provide higher margins and attractive long-term growth opportunities. The mass market focus of Studio City Casino is complemented with junket and premium direct VIP rolling chip operations, which include 45 VIP rolling chip tables. Our cinematically-themed integrated resort is designed to attract a wide range of customers by providing highly differentiated non-gaming attractions, including the world's first figure-8 Ferris wheel, a Warner Bros.-themed family entertainment center, a 4-D Batman flight simulator, an exclusive night club and a 5,000-seat live performance arena. Studio City features approximately 1,600 luxury hotel rooms, diverse food and beverage establishments and approximately 35,000 square meters (approximately 377,000 square feet) of complementary retail space. Studio City was named *Casino/Integrated Resort of the Year* in 2016 by the International Gaming Awards.

Macau is the world's largest gaming market, with gross gaming revenue in 2017 approximately 5.1 times that of the Las Vegas Strip and approximately 7.2 times that of Singapore, according to the Gaming Inspection and Coordination Bureau, or DICJ, the Nevada Gaming Control Board and Bloomberg Intelligence. The recent growth of the Macau gaming market has been robust, with gross gaming revenue increasing by 18.9% compared to the prior year period for the first six months of 2018 to US$18.7 billion, and monthly gross gaming revenue

growing for each of the 23 months from August 2016 to June 2018 on a year-on-year basis, according to the DICJ.

Macau is also a limited gaming concession market, with only six gaming concessions and subconcessions currently granted by the local government. We believe we are well-positioned to take advantage of this large and growing, supply-constrained market.



Studio City is strategically located in Cotai, as the only property directly adjacent to the Lotus Bridge immigration checkpoint and one of the few dedicated Cotai hotel-casino resort stops planned on the Macau Light Rail Transit Line. The Lotus Bridge connects Cotai with Hengqin Island in Zhuhai, China, a designated special economic district in China undergoing significant business and infrastructure development.

Studio City is rapidly ramping up since commencing operations in October 2015. We have grown total revenues from US$69.3 million in 2015 to US$424.5 million in 2016 and further to US$539.8 million in 2017, and generated net losses of US$232.6 million, US$242.8 million and US$76.4 million, respectively, for these periods. We increased our adjusted EBITDA from US$6.3 million in 2015 to US$123.0 million in 2016 and further to US$279.1 million in 2017, and expanded our adjusted EBITDA margin from 9.1% to 29.0% and further to 51.7%, respectively, for these periods. Our total revenues increased from US$121.4 million in the three months ended March 31, 2017 to US$156.9 million in the three months ended March 31, 2018 and we had net loss of US$26.5 million in the three months ended March 31, 2017 and net income of US$8.8 million in the three months ended March 31, 2018. Our adjusted EBITDA increased from US$56.8 million in the three months ended March 31, 2017 to US$93.0 million in the three months ended March 31, 2018 and our adjusted EBITDA margin expanded from 46.8% to 59.3% in these periods, respectively.

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

Our Industry

Macau has been the world's largest gaming destination in terms of gross gaming revenues since 2006. Macau's gross gaming revenues amounted to US$33.2 billion in 2017, which is approximately 5.1 times that of the Las Vegas Strip and approximately 7.2 times that of Singapore. The growth momentum of Macau's gaming market has been robust in 2018 to date, with gross gaming revenues of US$18.7 billion recorded over the first six months of 2018, reflecting a year-on-year increase of 18.9%.

Macau is well-positioned and strategically important in the overall gaming market across the Asia Pacific region. The expansion of the gaming industry has also spurred investment and employment activities in related non-gaming industries, including retail, dining, entertainment, conference and convention sectors.

The Macau gaming market consists of two primary segments: the mass market and VIP rolling chip segments. The mass market segment consists of both mass market table games and gaming machines for primarily cash stakes. Mass market gaming revenues have grown significantly in recent years and amounted to US$13.0 billion in 2016 and US$14.4 billion in 2017, reflecting a year-on-year increase of 10.4%, and US$4.2 billion in the three months ended March 31, 2018, according to the DICJ. VIP rolling chip players in Macau typically play mostly in dedicated VIP rolling chip rooms for higher stakes. VIP rolling chip gross gaming revenues amounted to US$14.8 billion in 2016 and US$18.8 billion in 2017, reflecting a year-on-year increase of 26.7%, and US$5.4 billion in the three months ended March 31, 2018, according to the DICJ.

We believe the development of the Macau gaming market has been driven by and will continue to be driven by a combination of factors, including:

- Close proximity to approximately 3.5 billion people in nearby regions in Asia and expansion of mainland China out-bound tourism to Macau;
- Continuing economic development and emergence of a wealthier demographic in China;
- Diversified range of gaming segments;
- Increased diversification in non-gaming offerings further enhancing visitation and game play;
- Further improvement of transportation and infrastructure driving visitation; and
- Hengqin Island development initiatives.

Our Strengths

We believe that the following strengths contribute to our success and set us apart from our peers:

- fully integrated destination resort focused on the attractive mass market segment;
- strategic location with strong and improving accessibility;
- well-positioned to capitalize on an improving market environment;
- experienced and dedicated management team; and
- significant operational experience and the extensive network of our controlling shareholder.

Our Strategies

We intend to pursue the following strategies to further develop our business:

- continue to focus on the mass market segment;
- complement the mass market business of Studio City Casino with VIP rolling chip operations;
- continue to drive visitation and revenue growth through innovative non-gaming attractions;
- continue to pursue strategic marketing initiatives and differentiate the “Studio City” brand; and
- prudently manage our capital structure.

Our Challenges

Our ability to achieve success and implement our strategies is subject to risks and uncertainties that include the following:

- we have a short operating history compared to many of our competitors and we have a history of net losses and may have net losses in the future;
- we do not hold a gaming license in Macau and Studio City Casino is operated by a subconcessionaire, Melco Resorts Macau, which is a subsidiary of Melco Resorts;
- we utilize services provided by subsidiaries of Melco Resorts, including hiring and training of personnel for Studio City;
- we face concentration risk in relation to our operation of Studio City;
- we have a substantial amount of existing indebtedness and are subject to certain covenants which may restrict our ability to engage in certain transactions;
- Studio City Casino's gaming operations are subject to various risks relating to the gaming operations in Macau;
- we are subject to risks in operating our non-gaming offerings;
- if we fail to fully develop our remaining project under the land concession contract by July 24, 2021, or receive a further extension of the development period from the Macau government, we may be forced to forfeit all or part of our investment in the granted land, along with our interest in Studio City; and
- our remaining project for Studio City is subject to significant development and construction risks and uncertainties.

In addition, we face risks and uncertainties related to our compliance with applicable regulations and policies in our operations in Macau.

See "Risk Factors" and other information included in this prospectus for a detailed discussion of the above and other challenges, risks and uncertainties.

CORPORATE HISTORY AND ORGANIZATIONAL STRUCTURE

Corporate History

We were established as an international business company, limited by shares, under the laws of the British Virgin Islands as Cyber One Agents Limited on August 2, 2000 and subsequently re-registered as a business company, limited by shares, under the British Virgin Islands Business Companies Act, 2004. New Cotai acquired a 40% equity interest in us on December 6, 2006. New Cotai is a private limited liability company organized in Delaware that is indirectly owned by investment funds managed by Silver Point Capital, L.P., Oaktree Capital Management, L.P. and other third party investors. MCE Cotai, a wholly owned subsidiary of Melco Resorts, acquired a 60% equity interest in us on July 27, 2011. Melco Resorts is an exempted company incorporated with limited liability under the laws of the Cayman Islands and its American Depositary Shares are listed on the NASDAQ Global Select Market in the United States. On January 17, 2012, our name was changed from Cyber One Agents Limited to Studio City International Holdings Limited.

In October 2001, we were granted a land concession in Cotai by the Macau government for the development of Studio City, a cinematically-themed and integrated entertainment, retail and gaming resort. Studio City commenced operations on October 27, 2015. We conduct our principal activities through our subsidiaries, which are primarily located in Macau. We currently operate the non-gaming operations of Studio City. The Gaming Operator operates the Studio City Casino. See "Business—Our Relationship with Melco Resorts" and "Related Party Transactions—Material Contracts with Affiliated Companies."

Prior to or concurrently with the completion of this offering, we will engage in a series of "Organizational Transactions," described below, through which substantially all of our assets and liabilities will be contributed to our subsidiary, MSC Cotai, a business company limited by shares incorporated in the British Virgin Islands, in exchange for all of the outstanding equity interests in MSC Cotai. In connection with the "Organizational Transactions" described below, we will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands.

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

Organizational Transactions

Each of the following transactions, referred to collectively as the "Organizational Transactions," has been or will be completed prior to or in connection with the completion of this offering. The Organizational Transactions are conducted pursuant to an implementation agreement, or the Implementation Agreement, among MCE Cotai, Melco Resorts, New Cotai, MSC Cotai and us. See "Corporate History and Organizational Structure—Implementation Agreement."

- MSC Cotai was incorporated as a business company limited by shares in the British Virgin Islands.
- We will enter into a transfer agreement, or the Transfer Agreement, with MSC Cotai to provide for the transfer by us and the assumption by MSC Cotai of substantially all of our assets and liabilities, in exchange for all of the outstanding equity interests in MSC Cotai. See "Corporate History and Organizational Structure—Transfer Agreement."
- We will amend and restate our memorandum of association and articles of association to, among other things, authorize two classes of ordinary shares, the SC Class A Shares and the SC Class B Shares. See "Description of Share Capital." Each SC Class A Share and each SC Class B Share will entitle its holder to one vote on all matters to be voted on by shareholders generally and holders of SC Class A Shares and SC Class B Shares will vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. See "Description of Share Capital—Voting Rights." Holders of the SC Class B Shares do not have any right to receive dividends or distributions upon our liquidation or winding up or to otherwise share in our profits and surplus assets.
- MCE Cotai's 60% equity interest in our company will be reclassified into SC Class A Shares.
- New Cotai's 40% equity interest in our company will be exchanged for SC Class B Shares, which have only voting and no economic rights. Through its SC Class B Shares, New Cotai will have voting rights in us, and we will control MSC Cotai.
- In addition, New Cotai will have a non-voting, non-shareholding economic participation interest, or Participation Interest, in MSC Cotai, the terms of which will be set forth in a participation agreement, or the Participation Agreement, that will be entered into by MSC Cotai, New Cotai and us. See "Corporate History and Organizational Structure—Participation Agreement."
- The Participation Interest will entitle New Cotai to receive from MSC Cotai an amount equal to 66-2/3% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions as set out in the Participation Agreement and further described in "Corporate History and Organizational Structure—Participation Agreement." The 66-2/3% represents the equivalent of New Cotai's 40% interest in us prior to the Organizational Transactions.

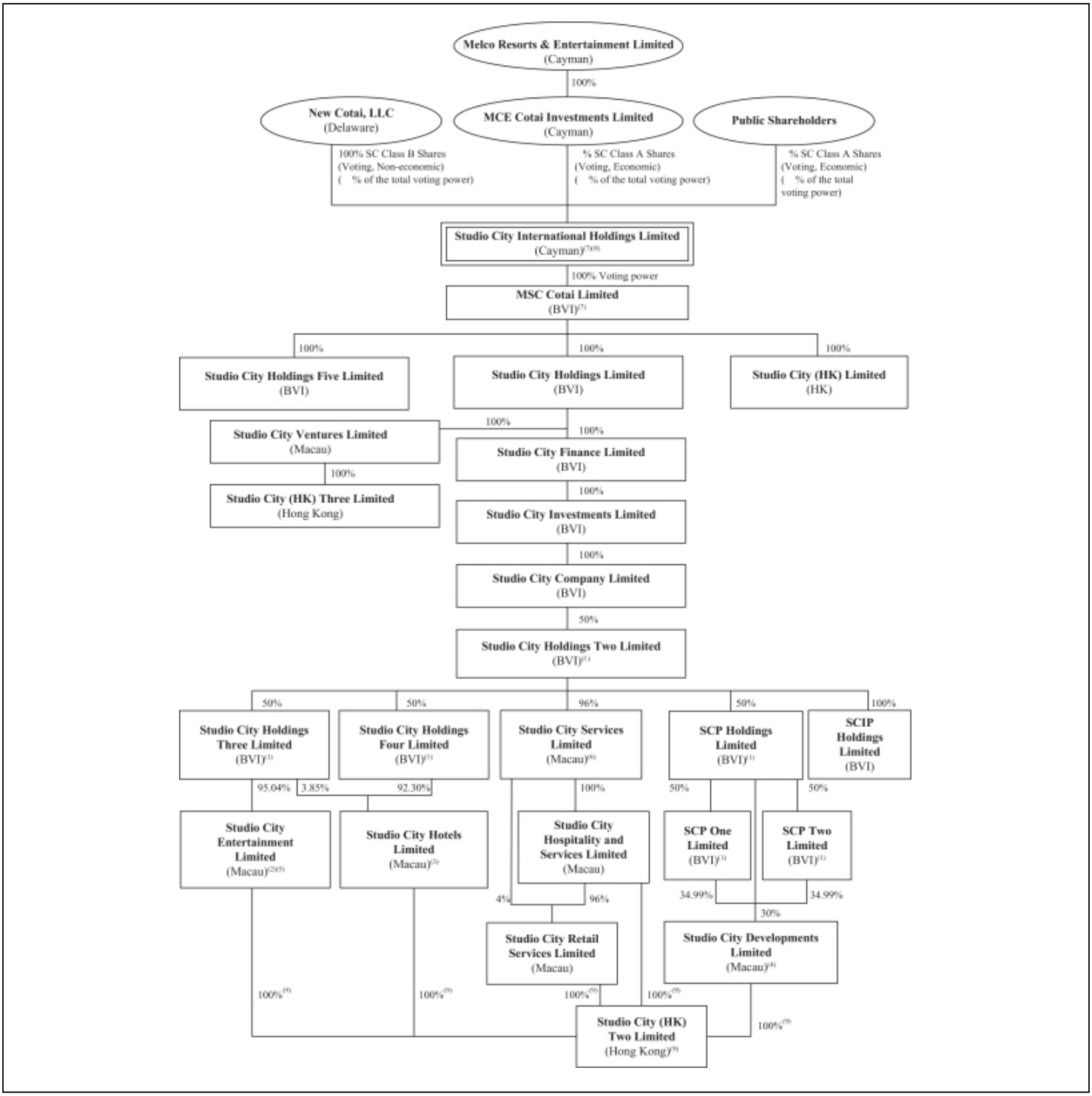
- The Participation Agreement will also provide that, following the expiration of the lock-up period of [●] days, New Cotai will be entitled to exchange all or a portion of its Participation Interest for a number of SC Class A Shares subject to exceptions and adjustments as set out in the Participation Agreement. See "Corporate History and Organizational Structure—Participation Agreement." When New Cotai exchanges all or a portion of the Participation Interest for SC Class A Shares pursuant to the terms of exchange set forth in the Participation Agreement and described herein, a proportionate number of SC Class B Shares will be deemed surrendered and automatically cancelled for no consideration as set out in the Participation Agreement.
- We will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands prior to the completion of this offering.

In connection with the completion of this offering, we will issue ADSs (representing SC Class A Shares) to the investors in this offering (or ADSs, representing SC Class A Shares, if the underwriters exercise their option in full to purchase additional SC Class A Shares in the form of ADSs) in exchange for net proceeds of approximately US$ million (or approximately US$ million if the underwriters exercise their option in full to purchase additional SC Class A Shares in the form of ADSs), after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Upon the completion of this offering, we will contribute the proceeds of this offering to MSC Cotai in exchange for MSC Cotai Shares.

As a result of the Organizational Transactions and this offering, immediately following this offering:

- the investors in this offering will collectively own ADSs (representing SC Class A Shares) representing a % economic and voting interest in our company;
- MCE Cotai will own SC Class A Shares, representing a % voting and economic interest in our company;
- New Cotai will own SC Class B Shares, representing a % voting, non-economic interest in our company;
- New Cotai will have a Participation Interest, which will entitle New Cotai to receive from MSC Cotai an amount equal to % of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions;
- SC Class B Shares will collectively represent approximately % of the voting power in us; and
- we will own all MSC Cotai Shares, representing 100% of the outstanding equity interests in MSC Cotai and 100% of the voting power in MSC Cotai.

The diagram below depicts our expected organizational structure immediately following completion of this offering. This diagram is provided for illustrative purposes only and does not purport to represent all legal entities owned or controlled by us, or owning a beneficial interest in us.


Melco Resorts & Entertainment Limited
(Cayman)
100%
New Cotai, LLC
(Delaware)
MCE Cotai Investments Limited
(Cayman)
Public Shareholders
100% SC Class B Shares
(Voting, Non-economic)
(% of the total voting power)
% SC Class A Shares
(Voting, Economic)
(% of the total voting power)
% SC Class A Shares
(Voting, Economic)
(% of the total voting power)
Studio City International Holdings Limited
(Cayman)(7)(8)
100% Voting power
MSC Cotai Limited
(BVI)(7)
100%
100%
100%
Studio City Holdings Five Limited
(BVI)
Studio City Holdings Limited
(BVI)
Studio City (HK) Limited
(HK)
100%
100%
Studio City Ventures Limited
(Macau)
Studio City Finance Limited
(BVI)
100%
100%
Studio City (HK) Three Limited
(Hong Kong)
Studio City Investments Limited
(BVI)
100%
Studio City Company Limited
(BVI)
50%
Studio City Holdings Two Limited
(BVI)(1)
50%
50%
96%
50%
100%
Studio City Holdings Three Limited
(BVI)(1)
Studio City Holdings Four Limited
(BVI)(1)
Studio City Services Limited
(Macau)(6)
SCP Holdings Limited
(BVI)(1)
SCIP Holdings Limited
(BVI)
95.04%
3.85%
92.30%
100%
50%
50%
Studio City Entertainment Limited
(Macau)(2)(5)
Studio City Hotels Limited
(Macau)(3)
Studio City Hospitality and Services Limited
(Macau)
SCP One Limited
(BVI)(1)
SCP Two Limited
(BVI)(1)
4%
96%
34.99%
34.99%
30%
Studio City Retail Services Limited
(Macau)
Studio City Developments Limited
(Macau)(4)
100%(9)
100%(9)
100%(9)
100%(9)
100%(9)
Studio City (HK) Two Limited
(Hong Kong)(9)

(1) Studio City Holdings Five Limited also holds 50% in one non-voting share.
(2) Studio City Holdings Five Limited also holds 1% of the voting equity interest.
(3) Studio City Holdings Five Limited also holds 3.85% of the voting equity interest.
(4) Studio City Holdings Five Limited also holds 0.02% of the voting equity interest.
(5) Studio City Holdings Four Limited also holds 3.96% of the voting equity interest.
(6) Studio City Company Limited also holds 4% of the voting equity interest.
(7) Upon the completion of this offering, New Cotai will have a Participation Interest in MSC Cotai, which will represent its economic right to receive an amount equal to % of the dividends, distributions or other consideration paid to us by MSC Cotai, if any, from time to time. New Cotai may exchange all or a portion of its Participation Interest for SC Class A Shares, subject to certain conditions. See "Corporate History and Organizational Structure—Participation Agreement."
(8) Prior to the completion of this offering, Studio City International Holdings Limited will undergo a series of organizational transactions, as a part of which it will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands.
(9) Jointly owned by Studio City Hospitality and Services Limited, Studio City Hotels Limited, Studio City Entertainment Limited, Studio City Retail Services Limited and Studio City Developments Limited.

Corporate Information

Our principal executive offices are located at [36/F, The Centrium, 60 Wyndham Street, Central, Hong Kong]. Our telephone number at this address is [+852 2598-3600]. Our registered office in the Cayman Islands is at the offices of [●]. Our agent for service of process in the United States is [Cogency Global Inc., located at 10 East 40th Street, 10th Floor, New York, NY 10016].

Investors should contact us for any inquiries through the address and telephone number of our principal executive offices. Our website is www.studiocity-macau.com. The information contained on our website is not a part of this prospectus.

Basis of Presentation and Conventions Which Apply to This Prospectus

In connection with the completion of this offering, we will effect certain Organizational Transactions. Unless otherwise stated or the context otherwise requires, all information in this prospectus reflects the completion of the Organizational Transactions and this offering. See "Corporate History and Organizational Structure" for a description of the Organizational Transactions and a diagram depicting our anticipated structure after giving effect to the Organizational Transactions and this offering.

Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," "our business", "our company" or "Studio City International" refer to, and similar references refer to, Studio City International Holdings Limited and its consolidated subsidiaries, including MSC Cotai.

This prospectus contains the historical financial statements of our company and its consolidated subsidiaries. The unaudited pro forma consolidated financial information of our company presented in this prospectus has been derived from the application of pro forma adjustments to the historical consolidated financial statements of our company and its subsidiaries included elsewhere in this prospectus. These pro forma adjustments give effect to the Organizational Transactions and related transactions as described in "Corporate History and Organizational Structure" as if all such transactions had occurred on January 1, 2015. See "Unaudited Pro Forma Condensed Consolidated Financial Information" for a complete description of the adjustments and assumptions underlying the unaudited pro forma consolidated financial information included in this prospectus.

Except where the context otherwise requires:

- "2012 Notes" refers to 8.50% senior notes due 2020 in an aggregate principal amount of US$825,000,000 issued by Studio City Finance Limited, or Studio City Finance, on November 26, 2012;
- "2013 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 Limited, or Studio City Company, as borrower and certain subsidiaries as guarantors, comprising a term loan

facility of HK$10,080,460,000 (approximately US$1,300 million) and revolving credit facility of HK$775,420,000 (approximately US$100 million), and which has been amended, restated and extended by the 2016 Credit Facility;

- "2016 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 2013 Project Facility to provide for senior secured credit facilities in an aggregate amount of HK$234.0 million, which consist of a HK$233.0 million (approximately US$29.9 million) revolving credit facility and a HK$1.0 million (approximately US$129,000) term loan facility;
- "2016 Notes" refers to (i) 5.875% senior secured notes due 2019 in an aggregate principal amount of US$350,000,000, or the 2016 5.875% Notes, and (ii) 7.250% senior secured notes due 2021 in an aggregate principal amount of US$850,000,000, or the 2016 7.250% Notes, both issued by Studio City Company on November 30, 2016;
- "ADRs" refers to the American depositary receipts evidencing our ADSs;
- "ADSs" refers to our American depositary shares, each of which represents SC Class A Shares;
- "average daily rate" refers to total room revenues including the retail value of complimentary rooms (less service charges, if any) divided by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day;
- "China, " "mainland China" or "PRC" refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Taiwan and the special administrative regions of Hong Kong and Macau;
- "Coloane" refers to one of the two main islands of Macau and which is located south of Taipa;
- "concession" refers to 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;
- "Cotai" refers to an area of reclaimed land located between the islands of Taipa and Coloane in Macau;
- "gaming machine" refers to slot machine and/or electronic gaming table;
- "gaming machine handle" refers to the total amount wagered in gaming machines;
- "gaming machine win rate" refers to gaming machine win expressed as a percentage of gaming machine handle;
- "Gaming Operator" refers to Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited), or Melco Resorts Macau, a company incorporated under the laws of Macau that is a subsidiary of Melco Resorts, the holder of a subconcession under the Subconcession Contract and the operator of Studio City Casino. The equity interest of the Gaming Operator is 90% owned by Melco Resorts and 10% owned by Mr. Lawrence Ho, the managing director of the Gaming Operator;
- "gaming promoter," also known as a junket operator, refers to 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;
- "HK$," "H.K. dollar(s)" or "Hong Kong Dollar(s)" refers to the legal currency of Hong Kong;
- "Hong Kong" refers to the Hong Kong Special Administrative Region of the PRC;
- "Macau" or "Macao" refers to the Macau Special Administrative Region of the PRC;

- "Macau Peninsula" refers to the part of Macau which is geographically connected to mainland China and located north of Taipa;
- "mass market" refers to both table games and gaming machines played by mass market players primarily for cash stakes;
- "mass market table games drop" refers to the amount of table games drop in the mass market table games segment;
- "mass market table games hold percentage" refers to mass market table games win as a percentage of mass market table games drop;
- "Master Service Providers" refer to certain of our affiliates with whom we entered into a master service agreement and a series of work agreements with respect to the non-gaming services at the properties in Macau, and that are also subsidiaries of Melco Resorts, including Melco Crown (COD) Developments Limited (now known as COD Resorts Limited), Altira Developments Limited (now known as Altira Resorts Limited), the Gaming Operator, MPEL Services Limited (now known as Melco Resorts Services Limited), Golden Future (Management Services) Limited, MPEL Properties (Macau) Limited, Melco Crown Security Services Limited (now known as Melco Resorts Security Services Limited), MCE Travel Limited (now known as Melco Resorts Travel Limited), MCE Transportation Limited and MCE Transportation Two Limited (now known as MCO Transportation Two Limited);
- "Melco International" refers to Melco International Development Limited, a public limited company incorporated in Hong Kong with its shares listed on The Stock Exchange of Hong Kong Limited, or the Hong Kong Stock Exchange;
- "Melco Resorts" refers to Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands with its American depositary shares listed on the NASDAQ Global Select Market;
- "MICE" refers to Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or specific purpose;
- "MOP" or "Macau Pataca(s)" refers to the legal currency of Macau;
- "occupancy rate" refers to the average percentage of available hotel rooms occupied, including complimentary rooms, during a period;
- "remaining project" refers to the part of the Studio City project comprised of a gross floor area of approximately 229,968 square meters, which is required to be developed under the land concession contract;
- "REVPAR" refers to revenue per available room, calculated by dividing total room revenues including the retail value of complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy;
- "RMB" or "Renminbi" refers to the legal currency of China;
- "rolling chip" or "VIP rolling chip" refers to non-negotiable chip primarily used by rolling chip patrons to make wagers;
- "rolling chip patron" refers to a player who primarily plays on rolling chip or VIP rolling chip tables and typically plays for higher stakes than mass market gaming patrons;
- "rolling chip volume" refers to the amount of non-negotiable chips wagered and lost by the rolling chip market segment;
- "rolling chip win rate" refers to rolling chip table games win (calculated before discounts and commissions) as a percentage of rolling chip volume;

- "MSC Cotai" refers to MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands as part of the Organizational Transactions described in "Corporate History and Organizational Structure—Organizational Transactions;"
- "shares" or "ordinary shares" refers to our ordinary shares which, upon completion of this offering, will comprise two classes of ordinary shares, the SC Class A Shares and the SC Class B Shares;
- "subconcession" refers to an agreement for the operation of games of fortune and chance in casinos between the entity holding the concession and a subconcessionaire, pursuant to which the subconcessionaire is authorized to operate games of fortune and chance in casinos in Macau;
- "Subconcession Contract" refers to the subconcession contract executed between the Gaming Operator and Wynn Resorts (Macau) S.A., or Wynn Resorts Macau, on September 8, 2006, that provides for the terms and conditions of the subconcession granted to the Gaming Operator by Wynn Resorts Macau;
- "Taipa" refers to one of the two main islands of Macau and which is located north of Coloane, south of the Macau Peninsula; and
- "US$," "U.S. Dollar(s)," "$" or "dollars" refers to the legal currency of the United States.

Our reporting currency is the U.S. Dollar and functional currencies are the U.S. Dollar, Hong Kong Dollar and Macau Pataca. This prospectus contains translations of certain Macau Pataca, Hong Kong Dollar and Renminbi amounts into U.S. Dollars for the convenience of the reader. Unless otherwise stated, all translations of Hong Kong Dollar and Renminbi amounts into U.S. Dollars in this prospectus have been made at the rates of HK$7.7800 to US$1.00 and RMB6.5063 to US$1.00, respectively. On March 30, 2018, the noon buying rate in The City of New York for cable transfers in Hong Kong Dollars and Renminbi as certified for customs purposes by the Federal Reserve Bank of New York set forth in the H.10 statistical release of the U.S. Federal Reserve Board for translation into U.S. Dollars was HK$7.8484 to US$1.00 and RMB6.2726 to US$1.00, respectively. The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Macau Pataca. The Macau Pataca is pegged to the Hong Kong Dollar at a rate of MOP1.03 to HK$1.00. Unless otherwise stated, all translations from Macau Patacas to U.S. Dollars in this prospectus were made at the exchange rate of MOP8.0134 to US$1.00. We make no representation that the Macau Pataca, Hong Kong Dollar, Renminbi or U.S. Dollar amounts referred to in this prospectus could have been, or could be, converted into U.S. Dollars, Macau Patacas and Hong Kong Dollars, as the case may be, at any particular rate or at all. On July 6, 2018, the noon buying rate for Hong Kong Dollars and Renminbi was HK$7.8479 and RMB6.6396 to US$1.00, respectively.

Certain figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be exact arithmetic aggregations or percentages of the figures that precede them.

THE OFFERING

The following assumes that the underwriters will not exercise their option to purchase additional ADSs in the offering, unless otherwise indicated.

Issuer	Studio City International Holdings Limited.
Offering Price	We expect that the initial public offering price will be between US$ and US$ per ADS.
ADSs Offered by Us	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs Outstanding Immediately After This Offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full). If all of New Cotai's Participation Interest was exchanged for newly-issued SC Class A Shares in accordance with the terms of exchange set forth in the Participation Agreement and described in "Corporate History and Organizational Structure" (based upon an assumed offering price of US$ per ADS, which is the mid-point of the estimated range of public offering price set forth on the front cover of this prospectus), ADSs representing SC Class A Shares (or ADSs representing SC Class A Shares if the underwriters' option is exercised in full) would be outstanding.
SC Class B Shares Outstanding Immediately After This Offering	SC Class B Shares. Immediately after this offering, New Cotai will own 100% of the outstanding SC Class B Shares.
The ADSs	Each ADS represents SC Class A Shares. The ADSs may be evidenced by ADRs. The depositary will hold the SC Class A Shares underlying your ADSs and you will have rights as provided in the deposit agreement. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our SC Class A Shares, the depositary will pay you the cash dividends and other distributions it receives on our SC Class A Shares, after deducting its fees and expenses. You may turn in your ADSs to the depositary in exchange for SC Class A Shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.

Option to Purchase Additional ADSs	We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to additional ADSs.
Voting	Each share of our SC Class A Shares and SC Class B Shares entitles its holder to one vote on all matters to be voted on by shareholders generally. Holders of our SC Class A and SC Class B Shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. Upon completion of this offering, we will be controlled by Melco Resorts through its ownership of MCE Cotai. Upon completion of this offering, Melco Resorts, through MCE Cotai, will control approximately % of the voting power in us (or approximately % if the underwriters exercise their option in full to purchase additional SC Class A Shares in the form of ADSs). See "Corporate History and Organizational Structure."
Voting Power of SC Class A Shares	% (or 100% if all of the Participation Interest was exchanged for newly-issued SC Class A Shares in accordance with the terms of exchange set forth in the Participation Agreement as described in "Corporate History and Organizational Structure").
Voting Power of SC Class B Shares	% (or 0% if all of the Participation Interest was exchanged for newly-issued SC Class A Shares in accordance with the terms of exchange set forth in the Participation Agreement as described in "Corporate History and Organizational Structure").
Use of Proceeds	We estimate that we will receive net proceeds of approximately US$ million from this offering and the Assured Entitlement Distribution (or US$ million if the underwriters exercise their option to purchase additional ADSs in full), after deducting underwriting discounts and commissions and estimated offering expenses payable by us and assuming an initial public offering price of US$ per ADS, being the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus. We intend to apply the net proceeds of this offering and the Assured Entitlement Distribution to acquire newly-issued MSC Cotai Shares. In turn, MSC Cotai intends to apply the net proceeds it receives from us primarily for the following purposes: • US$ million for repayment of certain of our existing indebtedness; and • the remainder for working capital and other general corporate purposes. See "Use of Proceeds" for additional information.

Lock-up	[We and our existing shareholders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or otherwise dispose of any ADSs, SC Class A Shares or similar securities or any securities convertible into or exchangeable or exercisable for our SC Class A Shares or ADSs, for a period ending [●] days after the date of this prospectus, subject to certain exceptions. See "Underwriting" for more information.]
Listing	We intend to apply to have the ADSs listed on the New York Stock Exchange under the symbol "MSC." Our ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and Settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2018.
Depositary	Deutsche Bank Trust Company Americas.
Assured Entitlement Distribution	Pursuant to Practice Note 15 under the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited, in connection with this offering, Melco International intends to make available to its shareholders an "assured entitlement" to a certain portion of our ordinary shares. As our ordinary shares are not expected to be listed on any stock exchange, Melco International intends to effect the Assured Entitlement Distribution by providing to its shareholders a "distribution in specie," or distribution of our ADSs in kind. The distribution will be made without any consideration being paid by Melco International's shareholders. Melco International's shareholders who are entitled to fractional ADSs, who elect to receive cash in lieu of ADSs and who are located in the United States or are U.S. persons, or are otherwise ineligible holders, will only receive cash in the Assured Entitlement Distribution. Concurrently with this offering as a separate transaction, Melco International intends to purchase from us new SC Class A Shares needed for the distribution in specie at the public offering price per SC Class A Share, which is the public offering price per ADS divided by the number of SC Class A Shares represented by one ADS. Melco International currently intends to provide an assured entitlement with an aggregate value of approximately US$[●] million. The Assured Entitlement Distribution will only be made if this offering is completed. The purchase of SC Class A Shares and distribution in specie of ADSs by Melco International are not part of this offering.
Exchange Arrangements	Following the expiration of the lock-up period and subject to certain conditions, New Cotai and its permitted transferees may exchange all or part of their Participation Interest for a number of SC Class A Shares.

	If New Cotai exchanges all or a portion of the Participation Interest for SC Class A Shares, it will also be deemed to have surrendered a corresponding number of SC Class B Shares, and any such SC Class B Shares so surrendered will be automatically cancelled for no consideration. See “Corporate History and Organizational Structure—Participation Agreement.”

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following summary historical consolidated statements of operations data for the years ended December 31, 2017, 2016, and 2015 and summary historical consolidated balance sheets data as of December 31, 2017 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The consolidated statements of operations data for the three months ended March 31, 2018 and 2017 and summary consolidated balance sheet data as of March 31, 2018 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements, except for the adoption of Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("New Revenue Standard") using the modified retrospective method on January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our financial position as of March 31, 2018 and our results of operations and cash flows for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard. The unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the periods presented. The consolidated statement of operations data for the year ended December 31, 2014 and the consolidated balance sheet data as of December 31, 2015 have been derived from our audited consolidated financial statements which are not included in this prospectus. The consolidated statement of operations data for the year ended December 31, 2013 and the summary consolidated balance sheets data as of December 31, 2014 and 2013 were not included in this section because Studio City did not commence operations until October 2015. Our historical results are not necessarily indicative of results expected for future periods. You should read this "Summary Historical and Unaudited Pro Forma Condensed Consolidated Financial and Operating Data" section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus.

The summary unaudited pro forma condensed consolidated financial information presented below has been derived from our unaudited pro forma condensed consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017, 2016 and 2015 and summary unaudited pro forma condensed consolidated balance sheets as of March 31, 2018 and December 31, 2017 and 2016, give pro forma effect to the Organizational Transactions and related transactions as described in "Corporate History and Organizational Structure," as if all such transactions had occurred on January 1, 2015, and are based on available information and certain assumptions we believe are reasonable, but are subject to change. See "Unaudited Pro Forma Condensed Consolidated Financial Information" for a complete description of the adjustments and the underlying assumptions of the unaudited pro forma condensed consolidated financial information.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018(2)	2017
	(US$ thousands, except for share and per share data)					
Consolidated Statements of Operations Data:						
Operating revenues:						
Provision of gaming related services	295,638	151,597	21,427	—	98,401	59,225
Rooms	88,699	84,643	14,417	—	21,833	21,822
Food and beverage	60,705	61,536	9,457	—	16,053	14,818
Entertainment	18,534	35,155	6,730	—	3,655	4,863
Services fee	39,971	51,842	7,968	—	9,651	10,767
Mall	29,498	34,020	6,999	—	6,434	8,202
Retail and other	6,769	5,738	2,336	1,767	872	1,696
Total revenues	539,814	424,531	69,334	1,767	156,899	121,393
Operating costs and expenses:						
Provision of gaming related services	(24,019)	(25,332)	(462)	—	(5,495)	(6,070)
Rooms	(21,750)	(22,752)	(4,113)	—	(5,421)	(5,437)
Food and beverage	(54,266)	(62,200)	(12,549)	—	(13,905)	(13,425)
Entertainment	(16,364)	(41,432)	(7,404)	—	(3,341)	(4,138)
Mall	(9,098)	(11,083)	(3,653)	—	(3,134)	(2,575)
Retail and other	(4,750)	(3,696)	(579)	—	(653)	(910)
General and administrative	(130,465)	(135,071)	(34,245)	(3,071)	(31,942)	(32,065)
Pre-opening costs	(116)	(4,044)	(153,515)	(14,951)	(42)	19
Amortization of land use right	(3,323)	(3,323)	(9,909)	(12,104)	(831)	(831)
Depreciation and amortization	(173,003)	(168,539)	(31,056)	(26)	(41,648)	(43,119)
Property charges and other	(22,210)	(1,825)	(1,126)	—	(2,363)	—
Total operating costs and expenses	(459,364)	(479,297)	(258,611)	(30,152)	(108,775)	(108,551)
Operating income (loss)	80,450	(54,766)	(189,277)	(28,385)	48,124	12,842
Non-operating income (expenses):						
Interest income	2,171	1,152	4,641	8,901	743	245
Interest expenses, net of capitalized interest	(152,318)	(133,610)	(23,285)	(18,047)	(38,080)	(38,079)
Amortization of deferred financing costs	(7,600)	(25,626)	(16,295)	(10,642)	(2,002)	(1,857)
Loan commitment fees	(419)	(1,647)	(1,794)	(15,153)	(103)	(103)
Foreign exchange gains (losses), net	466	(3,445)	435	(2,710)	148	290
Other income, net	574	1,163	379	—	66	144
Loss on extinguishment of debt	—	(17,435)	—	—	—	—
Costs associated with debt modification	—	(8,101)	(7,011)	—	—	—
Total non-operating expenses, net	(157,126)	(187,549)	(42,930)	(37,651)	(39,228)	(39,360)

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018(2)	2017
	(US$ thousands, except for share and per share data)					
(Loss) income before income tax	(76,676)	(242,315)	(232,207)	(66,036)	8,896	(26,518)
Income tax credit (expense)	239	(474)	(353)	—	(47)	5
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
(Loss) earnings per share:						
Basic and diluted	(4,217)	(13,393)	(12,829)	(4,190)	488	(1,463)
Weighted average shares outstanding used in (loss) earnings per share calculation:						
Basic and diluted	18,127.94	18,127.94	18,127.94	15,759.02	18,127.94	18,127.94
Pro forma net (loss) income attributable to participation interest(3)						
Pro forma net (loss) income attributable to Studio City International(3)						
Pro forma (loss) earnings per Class A ordinary share(3)						
Basic						
Diluted						
Pro forma weighted average Class A ordinary shares outstanding used in (loss) earnings per share calculation(3)						
Basic						
Diluted						

(1) We commenced operations in October 2015.
(2) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.
(3) See “Unaudited Pro Forma Condensed Consolidated Financial Information” for the description of the assumptions underlying the pro forma calculation.

	As of December 31,			As of March 31,
	2017	2016	2015	2018(1)
	(US$ thousands)			
Summary Consolidated Balance Sheets Data:				
Total current assets	460,927	397,218	661,074	447,079
Cash and cash equivalents	348,399	336,783	285,067	293,800
Bank deposits with original maturities over three months	9,884	—	—	4,987
Restricted cash	34,400	34,333	301,096	72,479
Amounts due from affiliated companies	37,826	1,578	40,837	47,197
Total non-current assets	2,466,640	2,624,781	2,731,509	2,434,194
Property and equipment, net	2,280,116	2,419,410	2,518,578	2,249,032
Land use right, net	125,672	128,995	132,318	124,841
Restricted cash	130	130	—	130
Total assets	2,927,567	3,021,999	3,392,583	2,881,273
Total current liabilities	178,070	193,439	327,213	129,667
Accrued expenses and other current liabilities	155,840	156,495	214,004	103,013
Current portion of long-term debt, net	—	—	74,630	—
Amounts due to affiliated companies	19,508	33,462	34,763	22,024
Long-term debt, net	1,999,354	1,992,123	1,982,573	2,001,255
Other long-term liabilities	9,512	19,130	23,097	4,210
Total liabilities	2,187,524	2,205,519	2,333,236	2,135,713
Total shareholders' equity(1)	740,043	816,480	1,059,347	745,560
Total liabilities and shareholders' equity(1)	2,927,567	3,021,999	3,392,583	2,881,273
Pro forma total shareholders' equity(2)				
Pro forma participation interest(2)				
Pro forma total shareholders' equity and participation interest(2)				
Pro forma total liabilities, shareholders' equity and participation interest(2)				

(1) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018 and recognized an increase in opening balance of accumulated losses of US$3.3 million due to the cumulative effect of adopting the New Revenue Standard. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis.

(2) See "Unaudited Pro Forma Condensed Consolidated Financial Information" for the description of the assumptions underlying the pro forma calculations.

Key Operating Data

The following table presents the key operating data of Studio City for the periods indicated since the commencement of its operation on October 27, 2015.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2017	2016	2015	2018	2017
Selected Key Operating Data					
Mass market table games					
Mass market table games drop (US$ million)	2,913.0	2,480.0	365.3	825.2	656.3
Mass market table games hold percentage	26.1%	24.7%	22.4%	27.4%	26.4%
Mass market table games gross gaming revenue(1) (US$ million)	759.1	611.6	81.8	226.3	173.2
Gaming machine					
Gaming machine handle (US$ million)	2,120.5	2,002.3	264.9	581.6	497.4
Gaming machine win rate	3.7%	3.8%	4.9%	3.7%	3.7%
Gaming machine gross gaming revenue(2) (US$ million)	78.2	76.0	12.9	21.2	18.4
Average net win per gaming machine per day (US$)	225	189	168	250	211
VIP rolling chip(3)					
VIP rolling chip volume (US$ million)	19,003.9	1,343.6	—	6,630.8	3,553.9
VIP rolling chip win rate	3.16%	1.39%	—	2.68%	2.39%
VIP rolling chip gross gaming revenue(4) (US$ million)	600.8	18.6	—	178.0	84.8
Hotel					
Average daily rate (US$)	140	136	136	139	139
REVPAR (US$)	138	133	133	139	138
Occupancy rate	99%	98%	98%	100%	99%

(1) Mass market table games gross gaming revenue is calculated by multiplying mass market table games drop by mass market table games hold percentage.
(2) Gaming machine gross gaming revenue is calculated by multiplying gaming machine handle by gaming machine win rate.
(3) VIP rolling chip operations commenced in November 2016. There is no assurance such VIP tables at the Studio City Casino will continue to be in operation after October 1, 2019.
(4) VIP rolling chip gross gaming revenue is calculated by multiplying VIP rolling chip volume by VIP rolling chip win rate.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted EBITDA, a non-GAAP financial measure, as described below, to understand and evaluate our core operating performance. This non-GAAP financial measure, which may differ from similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, other non-operating income and expenses. We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results. This non-GAAP financial measure eliminates the impact of items that we do not consider indicative of the performance of our business. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. It should not be considered in isolation or

construed as an alternative to net income/loss, cash flow or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

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

The table below presents the reconciliation of net (loss) income to adjusted EBITDA for the periods indicated.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(2)	2014(2)	2018(3)	2017
	(US$ thousands)					
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
Income tax (credit) expense	(239)	474	353	—	47	(5)
Interest and other non-operating expenses, net	157,126	187,549	42,930	37,651	39,228	39,360
Property charges and other	22,210	1,825	1,126	—	2,363	—
Depreciation and amortization	176,326	171,862	40,965	12,130	42,479	43,950
Pre-opening costs	116	4,044	153,515	14,951	42	(19)
Adjusted EBITDA	279,102	122,965	6,329	(1,304)	93,008	56,773
Adjusted EBITDA margin(1)	51.7%	29.0%	9.1%	N/A	59.3%	46.8%

(1) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenues.
(2) We commenced operations in October 2015.
(3) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations and Adjusted EBITDA for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

RISK FACTORS

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Relating to Our Business

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

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

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

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

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

Because neither we nor any of our subsidiaries hold a gaming license in Macau, Studio City Casino is operated by the Gaming Operator through the Services and Right to Use Arrangements under the Gaming Operator's subconcession. Any failure by the Gaming Operator to comply with its obligations as a subconcessionaire or any failure by the Gaming Operator or us to comply with its or our respective obligations under the Services and Right to Use Arrangements, including any regulatory requirements thereunder, may have a material adverse effect on the operation of Studio City Casino.

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

The Services and Right to Use Arrangements were approved by the Macau government and are subject to the satisfaction of certain conditions imposed by the Macau government on the Gaming Operator and us in connection with granting its approval. Such conditions include but are not limited to Studio City Entertainment being subject to Macau government supervision applicable to gaming concessionaires and subconcessionaires. As a substantial part of our revenues and cash flows are generated from the Gaming Operator's operation of Studio City Casino, any failure by the Gaming Operator to comply with any statutory, contractual or any other duties imposed on it as a subconcessionaire or any failure by the Gaming Operator or us to comply with its or our respective obligations under the Services and Right to Use Arrangements, including but not limited to any conditions imposed by the Macau government in granting its approval for our entry into the Services and Right to Use Arrangements, may result in the approval for the Services and Right to Use Arrangements being revoked by the Macau government and consequently an inability to receive any amounts thereunder or provide any gaming facilities at Studio City and thus have a material adverse effect on the operation of Studio City Casino including its suspension or cessation, and may cause the suspension or termination of the Gaming Operator's subconcession. In 2008, the Macau government announced that services agreements with respect to gaming activities would no longer be approved or authorized. As a result, if the Services and Right to Use Arrangements or the Gaming Operator's subconcession is terminated, we may not be able to enter into a new services agreement with another concessionaire or subconcessionaire. Even if such moratorium is lifted, we may not be able to enter into an arrangement for the operation of Studio City Casino with another concessionaire or subconcessionaire on terms that are as comparable or acceptable to us or at all. For details of the terms of the Services and Right to Use Arrangements, see "Related Party Transactions—Material Contracts with Affiliated Companies—Services and Right to Use Arrangements."

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

Any material dispute with the Gaming Operator or any failure by the Gaming Operator to comply with its obligations under its subconcession or by the Gaming Operator or us to comply with its or our respective obligations under the Services and Right to Use Arrangements, including but not limited to any conditions imposed by the Macau government in granting its approval for our entry into the Services and Right to Use Arrangements, may have a material adverse effect on the operation of Studio City Casino and in turn affect our financial condition and results of operations.

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

According to the Services and Right to Use Arrangements, the Gaming Operator is responsible for the operation of Studio City Casino facilities, including hiring, employing, training and supervising casino personnel.

The Gaming Operator deducts gaming tax and the costs incurred in connection with its operations, including staff costs from Studio City Casino's gross gaming revenues. We expect the Gaming Operator to continue managing all recruitment and training-related matters for staff that have been deployed at Studio City Casino.

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

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

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

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

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

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

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

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

- dependence on the gaming, tourism and leisure market in Macau;
- limited diversification of our business and sources of revenue;

- a decline in economic and political conditions in Macau, China or Asia, or an increase in competition within the gaming industry in Macau or generally in Asia;
- inaccessibility to Macau due to inclement weather, road construction or closure of primary access routes;
- a decline in air or ferry passenger traffic to Macau due to higher ticket costs, fears concerning travel or otherwise;
- travel restrictions to Macau and austerity measures imposed now or in the future by the governments in China or other countries in Asia;
- tightened control of cross-border fund transfers and/or foreign exchange regulations or policies effected by the Chinese or Macau governments;
- measures taken by the Chinese government to deter gaming activities or marketing of gaming activities to mainland Chinese residents;
- changes in Macau governmental laws and regulations, or interpretations thereof;
- natural and other disasters, including typhoons, outbreaks of infectious diseases or terrorism, affecting Macau;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau market;
- government restrictions on growth of gaming markets, including policies on gaming table allocation and caps; and
- a decrease in gaming activities and other spending at Studio City Casino.

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

In addition, as Macau is a limited gaming concession market nearing its land capacity for the development of integrated resorts, opportunities to expand our operations, if any, may be limited.

The Gaming Operator may cease the operation of VIP rolling chip tables at the Studio City Casino under certain circumstances, including by providing us with a 12-month advance notice on or after October 1, 2018. There is no assurance that the VIP rolling chip operations at Studio City Casino will continue after October 1, 2019 and the discontinuation of such VIP rolling chip operations is likely to materially and adversely affect our financial condition and results of operations.

The 250 mass market gaming tables permitted to be operated at the Studio City Casino by the Gaming Operator are designated for mass market purposes only and the Macau government has determined that tables authorized for mass market gaming operations may not be utilized for VIP gaming operations. While Studio City Casino continues to focus on the mass market segment, VIP rolling chip operations, including both junket and premium direct VIP offerings, were introduced at Studio City Casino in early November 2016. Such VIP rolling chip operations are operated by the Gaming Operator under the Services and Right to Use Arrangements. The VIP tables used in such operations were initially allocated by the Macau government for operation by the Gaming Operator at gaming areas of the Gaming Operator's other properties in Macau.

The Gaming Operator has the ability to unilaterally cease operation of all or part of such VIP rolling chip tables at the Studio City Casino under certain circumstances, including by providing us with 12-month advance notice on or after October 1, 2018; upon the instruction or order of the Macau government; if Melco Resorts no longer, directly or indirectly, holds a majority of the voting power of certain of our subsidiaries, including Studio City Developments and Studio City Entertainment; and if Studio City Entertainment fails to pay its debts as they fall due.

There is no assurance that the VIP tables at the Studio City Casino will continue to operate therein after October 1, 2019. Further, the 250 mass market gaming tables permitted to be operated at the Studio City Casino by the Gaming Operator are designated for mass market purposes only and there is no assurance or expectation that such tables may be operated as VIP rolling chip tables in the future as the Macau government has determined that tables authorized for mass market gaming operations may not be utilized for VIP gaming operations. Amounts received from the Studio City Casino VIP gaming operations, as determined under the Services and Right to Use Arrangements, amounted to US$36.6 million and US$12.3 million in 2017 and the first three months ended March 31, 2018, respectively. We would expect the discontinuation of the VIP rolling chip operations at Studio City Casino to have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

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

Studio City Casino has and is expected to incur costs associated with the VIP rolling chip operations, while the expected revenues to be generated from the VIP rolling chip operations may be volatile primarily due to high bets and the resulting high winnings and losses. In 2017, gross win per VIP table per day was approximately US$40,000. VIP rolling chip operations are also more vulnerable to changes in the economic environment and therefore inherently more volatile than mass market operations. For example, according to statistics compiled from the DICJ, VIP rolling chip gross gaming revenues declined slightly in Macau from 2015 to 2016 while mass market gross gaming revenues increased slightly during the same period. Moreover, VIP rolling chip operations involve commissions to the gaming promoters and, as a result, the margins associated with VIP rolling chip operations are usually lower than the margins for mass market operations and may also be volatile from period-to-period due to significant variances in winnings and losses. As a result, Studio City Casino's business, results of operations and cash flows may become more volatile than that of other casinos with only mass market gaming operations.

Further, the VIP rolling chip players pool is limited and we cannot assure you that the existing VIP rolling chip players at Studio City Casino will be recurring players. If Studio City Casino loses its existing VIP rolling chip players or fails to attract new VIP rolling chip players, our revenues and cash flows from the provision of gaming-related services could be materially and adversely affected. In addition, the VIP rolling chip segment may be particularly susceptible to certain changes in government policies, regulations and enforcement actions. For instance, the anti-corruption campaign of the Chinese government has had a negative effect on the VIP rolling chip segment in Macau. Any further campaigns may negatively affect the numbers of VIP rolling chip players in Macau and in turn, materially and adversely affect our business.

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

Studio City may not be financially successful or generate the cash flows that we anticipate. We had net losses of US$76.4 million US$242.8 million and US$232.6 million for the years ended December 31, 2017, 2016 and 2015, respectively, primarily because Studio City only commenced operations in October 2015 and is still in its ramp-up period. In addition, we incurred negative operating cash flows of US$113.1 million in 2015.

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

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

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

We have a substantial amount of existing indebtedness. As of March 31, 2018, we had total outstanding indebtedness of US$2,025.1 million, representing the outstanding balances of our existing notes and credit facility. Significant interest and principal payments are required to meet our obligations under the existing indebtedness. We may also incur additional indebtedness following this offering. Our substantial indebtedness could have important consequences for you and significant effects on our business and future operations. For example:

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

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

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

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

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

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

Certain of our credit facilities and debt instruments are secured by mortgages, assignment of land use rights, leases or equivalents, security over shares, charges over bank accounts, security over assets and other customary security over the assets of our subsidiaries. In the event of a default under such credit facilities and debt instruments, the holders of such secured indebtedness would first be entitled to payment from their collateral security and only then would holders of certain of our subsidiaries' unsecured debt be entitled to payment from their remaining assets. For details and summary of terms of our indebtedness, see "Description of Indebtedness."

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

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

We generate a portion of our revenues from non-gaming offerings and our financial performance in part depends on our ability to attract new and repeat customers to the non-gaming facilities at Studio City. Both visitation and the level of spending at our themed attractions, hotel, retail shops, restaurants and other leisure and entertainment facilities are key drivers of revenues and profitability, and reductions in either could have a material adverse effect on our business, prospects, results of operations and cash flows. In addition, any cessation of, or reduction in, the operation of VIP tables by the Gaming Operator at Studio City Casino could have a material adverse effect on visitation and the level of spending at our leisure and entertainment facilities as rolling chip patrons have become increasingly significant growth drivers for our high-end retail and fine-dining offerings. We do not have a long track record in operating these non-gaming facilities and may not be able to attract new and recurring customers to our non-gaming facilities at Studio City. Our success in non-gaming

offerings depends on, among others, the effectiveness of our advertising and marketing initiatives, the attractiveness and safety of our entertainment facilities as compared to other resorts in Macau, the compliance with legal and regulatory requirements for our retail, entertainment and food and beverage outlets and our continued cooperation with the popular retail brands and restaurants. Moreover, many of our attractions which draw in large numbers of visitors, such as the Golden Reel and Batman Dark Flight may become obsolete in terms of technology or otherwise fail to continue to attract sufficient number of visitors. We cannot assure you that we will be financially successful in our non-gaming offerings or be able to maintain the average daily rate, occupancy rate and REVPAR of Studio City hotel or visitation to Studio City in general, which may adversely affect our ability to generate the cash flows that we anticipate and impact our operations and financial condition.

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

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

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

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

We are developing the remaining project for Studio City under the terms of a land concession contract which require us to fully develop the land on which Studio City is located by July 24, 2021. If we do not complete development by that time and the Macau government does not grant us a further extension of the development period, we could be forced to forfeit all or part of our investment in Studio City, along with our interest in the land on which Studio City is located and the building and structures on such land.

Land concessions in Macau are issued by the Macau government and generally have terms of 25 years and are renewable for further consecutive periods of ten years. Land concessions further stipulate a period within which the development of the land must be completed. The land on which Studio City is located must be fully developed by July 24, 2021. While we opened Studio City in October 2015, our development plan for the remaining land of Studio City is currently under review. There is no guarantee we will complete the development of the remaining land of Studio City by the deadline. In the event that additional time is required to complete the development of the remaining project for Studio City, we will have to apply for a further extension of the relevant development period which shall be subject to Macau government review and approval at its discretion. While the Macau government may grant extensions if we meet certain legal requirements and the application for the extension is made in accordance with the relevant rules and regulations, there can be no assurance that the Macau government will grant us any necessary 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 land and building and may not be able to continue to operate Studio City as planned, which will materially adversely affect our business and prospects, results of operations and financial condition.

Plans for our remaining project for Studio City are at an early stage. Future development of the remaining project is subject to significant risks and uncertainties.

We currently plan to develop a hotel and related amenities on the remaining land where Studio City is located in accordance with our land concession.

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

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

- fires, typhoons and other natural disasters, including weather interferences or delays; and
- other unanticipated circumstances or cost increases.

As of the date of this prospectus, we are in the early stages of development of the remaining project. However, there is no assurance that our expected development plan will be successful and that we will be able to secure commercial terms favorable to us from our potential business or financing sources. In addition, we expect that our capital expenditures and depreciation and amortization expenses will increase as we continue to develop our remaining project. To date, we have incurred approximately US$20.8 million of aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning costs. As we obtain additional debt and/or equity financing, our leverage may intensify, our financing-related costs may increase and your equity interest in us may be diluted, as the case may be. Furthermore, there is no guarantee that we may be able to respond adequately to competitive or unfavorable market conditions to successfully operate and capitalize on our investment in the remaining project when it commences operations.

The occurrence of any of these development or construction risks could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of the remaining project at Studio City. We cannot guarantee that our construction costs or total project costs for the remaining project at Studio City will not increase above our budget. Any failure to complete the remaining project on time or within our budget could have a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

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

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

Any financing related to the remaining project at Studio City will also be subject to, among others, the terms of our existing and any future financings. In addition, our ability to obtain credit, debt or equity financing on acceptable terms depends on a variety of factors that are beyond our control, including market conditions, investors' and lenders' perceptions of, and demand for, bond, bank and equity securities of gaming companies, credit availability and interest rates. For example, changes in ratings outlooks may subject us to ratings agency downgrades, which could make it more difficult for us to obtain financing on acceptable terms. As a result, we cannot assure you that we will be able to obtain sufficient funding on terms satisfactory to us, or at all, to finance our existing business and/or remaining project. If we are unable to obtain such funding, our business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected.

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

We are subject to seasonality and other fluctuations in our business. Our revenue is also largely affected by promotional and marketing activities and revenue may increase as a result of these activities. Launch of new promotions or the timing of such promotions may further cause our quarterly results to fluctuate and differ from historical patterns. Our results of operations will likely fluctuate due to these and other factors, some of which are beyond our control, including but not limited to: (i) fluctuations in overall consumer demand for gaming and hospitality, leisure and resort during certain months and holidays; (ii) introduction of new policies or regulatory measures; and (iii) macro-economic conditions and their effect on discretionary consumer spending. Because of

these and other factors as well as the short operating history of our business, it is difficult for us to accurately identify recurring seasonal trends in our business. In addition, our rapid growth has masked certain fluctuations that might otherwise be apparent in our results of operations. When our growth stabilizes, the seasonality in our business may become more pronounced. If we fail to accurately identify the seasonal trends in our business and match our customer services and supplies in an effective manner, it may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

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

Macau consists of a peninsula and two islands and is connected to China by two border crossings. Macau has an international airport and connections to China 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 Rail Transit, capacity expansion of border crossings and the Hong Kong—Zhuhai—Macau Bridge, these projects may not be approved, financed or constructed in time to handle the projected increase in demand for transportation or at all, which could impede the expected increase in visitation to Macau and adversely affect Studio City. For example, there has been a delay in the development of the Macau Light Rail Transit, and the benefits expected to be brought by Studio City's proximity to one of the planned Cotai hotel-casino resort stops may not be fully realized until the commencement of operations of such light rail stop. The construction of the Hong Kong—Zhuhai—Macau Bridge, which is expected to significantly reduce the travel time among the three cities, has also experienced delays. 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.

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

We provide goods and services to a significant number of customers on a daily basis at Studio City. In particular, with the number of attractions, entertainment and food and beverage offerings in Studio City, there are risks of health and safety incidents or adverse food safety events, such as food poisoning, 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 subject us to incur additional costs and damages, and negatively impact our financial performance. Such incidents may also lead to reduced customer flow and reputational damage to Studio City.

Our information technology and other systems are subject to cyber security risk including misappropriation of customer information or other breaches of information security.

We rely on information technology and other systems, including those maintained by third-parties with whom we contract to provide data services, to maintain and transmit large volumes of customer information, credit card settlements, credit card funds transmissions, mailing lists and reservations information and other personally identifiable information. We also maintain important internal company data such as personally identifiable information about our staff and information relating to our operations. The systems and processes we have implemented to protect customers, staff and company information are subject to the ever-changing risk of compromised security. These risks include cyber and physical security breaches, system failure, computer viruses, and negligent or intentional misuse by customers, company staff or staff of third-party vendors as well as ransomware attacks that encrypt, exfiltrate or otherwise render data unusable or unavailable in an effort to extort money or other consideration as a condition to purportedly returning the data to a usable form or refraining from selling or otherwise releasing the data. 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 flow. Furthermore, any extended downtime from power supply disruptions or information technology system outages which may be caused by cyber security attacks or other reasons at Studio City may lead to an adverse impact on our operating results if we are unable to deliver services to customers for an extended period of time.

Our collection and use of personal data are governed by personal data privacy laws and regulations, and this area of law changes often and varies significantly by jurisdiction. Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our customers and guests. In addition, non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits, criminal liability or restrictions on our use or transfer of data.

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 or financial condition. The continued expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated. Any negative press or publicity could also lead to government or other regulatory investigations, including causing regulators to take action against us or the Gaming Operator, including actions that could affect the ability or terms upon which the Gaming Operator holds its subconcession, its or our suitability to continue as a shareholder of certain subsidiaries and/or the suitability of key personnel to remain with the Gaming Operator. If any of these events were to occur, it would cause a material adverse effect on our business and prospects, financial condition and results of operations.

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

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau market possessed by members of our board of directors, our senior management team as well as other management personnel who serve Studio City under the Management and Shared Services Arrangements. We may experience changes in our key management in the future for reasons beyond our control. Loss of Mr. Lawrence Ho's services or the services of the other members of our board of directors or key management personnel could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for members of our board of directors or senior management could be difficult, and competition for personnel of similar experience could be intense in Macau. In addition, we do not currently carry key person insurance on any members of our senior management team.

Operation of Studio City also requires extensive operational management and staff. The supply of experienced skilled and unskilled personnel in Macau is severely limited. Many of the personnel occupy sensitive positions requiring qualifications sufficient to meet gaming regulatory and other requirements or are required to possess other skills for which substantial training and experience may be needed. Moreover, competition to recruit and retain qualified gaming and other personnel is likely to intensify further as competition in the Macau

integrated resort market increases. In addition, concessionaires and subconcessionaires are not currently allowed under the Macau government's policy to hire non-Macau resident dealers and supervisors. We cannot assure you that a sufficient number of qualified individuals will be attracted and retained to operate Studio City or that costs to recruit and retain such personnel will not increase significantly. The inability to attract and retain qualified staff by the Gaming Operator and Master Service Providers could have a material adverse effect on our business.

In addition, recruitment efforts for the operations of Studio City may be adversely impacted by Macau government's policies with respect to the approval and renewal of work permits for non-resident workers. In its policy address for the financial year of 2016, the Macau government disclosed that it had turned down 59 renewal applications of non-resident skilled workers for the gaming industry in the period from January to August 2015, a three-fold increase on the number of applications declined the previous year. In its policy address for 2017, the Macau government announced that it would continue to submit the applications for employment of non-resident workers to a rigorous exam and to stimulate the promotion of local workers to management positions in the gaming industry, signaling a tighter control on the employment of non-resident workers. Further, in its policy address for 2018, the Macau government has stressed once again that it will continue to monitor the proportion of management positions held by local workers in gaming operators and implement measures to ensure that such proportion is kept at a percentage not lower than 85% for senior and mid-management positions.

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

The construction of large-scale properties, such as the remaining project for Studio City, can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and negative publicity. 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. We are in the early stages of development of the remaining project. However, if accidents occur during the construction of our remaining project, there may be serious delays, including delays imposed by regulators, liabilities and possible losses which may not be covered by insurance, and our business, prospects and reputation may be materially and adversely affected.

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

There may be overlap in the planning, design, development and construction periods of our remaining project. Members of our senior management will be involved in planning and developing our remaining project at the same time, in addition to overseeing our day-to-day operations. Our management may be unable to devote sufficient time and attention to the remaining project, as well as Studio City, which may result in delays in the construction or opening of any of our future projects, cause construction cost overruns or cause the performance of Studio City to be lower than expected, which could have a material adverse effect on our business, financial condition and results of operations.

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

The contractors we retain to construct our projects may face difficulties and competition in finding qualified construction labor and managers as more projects commence construction in Macau and as substantial construction activity continues in China. Immigration and labor regulations in Macau may cause our contractors to be unable to recruit sufficient laborers from China to make up for any shortage in available labor in Macau and to help reduce the costs of construction, which could cause delays and increase the construction costs of our remaining project.

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

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

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

We may not have sufficient insurance coverage.

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. These insurance policies provide coverage that is subject to policy terms, conditions and limits. Certain of these policies have been obtained by us and certain of these policies have been obtained by Melco Resorts. We cannot assure you that we or, in the case of policies obtained by Melco Resorts, Melco Resorts will be able to renew such insurance coverage on equivalent premium costs, terms, conditions and limits upon their expiration. The cost of coverage may in the future become so high that insurance policies we deem necessary for the operation of our projects may not be obtainable on commercially practicable terms, or at all, or policy limits may need to be reduced or exclusions from our coverage expanded.

We cannot assure you that any such insurance policies we or Melco Resorts obtained or may obtain will be adequate to protect us from material losses. Certain acts and events could expose us to significant uninsured losses. In addition to the damages caused directly by a casualty loss such as fire or natural disasters, 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. 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 all losses that may result from such events.

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

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

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

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

We may be involved in disputes with various parties involved in the construction and operation of Studio City, including contractual disputes with contractors, consultants, suppliers, retailers, food and beverage operators and construction workers. See "Business—Legal and Administrative Proceedings." Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in our development schedule and the diversion of resources and management's attention. In addition, we may be involved in a variety of litigation, regulatory proceedings and investigation arising out of our business, which are inherently unpredictable. Ultimate judgments or settlements for such proceedings could increase our costs and thereby lower our profitability or have a material adverse effect on our liquidity. We cannot assure you that we will be able to obtain the appropriate and sufficient types or levels of insurance for Studio City. We may also have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decisions that result in penalties, suspension or restrictions on our operations, and/or delay the development of our remaining project at Studio City or closure of outlets at Studio City that are currently in operation. In such cases, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, if we are unsuccessful in defending against any claims alleging that we received misappropriated or misapplied funds, this may require further improvements to our existing anti-money laundering procedures, systems and controls and our business operations may be subject to greater scrutiny from relevant regulatory authorities, all of which may increase our compliance costs. We cannot assure you that any provisions we have made for such matters will be sufficient.

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

Our parent company is subject to regulations imposed by the FCPA, which prohibits companies and any individuals or entities acting on their behalf from offering or making improper payments or providing benefits to foreign officials for the purpose of obtaining or keeping business, along with various other anti-corruption laws. Following our listing on a U.S. stock exchange, we will also be subject to the FCPA. 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. As a subsidiary of a parent company subject to the FCPA, we adhere to our parent's ongoing anti-corruption compliance program covering both commercial bribery and public corruption which includes internal policies, procedures and training aimed to prevent and detect compliance issues and risks with the relevant laws including FCPA. Following our listing on a U.S. stock exchange, we intend to adopt such compliance program to manage our obligations under the FCPA. However, we cannot assure you that our staff, contractors and agents will continually adhere to the compliance program. Should they not follow the program, we could be subject to investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions, any of which may result in a material adverse effect on our reputation, cause us to lose customer relationships or lead

to other adverse consequences on our business, prospects, results of operations and financial condition. As we will be a U.S. listed company upon the completion of this offering, certain U.S. laws and regulations apply to our operations and compliance with those laws and regulations increases our cost of doing business and we expect such cost to increase after we become a U.S. listed company.

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

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

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

Industry data, projections and estimates contained in this prospectus are inherently uncertain and subject to interpretation. Accordingly, you should not place undue reliance on such information.

Certain facts, forecasts and other statistics relating to the industries in which we compete in contained in this prospectus have been derived from various public data sources. While we generally believe such public data sources are reliable, we have not independently verified the accuracy or completeness of such information. Such public data sources may not be prepared on a comparable basis or may not be consistent with other sources. You should not place undue reliance on such information as a basis for making your investment decision.

Risks Relating to Operating in the Gaming Industry in Macau

The Subconcession Contract expires in 2022 and if the Gaming Operator is unable to secure an extension of its subconcession, or a new concession or subconcession, in 2022, or if the Macau government were to exercise its redemption right, the Gaming Operator would be unable to operate Studio City Casino.

The Subconcession Contract expires on June 26, 2022. Unless it is extended beyond this date, a new concession or subconcession is granted and/or legislation on reversion of casino premises is amended, Studio City Casino’s gaming related equipment operated by the Gaming Operator under its subconcession will automatically revert to the Macau government without compensation. In addition, under the Subconcession

Contract, from 2017, the Macau government has the right to redeem the Subconcession Contract by providing the Gaming Operator with at least one year's prior notice. The Macau government has not issued formal guidelines or policies with respect to the renewal or extension of subconcessions. In the event the Gaming Operator is not able to renew or extend the Subconcession Contract on terms favorable or acceptable to it, or at all, or the Macau government redeems the Subconcession, our results of operations, financial condition, cash flows and prospects may be materially and adversely affected and we would be subject to additional refinancing risks with respect to our existing indebtedness.

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

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

Under the terms of the Services and Right to Use Arrangements to which Studio City Entertainment, one of our subsidiaries, is a party, the Gaming Operator has agreed to operate Studio City Casino. If, upon termination of the Gaming Operator's subconcession, Studio City Entertainment were not able to enter into similar arrangements with other gaming concessionaires or subconcessionaires in Macau, Studio City Casino may not be able to continue to operate.

Further, if Studio City Entertainment were to be found unsuitable or to undertake actions that are inconsistent with the Gaming Operator's subconcession terms and requirements, the Gaming Operator could suffer penalties, including the termination of its subconcession, and the Macau government may determine that Studio City Casino may not continue to operate under the Services and Right to Use Arrangements or at all. This would have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness, and a partial or complete loss of our investments in Studio City. For details of the terms of the Services and Right to Use Arrangements, see "Related Party Transactions—Material Contracts with Affiliated Companies—Services and Right to Use Arrangements."

Under the Gaming Operator's subconcession, the Macau government is allowed to request various changes in the plans and specifications of the properties operated by the Gaming Operator, including Studio City Casino, and to make various other decisions and determinations that may be binding on us. For example, Macau's Chief Executive has the right to require the increase of the Gaming Operator's share capital or that the Gaming Operator provides certain deposits or other guarantees of performance with respect to its obligations in any

amount determined by the Macau government to be necessary. The Gaming Operator also needs to first obtain the approval of the Macau governmental authorities before raising certain financing. The Gaming Operator's ability to incur indebtedness or raise equity may be further restricted by its existing and any future financings. As a result, we cannot assure you that the Gaming Operator will be able to comply with these requirements or any other requirements of the Macau government or with the other requirements and obligations imposed by the subconcession.

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

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

Currently, under the Macau Gaming Law, upon the expiration or termination of the Gaming Operator's subconcession by the Macau government, all of the Gaming Operator's casino premises and gaming equipment, including Studio City Casino's gaming area and equipment, would revert to the Macau government automatically without compensation to the Gaming Operator. Based on information from the Macau government, proposed amendments to the legislation regarding the reversion of casino premises are being considered. We expect that if such amendments take effect, upon the expiration or termination of the Gaming Operator's subconcession by the Macau government, only the portion of casino premises within the Gaming Operator's development as then designated by the Macau government (including all gaming equipment) would revert to the Macau government automatically without compensation to the Gaming Operator.

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

The gaming industry in Macau and elsewhere in Asia is highly competitive. Our competitors include many of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are larger than us and may have more diversified resources, better brand recognition, and greater access to capital to support their developments and operations in Macau and elsewhere. In particular, in recent years, some of our competitors have opened new properties, expanded operations and/or announced their intention for further expansion and developments in Cotai, where Studio City is located. For example, Galaxy Casino, S.A., or Galaxy, opened Galaxy Macau Resort in Cotai in May 2011 and phase 2 of the Galaxy Macau Resort in May 2015, Sands Cotai Central in Cotai opened in April 2012, Wynn Palace opened in August 2016, Parisian Macao opened in September 2016 and MGM Cotai opened in February 2018. In addition, Sociedade de Jogos de Macau, S.A., or SJM, is currently developing its project in Cotai.

Studio City Casino will also compete to some extent with casinos located in other countries, such as Singapore, the Philippines, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand, Japan and

elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, a law which conceptually enables the development of integrated resorts in Japan took effect in December 2016. Certain other markets may in the future legalize casino gaming, including Taiwan and Thailand. Certain of these gaming markets may not be subject to as stringent regulations as the Macau market. Studio City Casino will also compete with cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. The proliferation of gaming venues in Asia could significantly and adversely affect our business, results of operations, financial condition, cash flows and prospects.

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

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

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

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

In September 2009, the Macau government set a cap on commission payments to gaming promoters of 1.25% of net rolling. This policy may limit the Gaming Operator's ability to develop successful relationships with gaming promoters and attract VIP rolling chip players, which in turn may adversely affect the financial performance of the VIP rolling chip operations at Studio City Casino. Any failure to comply with these regulations may result in the imposition of liabilities, fines and other penalties and may materially and adversely affect the Gaming Operator's subconcession. See "Regulation—Gaming Promoters Regulations."

In addition, the Macau government imposed regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, location requirements for sites with gaming machine lounges, data privacy and other matters. Any such legislation, regulation or restriction 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 "Regulation—Gaming Regulations."

Also, the Macau government enacted a smoking control legislation which went into effect on January 1, 2013, which generally prohibits smoking on the premises of casinos, except for an area of up to 50% of the casino area open to the public, as determined by the Dispatch of the Chief Executive of Macau. In addition, effective as of October 2014, smoking in general access gaming areas is only permitted in segregated smoking lounges, where no gaming activity is permitted. Smoking in limited access gaming areas, such as VIP gaming

rooms, may be permitted, subject to prior authorization from the Chief Executive of Macau. Moreover, in July 2017, Law no. 9/2017 amended the Smoking Prevention and Tobacco Control Law, with effect from January 1, 2018, under which smoking on the premises of casinos shall only be permitted in segregated smoking lounges with no gaming activities, and such segregated smoking lounges are required to be set up within a transition period of one year subsequent to the effective date. During the transition period, existing smoking areas and smoking lounges can be maintained. Studio City Casino currently has a number of designated smoking areas. 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 frequenting casinos in Macau, which could adversely affect our business, results of operations and financial condition. See "Regulation—Smoking Regulations."

Furthermore, in March 2010, the Macau government announced that the number of gaming tables operating in Macau should not exceed 5,500 until the end of the first quarter of 2013. On September 19, 2011, the Secretary for Economy and Finance of the Macau government announced that for a period of ten years thereafter, the total number of gaming tables to be authorized in Macau will increase by an amount equal to an average 3% per annum for ten years. The Macau government subsequently clarified that the allocation of tables over this ten-year period does not need to be uniform and tables may be pre-allocated to new properties in Macau. The Macau government has also determined that tables authorized by the Macau government for mass market gaming operations may not be utilized for VIP gaming operations. These restrictions are not legislated or enacted into statutes or ordinances and, as such, different policies, including in relation to the annual increase rate in the number of gaming tables, may be adopted, and existing policies amended, at any time by the relevant Macau government authorities.

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

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

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

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

- *Inability to Collect Gaming Receivables from Credit Customers.* The Gaming Operator may grant gaming credit directly to certain customers at Studio City Casino, which will often be unsecured. The Gaming Operator may not be able to collect all of its gaming receivables from its credit customers at Studio City Casino, and we expect that the Gaming Operator will be able to enforce its gaming receivables only in a limited number of jurisdictions, including Macau and under certain circumstances, Hong Kong. The Gaming Operator's inability to collect gaming receivables from credit customers may in turn affect our financial performance.

- *Limited Availability of Credit to Gaming Patrons.* The Gaming Operator conducts its table gaming activities at Studio City Casino partially on a credit basis. The Gaming Operator extends credit to its gaming promoters and such gaming promoters will also conduct their operations by extending credit to gaming patrons. Any general economic downturn and turmoil in the financial markets may result in broad limitations on the availability of credit from credit sources as well as lengthening the recovery cycle of extended credit. In particular, due to credit conditions in China and the tightening of cross-border fund transfers by the Chinese government to control capital outflows in recent years, the number of visitors to Macau from China, as well as the amounts they are willing to spend in casinos, may decrease, which could have a material adverse effect on our business, financial condition and results of operations.
- *Dependence on Relationships with Gaming Promoters.* With the rise in casino operations in Macau, the competition for relationships with gaming promoters has increased and is expected to continue to increase. If the Gaming Operator is unable to utilize, maintain and/or develop relationships with gaming promoters, the ability of Studio City Casino to develop VIP rolling chip business will be subject to additional difficulties and the Gaming Operator will have to seek alternative ways to develop and maintain relationships with VIP rolling chip players, which may not be as profitable as relationships developed through gaming promoters. Also, in the event the Macau government reduces the cap on the commission rates payable to gaming promoters, gaming promoters' incentives to bring travelers to casinos in Macau would be further diminished and certain of the gaming promoters may be forced to cease operations or divert travelers to other regions. Increased regulatory scrutiny of gaming promoters in Macau has resulted, and may continue to result, in the cessation of business of certain gaming promoters, thereby resulting in the remaining gaming promoters having significant leverage and bargaining strength in negotiating agreements, including negotiating changes to existing agreements with the Gaming Operator, the loss of business to competitors or the loss of relationships with certain gaming promoters by the Gaming Operator. These developments may have a material adverse effect on the business, prospects, results of operation and financial condition related to the introduction of the VIP rolling chip operations at Studio City Casino.
- *Inability to Control Win Rates.* The gaming industry is characterized by an element of chance. In addition to the element of chance, win rates will also be affected by the spread of table limits and factors that are beyond the operator's control, such as a player's skill and experience, the mix of games played, the financial resources of players, the volume and mix of bets played and the amount of time players spend on gambling. As a result of the variability in these factors, the actual win rates at Studio City Casino may differ from the theoretical win rates anticipated and could result in less winnings than anticipated.
- *Risk of Fraud or Cheating of Gaming Patrons and Staff.* Gaming customers may attempt or commit fraud or cheat in order to increase their winnings, possibly in collusion with the casino's staff. Internal acts of cheating could also be conducted by staff through collusion with dealers, surveillance staff, floor managers or other gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in Studio City Casino operations and negative publicity for Studio City. In addition, gaming promoters or other persons could, without the knowledge of the Gaming Operator, enter into betting arrangements directly with patrons on the outcomes of games of chance, thus depriving Studio City Casino of revenues.
- *Risk of Counterfeiting.* All gaming activities at Studio City Casino's table games are conducted exclusively with gaming chips which are subject to the risk of alteration and counterfeiting. The Gaming Operator has incorporated a variety of security and anti-counterfeit features to detect altered or counterfeit gaming chips. Despite such security features, unauthorized parties may try to copy gaming chips and introduce, use and cash in altered or counterfeit gaming chips in Studio City's gaming areas. Any negative publicity arising from such incidents could result in losses in Studio City Casino operations and negative publicity for Studio City.

- *Risk of Malfunction of Gaming Machines*. There is no assurance that the slot machines at Studio City will be functioning properly at all times. If any one or more gaming machines malfunction due to technical or other reasons, the win rates associated with the gaming machines may be affected in a way that adversely impact the revenue of Studio City Casino. In addition, Studio City Casino's reputation may be materially and adversely affected as a result of any incidents of malfunction.

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

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

Pursuant to the terms of the Macau Gaming Law, the Macau government is precluded from granting more than three gaming concessions. Each Concessionaire was permitted to enter into a subconcession agreement with one subconcessionaire. As of the date of this prospectus, the total number of concessions and subconcessions granted in Macau is six. The Macau government is currently considering the process of reviewing, extending or granting gaming concessions or subconcessions for concessions and subconcessions expiring in 2020 and 2022. 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 cause Studio City Casino to lose or be unable to maintain or gain market share, and as a result, adversely affect our business.

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

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

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

Risks Relating to Our Relationship with Melco Resorts

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

Melco Resorts is a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia, and our business has benefited significantly from Melco Resorts' strong market position in Macau and

its expertise in both gaming and non-gaming businesses. We cannot assure you we will continue to receive the same level of support from Melco Resorts after we become a public company.

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

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

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

We are a subsidiary of Melco Resorts and will continue to be a subsidiary of Melco Resorts after this offering, as Melco Resorts is expected to remain our controlling shareholder. We have benefited significantly from our relationship with Melco Resorts in marketing our brand. For example, we have benefited by providing services to Melco Resorts' long-term customers. We also benefit from Melco Resorts' strong brand recognition in Macau, which has provided us credibility and a broad marketing reach. If Melco Resorts loses its market position, the effectiveness of our marketing efforts through our association with Melco Resorts may be materially and adversely affected. In addition, any negative publicity associated with Melco Resorts will likely have an adverse impact on the effectiveness of our marketing as well as our reputation and our brand.

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

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

- *Other Gaming, Retail and Entertainment Resorts in Macau.* Melco Resorts owns other gaming, retail and entertainment resorts in Macau and the Gaming Operator, as a wholly-owned subsidiary of Melco Resorts, operates casinos and gaming areas at such resorts owned by Melco Resorts. The ownership and operation of City of Dreams and Altira Macau by Melco Resorts and the Gaming Operator may divert their attention and resources. For example, VIP rolling chip operations at Studio City Casino are

operated by the Gaming Operator under the Services and Right to Use Arrangements and the VIP tables used in such operations were initially allocated by the Macau government for operation by the Gaming Operator at gaming areas of the Gaming Operator's other properties in Macau. The Gaming Operator may discontinue the operation of such VIP tables at Studio City by providing a 12 month advance notice at any time after October 1, 2018. There is no assurance the operation of such VIP tables at the Studio City Casino will continue after October 1, 2019. Such discontinuation of operation of VIP tables at Studio City Casino, as well as any strategic decisions made by Melco Resorts to focus on their other projects in Macau rather than us, could materially and adversely affect our financial condition and results of operations.

- *Allocation of Business Opportunities*. Melco Resorts, as well as the Gaming Operator, may take action to construct and operate new gaming projects or invest in such projects, located in the Asian region (including new gaming projects in Macau) or elsewhere, which, along with their current operations, including City of Dreams and Altira Macau, may divert their attention and resources. For example, in 2015, Melco Resorts opened City of Dreams Manila, a casino, hotel, retail and entertainment resort in Manila, the Philippines. Melco Resorts has also provided, and may continue to provide, certain services to Melco International and its subsidiaries that are not our subsidiaries in relation to the City of Dreams Mediterranean project, which is expected to be launched by 2021, and temporary and satellite casinos prior to the 2021 expected launch date. We could face competition from these other gaming projects. Due to the Management and Shared Services Arrangements we have with Melco Resorts, should Melco Resorts decide to focus more attention on gaming projects located in other areas, including in jurisdictions that may be expanding or commencing their gaming industries, or should economic conditions or other factors result in a significant decrease in gaming revenues and number of patrons in Macau, Melco Resorts may make strategic decisions to focus on their other projects rather than us, which could adversely affect our development and operation of Studio City and future growth.
- *Related Party Transactions.* We have entered into a number of related party transactions, including the Management and Shared Services Arrangements, that we believe allow us to leverage off the experience and scale of Melco Resorts. While these arrangements were entered into at pre-agreed rates that we believe are commercially reasonable, the determination of such commercial terms were subject to judgment and estimates and we may have obtained different terms for similar types of services had we entered into such arrangements with independent third parties or had we not been a subsidiary of Melco Resorts.
- *Our Board Members and Executive Officers May Have Conflicts of Interest*. Certain of our directors are also the directors and/or executive officers of Melco Resorts and our property president also serves on Melco Resorts' executive committee. In addition, our senior management team (including staff of Melco Resorts designated to Studio City under the Management and Shared Services Arrangements) also has reporting obligations to Melco Resorts. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for Melco Resorts and us. See "—Risks Relating to Our Business—We utilize services provided by subsidiaries of Melco Resorts, including hiring and training of personnel for Studio City" and "—Certain of our directors and executive officers hold a substantial amount of share options, restricted shares and ordinary shares of Melco Resorts, which could create an appearance of potential conflicts of interests." We plan to appoint independent directors to our Board of Directors, and our audit and risk committee will consist solely of independent directors. However, due to the nature of their role as independent directors, such directors may not have access to the same information, resources and support as directors who are also directors of Melco Resorts, which may hinder their ability to eliminate all conflicts of interest presented by our relationships with Melco Resorts.
- *Developing Business Relationships with Melco Resorts' Competitors*. So long as Melco Resorts remains as our controlling shareholder, we may be limited in our ability to do business with its competitors, such as other gaming operators in Macau. This may limit our ability to market our services for the best interests of our company and our other shareholders.

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

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

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

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

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

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

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

Risks Relating to Conducting Business in Macau

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

All of our operations are in Macau. Accordingly, our business development plans, results of operations and financial condition may be materially adversely affected by significant political, social and economic developments in Macau and China. A slowdown in economic growth in China could adversely impact the number of visitors from China to Studio City as well as the amount they are willing to spend in our hotel, restaurants and other facilities as well as at Studio City Casino, which could have a material adverse effect on our results of the operations and financial condition. 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, have led to a slowdown of China's economy. According to the National Bureau of Statistics of China, China's GDP growth rate was 6.9% in 2017, which is similar to the 6.7% growth rate in 2016, and any slowdown in its future growth may have an adverse impact on financial markets, currency exchange rates, as well as the spending of visitors in Macau and Studio City. Since April 2018, the Renminbi has experienced a general decline in value against the U.S. Dollar and the value of the major stock exchanges in mainland China have also experienced recent declines. 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 China will not occur or persist in the future, that they will not be protracted or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations.

In addition, the global macroeconomic environment is facing challenges, including the escalation of the European sovereign debt crisis since 2011, the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone in 2014 and the escalation of international trade conflicts, including the escalation of trade tariffs and related retaliatory measures. There is 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 China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in volatility in oil and other markets, and over the conflicts involving Ukraine and Syria and potential conflicts involving the Korean peninsula. Any severe or prolonged slowdown in the global economy may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

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

Gaming operators in Macau are currently prohibited from accepting wagers in Renminbi, the currency of China. There are currently restrictions on the export of the Renminbi outside of China, including to Macau. For example, Chinese citizens traveling abroad are only allowed to take a total of RMB20,000 plus the equivalent of up to US$5,000 out of China. Moreover, it was recently announced that a new annual limit of RMB100,000 (US$15,370) on the aggregate amount that can be withdrawn overseas from Chinese bank accounts 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 mainland China to Macau. Furthermore, the Macau government has launched identity card checks with respect to certain ATM users and recently recommended banks perform adequate due diligence and monitoring of merchants with respect to usage of point-of-sales machines, such as cash registers where a customer is charged for goods or services purchased. These measures may limit liquidity availability and curb capital outflows. In addition, on June 12, 2017, a new law with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer was enacted and came into effect on

November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount of MOP120,000 (US$14,975) as determined by the Chief Executive of Macau are required to declare such amount to the customs authorities. For further details, please refer to "Regulation—Control of Cross-border Transportation of Cash Regulations." Restrictions on the export of the Renminbi and related measures may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact the operation of Studio City Casino.

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

Our operating results may be adversely affected by:

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

A significant number of the gaming customers of Studio City Casino come from, and are expected to continue to come from, China. Any travel restrictions imposed by China could disrupt the number of patrons visiting Studio City from China. 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. In mid-2008 through 2010, the Chinese government adjusted its visa policy and limited the number of visits Chinese citizens may make to Macau in a given time period. China also banned "zero fare tours," popular among visitors to Macau from mainland China, whereby travelers avail the services of tour guides at minimal or no cost if they agree to shop in designated areas in exchange. Further, in 2014, the Chinese government and the Macau government tightened visa transit policies for mainland China residents. Starting on July 1, 2014, the Macau government has tightened transit visa rule implementation, limiting such travelers to a five-day stay, with documented proof that they were going to a third destination. From July 2015, Macau eased the restrictions and again allowed mainland Chinese passport holders who transit via the city to stay for up to seven days. While the Chinese government has in the past restricted and then loosened IVS travel frequently, it has recently indicated its intention to maintain tourism development by opening the IVS to more Chinese cities to visit Macau. In March 2016, for instance, the Ministry of Public Security of China announced a new practice to make it easier for some mainland Chinese citizens to apply for the IVS visa. It is unclear whether these and other measures will continue to be in effect or become more restrictive in the future. A decrease in the number of visitors from China would adversely affect Studio City's results of operations.

In addition, certain policies and campaigns implemented by the Chinese government may lead to a decline in the number of patrons visiting our properties and the amount of spending by such patrons. The strength and profitability of the gaming business depends on consumer demand for integrated resorts in general and for the type of luxury amenities that a gaming operator offers. Recent initiatives and campaigns undertaken by the Chinese government 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 chilling effect on the behavior of Chinese consumers and their spending patterns both domestically and abroad. In addition, the number of patrons visiting Studio City may be affected by the Chinese government's focus on deterring marketing of gaming to mainland Chinese residents by casinos and its initiatives to tighten monetary transfer regulations, increase monitoring of various transactions, including bank or credit card transactions, reduce the amount that China-issued ATM cardholders can withdraw in each withdrawal and impose a limit on the annual aggregate amount that may be withdrawn. Recent conviction of staff of a foreign casino in China in relation to gaming related activities in China have created further regulatory uncertainty on marketing activities in China.

Our operations in Macau are also exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. Further, certain terms of the Gaming Operator's subconcession may be subject to renegotiations with the Macau government in the future, including the premium amount the Gaming Operator will be obligated to pay the Macau government in order to continue operations at Studio City Casino. As Studio City Entertainment is expected to fund part of the premium for the operation of Studio City Casino, increased premium due to any renegotiations could have a material adverse effect on the results of our operations and financial condition.

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

Gaming related activities in the PRC, including marketing activities, are 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 and operations in the PRC is or will be consistent with the interpretation and application by the PRC governmental authorities. These uncertainties may impede our ability to assess our legal rights or risks relating to our business and activities. Any changes in the laws and regulations, or in the interpretation or enforcement of these laws and regulations, which affect gaming related activities in the PRC could have a material and adverse effect on our business and prospects, financial condition and results of operations.

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 proceeding in the PRC may be protracted and result in substantial costs and diversion of our resources and management attention. Any such litigation or proceeding could have a material adverse effect on our business, reputation, financial condition and results of operations.

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

The strength and profitability of our business will depend on consumer demand for integrated resorts and leisure travel in general. Recent terrorist and violent criminal activities in Europe, the United States, Southeast Asia and elsewhere, military conflicts in the Middle East and natural disasters such as typhoons, tsunamis and earthquakes, among other things, have negatively affected travel and leisure expenditures. For example, in June 2017, there were multiple deaths at the Resorts World Manila entertainment complex in Pasay, Metro Manila, Philippines when a gunman caused a stampede and set fire to casino tables and slot machine chairs. Terrorism and other criminal acts of violence could have a negative impact on international travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which such acts may affect us, directly or indirectly, in the future.

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

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

Our business could be materially and adversely affected by the outbreak of widespread health epidemics, such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), Zika or Ebola. The occurrence of such health epidemics, prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. Such events could significantly impact our industry and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Guangdong Province, China, which is located across the Zhuhai Border from Macau, has confirmed several cases of avian flu. 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.

The perception that an outbreak of health epidemics 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 staff or others involved in our operations were suspected of having the swine flu, avian influenza, SARS, MERS, Zika or Ebola as this could require us to quarantine some or all of such staff 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 offices or otherwise disrupt our business operations and adversely affect our results of operations.

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

Macau's subtropical climate and location on the South China Sea renders it susceptible to typhoons, heavy rainstorms and other natural disasters. In the event of a major typhoon, such as Typhoon Hato in August 2017, or other natural disaster in Macau, Studio City may be severely disrupted and adversely affected. 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 Studio City, including operations at Studio City Casino. Although we benefit from certain insurance coverage with respect to these events, our coverage may not be sufficient to fully indemnify us against all direct and indirect costs, including loss of business, which could result from substantial damage to, or partial or complete destruction of, our properties or other damages to the infrastructure or economy of Macau.

Risks Relating to Our ADSs and This Offering

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

We are a holding company and will have no material assets other than our equity interest in MSC Cotai. We have also undertaken that we will not own equity interests in any other entity other than MSC Cotai and that we

will contribute to MSC Cotai all net proceeds received by us from sales of equity securities and sales of assets. Please see "Corporate History and Organizational Structure." Because we will have no independent means of generating revenue, our ability to pay dividends, if any, and cover our corporate and other expenses is dependent on the ability of MSC Cotai to generate revenue to pay such dividends and expenses. This ability, in turn, may depend on the ability of MSC Cotai's subsidiaries to make distributions to it. The ability of MSC Cotai and its subsidiaries to make such distributions will be subject to, among other things, (i) the applicable laws and regulations of the relevant jurisdictions that may limit the amount of funds available for distribution, (ii) restrictions in the Participation Agreement or relevant debt instruments issued by MSC Cotai or its subsidiaries in which it directly or indirectly holds an equity interest and (iii) the availability of funds to distribute. To the extent that we need funds and MSC Cotai or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any financing arrangements, or are otherwise unable to provide such funds, our liquidity and financial condition could be materially and adversely affected.

Our listing was authorized by the Macau government subject to certain conditions imposed on the Gaming Operator, us and our direct and indirect shareholders. Failure by the Gaming Operator, us or our direct and indirect shareholders to comply with such conditions may result in our obligation to delist the ADSs from the New York Stock Exchange or have a material adverse effect on the operation of Studio City Casino.

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

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

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

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

An active trading market for our ordinary shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly.

Our ADSs will be traded on the New York Stock Exchange. We have no current intention to seek a listing for our ordinary shares on any stock exchange or quoted for trading on any over-the-counter trading system. Prior to the completion of this offering, there has been no public market for our ADSs or our ordinary shares, and we cannot assure you that a liquid public market for our ADSs will develop. If an active public market for our ADSs does not develop following the completion of this offering, the market price and liquidity of our ADSs may be materially and adversely affected.

The initial public offering price for our ADSs was determined by negotiation between us and the underwriters based upon several factors, and we can provide no assurance that an active trading market for our ADSs will develop or that the trading price of our ADSs after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

The trading price of our ADSs may be volatile and subject to fluctuations in the future, which could result in substantial losses to investors.

The trading price of our ADSs may be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in Macau or China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

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

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our

business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS. See "Dilution" for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

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 will depend 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 state 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 SC Class A 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 SC Class A Shares represented by your ADSs to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to convene a shareholder meeting.

Your 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 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 SC Class A Shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of SC Class A Shares your ADSs represent. However, the depositary may, at its discretion, decide that it is unlawful, inequitable or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. Also, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property and you will not receive such distribution. Except as otherwise provided under the Registration Rights Agreement, we have no obligation to register under U.S. securities laws any ADSs, SC Class A Shares, rights or other securities received through such distributions. See "Description of Share Capital—Registration Rights." We also have no obligation to take any other action to permit the distribution of ADSs, SC Class A Shares, rights or anything else to holders of ADSs.]

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

After completion of this offering, New Cotai will own SC Class B Shares, representing a % voting, non-economic interest in our company. New Cotai will also have a Participation Interest, which will

entitle New Cotai to receive from MSC Cotai an amount equal to % of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions. Under the Participation Agreement, New Cotai and its permitted transferees will be entitled to exchange its Participation Interest for SC Class A Shares, as described under "Corporate History and Organizational Structure." We will grant registration rights with respect to the SC Class A Shares delivered in exchange for Participation Interests. See "Corporate History and Organizational Structure" and "Description of Share Capital—Registration Rights."

Sales of substantial amounts of our ADSs in the public market after the completion of this offering, including upon the exchange of SC Class A Shares by New Cotai or its permitted transferees, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. The ADSs represent interests in our SC Class A 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 SC Class A Shares and any factors contributing to a decline in one market is likely to result to a similar decline in another.

There will be ADSs (representing SC Class A Shares) outstanding immediately after this offering, or ADSs (representing SC Class A Shares) if the underwriters exercise their over-allotment option in full. [In connection with this offering, we and our existing shareholders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares or ADSs, for a period ending [180] days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions.] However, the underwriters may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

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

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

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

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

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

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. See "Dividend Policy." Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of the laws of the Cayman Islands. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under the laws of the Cayman Islands, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

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

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

You may have difficulty enforcing judgments obtained against us.

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

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

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

(i) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

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

As a Cayman Islands exempted company applying to list our ADSs on the New York Stock Exchange, we are subject to New York Stock Exchange corporate governance listing standards. However, the New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from New York Stock Exchange corporate governance listing standards. For instance, shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. In addition, we rely on this "home country practice" exception and do not have a majority of independent directors serving on our board. 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.

Upon completion of this offering and the Assured Entitlement Distribution, MCE Cotai will control a majority of our outstanding ordinary shares, making us a "controlled company" within the meaning of the New York Stock Exchange corporate governance rules. As a "controlled company," we are eligible to, and, in the event we no longer qualify as a foreign private issuer, we intend to elect not to comply with certain of the New York Stock Exchange corporate governance standards, including the requirement that a majority of directors on our board of directors be independent directors.

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

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

We will become a public company upon completion of this offering, and we expect to incur significant legal, accounting and other expenses that we do not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the New York Stock Exchange, impose various requirements on the corporate governance practices of public companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. We expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and

procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

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 Law 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 Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital—Differences in Corporate Law.”

We intend to apply the net proceeds of this offering and the private placement pursuant to the Assured Entitlement Distribution to acquire newly-issued MSC Cotai Shares. However, management of MSC Cotai has broad discretion as to how the proceeds MSC Cotai receives from us will be applied.

We intend to apply the net proceeds of this offering and the private placement pursuant to the Assured Entitlement Distribution to acquire newly-issued MSC Cotai Shares. In turn, MSC Cotai intends to apply the net proceeds it receives from us primarily for the repayment of certain of our existing indebtedness and for working capital and other general corporate purposes. See “Use of Proceeds” for additional information. However, MSC Cotai’s management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment and discretion of MSC Cotai’s management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a

manner that would improve our results of operations or increase our ADS price, nor that these net proceeds will be placed only in investments that generate income or appreciate in value.

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

A non-United States corporation will be a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year if either (i) at least 75% of its gross income for such taxable year is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce or are held for the production of passive income. Based on the current and anticipated value of our assets and the composition of our income and assets, we do not expect to be a PFIC for United States federal income tax purposes for our current taxable year ending December 31, 2018 or in the foreseeable future. However, the determination of whether or not we are a PFIC according to the PFIC rules is made on an annual basis and will depend on the composition of our income and assets and the value of our assets from time to time. Therefore, changes in the composition of our income or assets or the value of our assets may cause us to become a PFIC. The determination of the value of our assets (including goodwill not reflected on our balance sheet) may be based, in part, on the quarterly market value of our ADSs, which is subject to change and may be volatile.

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

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This prospectus contains forward-looking statements that involve risks and uncertainties, and 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. All statements other than statements of current or historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

In some cases, you can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "likely to" or other similar expressions. We have based these 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 statements about:

- our goals and strategies;
- the expected growth of the gaming and leisure market in Macau and visitation in Macau;
- our ability to successfully operate Studio City;
- our ability to obtain all required governmental approval, authorizations and licenses for the remaining project;
- our ability to obtain adequate financing for the remaining project;
- our ability to develop the remaining project in accordance with our business plan, completion time and within budget;
- our compliance with conditions and covenants under the existing and future indebtedness;
- construction cost estimates for the remaining project, including projected variances from budgeted costs;
- our ability to enter into definitive contracts with contractors with sufficient skill, financial strength and relevant experience for the construction of the remaining project;
- capital and credit market volatility;
- our ability to raise additional capital, if and when required;
- increased competition from other casino hotel and resort projects in Macau and elsewhere in Asia, including the three concessionaires (SJM, Wynn Resorts Macau and Galaxy) and subconcessionaires (including MGM Grand Paradise, S.A., or MGM Grand, and Venetian Macau) in Macau;
- government policies and regulation relating to the gaming industry, including gaming license approvals and the legalization of gaming in other jurisdictions, and leisure market in Macau;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau;
- fluctuations in occupancy rates and average daily room rates in Macau;
- the liberalization of travel restrictions on PRC citizens and convertibility of the Renminbi;
- the completion of infrastructure projects in Macau;
- our ability to retain and increase our customers;
- our ability to offer new services and attractions;

- our future business development, financial condition and results of operations;
- the expected growth in, market size of and trends in the market in Macau;
- expected changes in our revenues, costs or expenditures;
- our expectations regarding demand for and market acceptance of our brand and business;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- our expectation regarding the use of proceeds from this offering;
- growth of and trends of competition in the gaming and leisure market in Macau; and
- general economic and business conditions globally and in Macau.

You should read this prospectus and the documents that we refer to in this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance. Moreover, we operate in Macau's gaming sector, a market with intense competition, and in an evolving and heavily regulated environment. We have a highly leveraged business model. New risk factors and uncertainties may emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

This prospectus also contains statistical data and estimates that we obtained from industry publications and reports generated by government or third-party providers of market intelligence. Although we have not independently verified the data, we believe that the publications and reports are reliable. See "Risk Factors—Risks Relating to Our Business—Industry data, projections and estimates contained in this prospectus are inherently uncertain and subject to interpretation. Accordingly, you should not place undue reliance on such information."

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering and the private placement pursuant to the Assured Entitlement Distribution of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. These estimates are based upon an assumed initial offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover page of this prospectus. A US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease the net proceeds of this offering by US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full.

The primary purposes of this offering are to create a public market for SC Class A Shares in the form of ADSs for the benefit of all shareholders and obtain additional capital. We plan to use the net proceeds of this offering and the Assured Entitlement Distribution to acquire newly-issued MSC Cotai Shares. In turn, MSC Cotai intends to apply the net proceeds it receives from us primarily for the following purposes:

- US$ million for repayment of certain of our existing indebtedness; and
- the remainder for working capital and other general corporate purposes.

For details of our existing indebtedness, including interest rate and maturity thereof, see “Description of Indebtedness.” The amounts and timing of any expenditures will vary depending on the amount of cash generated by our operations, and the rate of growth, if any, of our business, and our plans and business conditions. The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management will have significant flexibility in applying and discretion to apply the net proceeds of the offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus.

Pending use of the net proceeds, we intend to hold our net proceeds in demand deposits.

DIVIDEND POLICY

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

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

We are a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely on dividends distributed by our subsidiaries in Macau, Hong Kong and the British Virgin Islands to MSC Cotai and MSC Cotai to us. The Macau regulations may restrict the ability of our Macau subsidiaries to pay dividends to us. For example, our Macau subsidiaries are subject to a Macau complementary tax of up to 12% on taxable income, as defined in the relevant tax laws. However, we were granted a Macau complementary tax exemption through 2021 on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and has been subject to gaming tax. We remain subject to Macau complementary tax on our non-gaming profits. See “Regulation—Taxation.” Furthermore, regulations in Macau currently require our subsidiaries incorporated in Macau to set aside a minimum of 25% of the relevant entity’s profit after taxation to their legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of its share capital and the legal reserve is not available for distribution to the shareholders of such subsidiaries. See “Regulation—Distribution of Profits Regulations.”

In addition, the respective indentures governing our existing notes including the 2012 Notes and the 2016 Notes and the agreement for the 2016 Credit Facility contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by some of our subsidiaries. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Restrictions on Distributions.”

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2018:

- on an actual basis; and
- on a pro forma basis to give effect to i) the completion of the Organizational Transactions, including the reclassification of MCE Cotai's 60% equity interest in our company into SC Class A Shares, the exchange of New Cotai's 40% equity interest in our company into SC Class B Shares and a non-voting, non-shareholding economic Participation Interest in MSC Cotai; ii) the issuance and sale of SC Class A Shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, and the private placement pursuant to the Assured Entitlement Distribution at an assumed initial public offering price of US$ per SC Class A Share, which is the mid-point of the estimated range of the initial public offering price per ADS shown on the front cover of this prospectus divided by the number of SC Class A Shares represented by one ADS, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; and iii) the application of the net proceeds of this offering and the Assured Entitlement Distribution to acquire newly-issued MSC Cotai Shares, in turn, MSC Cotai will apply part of the net proceeds of US$ million for repayment of certain of our existing indebtedness, with the remainder of US$ million for working capital and other general corporate purposes.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of March 31, 2018	
	Actual	Pro Forma
	(US$ thousands, except for share and per share data)	
Cash and cash equivalents	293,800	
Long-term debt, net	2,001,255	
Shareholders' equity and participation interest:		
Ordinary shares (par value US$1; 200,000 shares authorized, 18,127.94 shares issued and outstanding on an actual basis)	18	
Class A ordinary shares (par value US$; shares authorized; shares issued and outstanding on a pro forma basis)	—	
Class B ordinary shares (par value US$; shares authorized; shares issued and outstanding on a pro forma basis)	—	
Additional paid-in capital(1)	1,512,705	
Accumulated other comprehensive income	488	
Accumulated losses	(767,651)	
Total shareholders' equity(1)	745,560	
Participation interest	—	
Total capitalization(1)	2,746,815	

(1) A US$1 increase (decrease) in the assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, would increase (decrease) each of additional paid-in capital and total shareholders' equity by US$ million, and total capitalization by US$ million, assuming the number of ADSs offered by us, as set forth on the front cover of this prospectus, remains the same and no change to the number of SC Class A Shares issued by us and subscribed by Melco International in the private placement pursuant to the Assured Entitlement Distribution, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and the pro forma net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per SC Class A Share is substantially in excess of the pro forma net tangible book value per SC Class A Share after this offering.

Because New Cotai does not own any SC Class A Shares or other economic interests in Studio City International, we have presented dilution in pro forma net tangible book value per SC Class A Share and per ADS assuming that New Cotai exchanged all of its Participation Interest for newly-issued SC Class A Shares and the cancellation of all of its SC Class B Shares in order to more meaningfully present the dilutive impact to the investors in this offering. We refer to the assumed exchange of all of New Cotai's Participation Interest for SC Class A Shares as described in the previous sentence as the "Assumed Exchange."

The pro forma net tangible book value as of March 31, 2018 would have been US$ million, or US$ per SC Class A Share, and US$ per ADS. Pro forma net tangible value per SC Class A Share represents the amount of our total tangible assets, less total liabilities, divided by the number of SC Class A Shares after giving effect to (i) the Organizational Transactions; and (ii) the Assumed Exchange.

Without taking into account any other changes in the pro forma net tangible book value after March 31, 2018, other than to give effect to (i) the Organizational Transactions; (ii) the Assumed Exchange; and (iii) the issuance and sale by us of SC Class A Shares in the form of ADSs in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, and the issuance and sale by us of SC Class A Shares in the private placement pursuant to the Assured Entitlement Distribution at an assumed initial public offering price of US$ per SC Class A Share, which is the mid-point of the estimated range of the initial public offering price per ADS shown on the front cover of this prospectus divided by the number of SC Class A Shares represented by one ADS, after deducting underwriting discounts and commissions and estimated offering expenses payable by us and assuming the underwriters' option to purchase additional ADSs is not exercised, our pro forma as adjusted net tangible book value as of March 31, 2018 would have been US$ million; or US$ per SC Class A Share, and US$ per ADS.

This represents an immediate increase in net tangible book value of US$ per SC Class A Share, or US$ per ADS, to existing shareholders of SC Class A Shares, after giving effect to the Organizational Transactions and the Assumed Exchange; and an immediate dilution in net tangible book value of US$ per SC Class A Share, or US$ per ADS, to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per SC Class A Share	Per ADS
Assumed initial public offering price		
Pro forma net tangible book value as of March 31, 2018 after giving effect to (i) the Organizational Transactions; and (ii) the Assumed Exchange		
Pro forma as adjusted net tangible book value after giving effect to (i) the Organizational Transactions; (ii) the Assumed Exchange; and (iii) this offering and the private placement pursuant to the Assured Entitlement Distribution		
Increase in pro forma net tangible book value attributable to this offering and the private placement pursuant to the Assured Entitlement Distribution		
Dilution in net tangible book value to new investors in this offering		

A US$1.00 increase or decrease in the assumed initial public offering price of US$ per ADS would increase or decrease our pro forma as adjusted net tangible book value by US$ million, or US$ per SC Class A Share and US$ per ADS, and would increase or decrease the dilution per share and ADS to the investors in this offering by US$ and US$ respectively, assuming no change to the number of ADSs offered by us as set forth on the front cover of this prospectus and no change to the number of SC Class A Shares issued by us and subscribed by Melco International in the private placement pursuant to the Assured

Entitlement Distribution, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Our pro-forma as adjusted net tangible book value following the completion of this offering and the private placement pursuant to the Assured Entitlement Distribution is subject to adjustment based on the actual initial public offering price of the ADSs and other terms of this offering determined at pricing.

The following table summarizes, on a pro forma basis as of March 31, 2018, the differences between the existing shareholders of SC Class A Shares, after giving effect to the Organizational Transactions and the Assumed Exchange as of March 31, 2018, and the new investors with respect to the number of SC Class A Shares (in the form of ADSs purchased from us in this offering and in connection with the Assured Entitlement Distribution), the total consideration paid and the average price per SC Class A Share paid and per ADS at an assumed initial public offering price of US$ per ADS before deducting underwriting discounts and commissions and estimated offering expenses payable by us. The total number of SC Class A Shares does not include SC Class A Shares underlying the ADSs issuable upon exercise of the option to purchase additional ADSs which we granted to underwriters.

	SC Class A Shares Purchased		Total Consideration		Average Price per SC Class A Share	Average Price per ADS
	Number	Percent	Amount	Percentage		
	(US$, except for share numbers and percentages)					
Existing shareholders(1)		%		%		
New investors		%		%		
Total		100.0%		100.0%		

(1) After giving effect to the Organizational Transactions and the Assumed Exchange.

ENFORCEABILITY OF CIVIL LIABILITIES

Cayman Islands

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability to take advantage of certain benefits associated with the Cayman Islands, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control and currency restrictions on dividends; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

- the securities laws of the Cayman Islands are different from those of the United States and provide less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our executive officers, directors and shareholders, be subject to arbitration.

Substantially all of our operations, including our administrative and corporate operations, are intended to be conducted in Macau and Hong Kong, and substantially all of our assets are expected to be located in Macau. A majority of our directors and officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these persons, or to enforce judgments obtained in U.S. courts against us or them, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. It may also be difficult for you to enforce judgments obtained in United States courts based on the civil liability provisions of the U.S. federal securities laws against us and our executive officers and directors.

We have appointed [Cogency Global Inc.] as our agent to receive service of process with respect to any action brought against us in the U.S. District Court for the Southern District of New York in connection with this offering under the federal securities laws of the United States or of any State in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York in connection with this offering under the securities laws of the State of New York.

We have been advised by Walkers, our Cayman Islands counsel, that any final and conclusive monetary judgment of a competent foreign court for a definite sum may be the subject of enforcement proceedings in the courts of the Cayman Islands under the common law doctrine of obligation by action on the debt evidenced by the judgment of such competent foreign court. It is not guaranteed that this remedy would be available, but on general principles, such enforcement proceedings can be expected to be successful provided that: (i) the foreign court had jurisdiction in the matter and the parties subject to such judgment either submitted to such jurisdiction or were resident or carrying on business within such jurisdiction and were duly served with process; (ii) the judgment given by the foreign court was not in respect of penalties, taxes, fines or similar fiscal or revenue obligations; (iii) the judgment was not obtained by fraud; (iv) recognition or enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; and (v) the proceedings pursuant to which judgment was obtained were not contrary to natural justice.

Macau

Manuela António - Lawyers and Notaries, our counsel as to Macau law, has advised us that there is uncertainty as to whether the courts of Macau would recognize or enforce judgments of United States courts obtained against us or our executive officers, directors or shareholders predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. Manuela António - Lawyers and Notaries has advised further that a final and conclusive monetary judgment for a definite sum obtained in a federal or state court in the United States would be treated by the courts of Macau as a cause of action in itself so that no retrial of the issues would be necessary, provided that: (i) such decision is final and the court had jurisdiction in the matter and the defendant either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process; (ii) due process was observed by such court, with equal treatment given to both parties to the action, and the defendant had the opportunity to submit a defense; (iii) the judgment given by such court was not in respect of penalties, taxes, fines or similar fiscal or tax revenue obligations; (iv) in obtaining judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the court; (v) recognition or enforcement of the judgment in Macau would not be contrary to public policy; (vi) the proceedings pursuant to which judgment was obtained were not contrary to natural justice; and (vii) any interest charged to the defendant does not exceed three times the official interest rate, which is currently 9.75% per annum, over the outstanding payment (whether of principal, interest, fees or other amounts) due.

CORPORATE HISTORY AND ORGANIZATIONAL STRUCTURE

Corporate History

We were established as an international business company, limited by shares, under the laws of the British Virgin Islands as Cyber One Agents Limited on August 2, 2000 and subsequently re-registered as a business company, limited by shares, under the British Virgin Islands Business Companies Act, 2004. New Cotai acquired a 40% equity interest in us on December 6, 2006. New Cotai is a private limited liability company organized in Delaware that is indirectly owned by investment funds managed by Silver Point Capital, L.P., Oaktree Capital Management, L.P. and other third-party investors. MCE Cotai, a wholly owned subsidiary of Melco Resorts, acquired a 60% equity interest in us on July 27, 2011. Melco Resorts is an exempted company incorporated with limited liability under the laws of the Cayman Islands and its American Depositary Shares are listed on the NASDAQ Global Select Market in the United States. On January 17, 2012, our name was changed from Cyber One Agents Limited to Studio City International Holdings Limited.

In October 2001, we were granted a land concession in Cotai by the Macau government for the development of Studio City, a cinematically-themed and integrated entertainment, retail and gaming resort. Studio City commenced operations on October 27, 2015. We conduct our principal activities through our subsidiaries, which are primarily located in Macau. We currently operate the non-gaming operations of Studio City. The Gaming Operator operates the Studio City Casino. See “Business—Our Relationship with Melco Resorts” and “Related Party Transactions—Material Contracts with Affiliated Companies.”

Prior to or concurrently with the completion of this offering, we will engage in a series of “Organizational Transactions,” described below, through which substantially all of our assets will be contributed to our subsidiary, MSC Cotai, a business company limited by shares incorporated in the British Virgin Islands, in exchange for all of the outstanding equity interests in MSC Cotai. In connection with the “Organizational Transactions” described below, we will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands.

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

Organizational Transactions

The following transactions, referred to collectively as the “Organizational Transactions,” have been or will each be completed prior to the completion of this offering. The Organizational Transactions are conducted pursuant to the Implementation Agreement among MCE Cotai, Melco Resorts, New Cotai, MSC Cotai and us. See “—Implementation Agreement.”

- MSC Cotai was incorporated as a business company limited by shares in the British Virgin Islands.
- We will enter into the Transfer Agreement with MSC Cotai to provide for the transfer by us and the assumption by MSC Cotai of substantially all of our assets and liabilities, in exchange for all of the outstanding equity interests in MSC Cotai. See “—Transfer Agreement.”
- We will amend and restate our memorandum of association and articles of association to, among other things, authorize two classes of ordinary shares, the SC Class A Shares and the SC Class B Shares. See “Description of Share Capital.” Each SC Class A Share and each SC Class B Share will entitle its holder to one vote on all matters to be voted on by shareholders generally and holders of SC Class A Shares and SC Class B Shares will vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. See “Description of Share Capital—Voting Rights.” Holders of the SC Class B Shares do not have any right to receive dividends or distributions upon our liquidation or winding up or to otherwise share in our profits and surplus assets.
- MCE Cotai’s 60% equity interest in our company will be reclassified into SC Class A Shares.

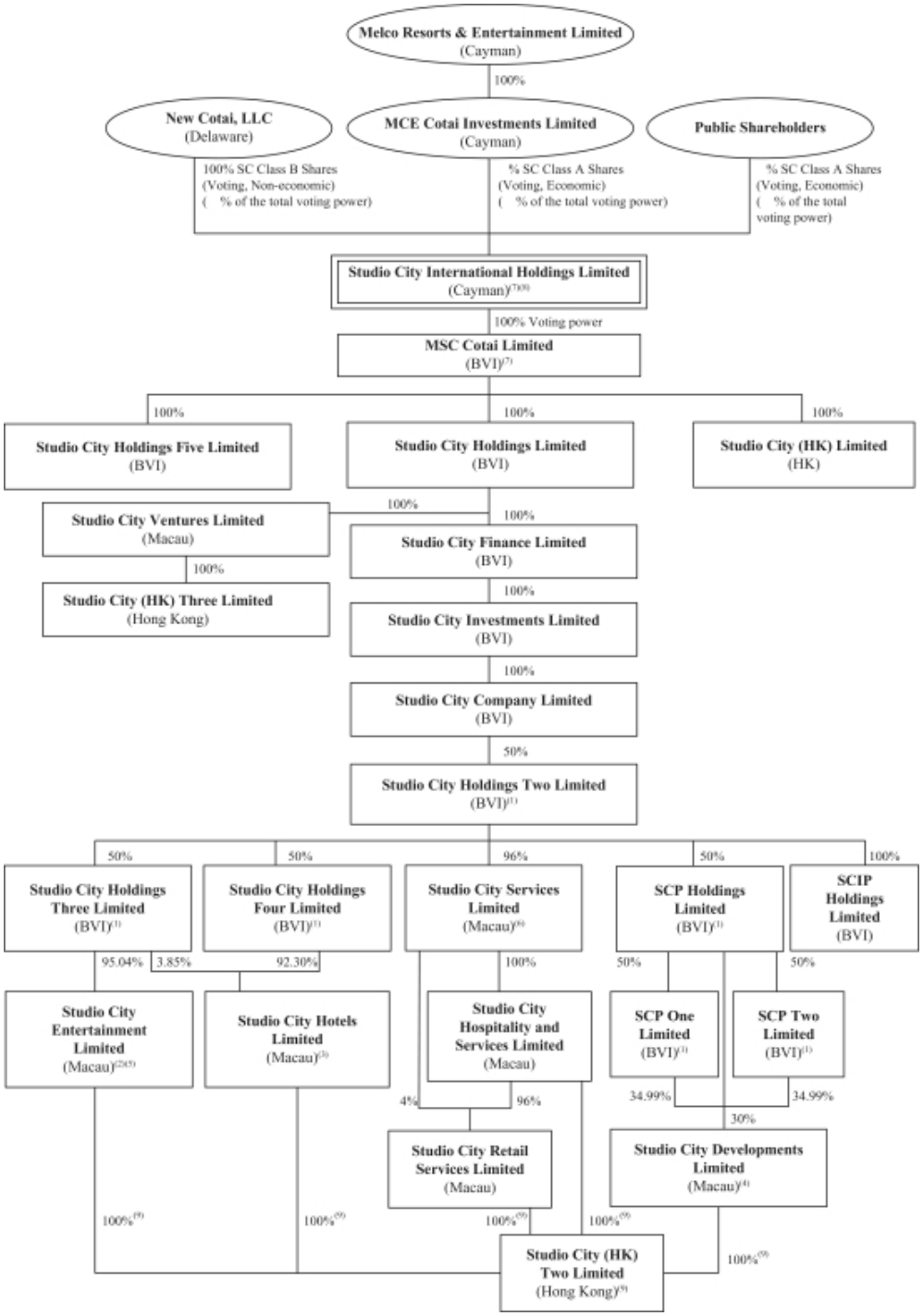
- New Cotai's 40% equity interest in our company will be exchanged for SC Class B Shares, which have only voting and no economic rights. Through its SC Class B Shares, New Cotai will have voting rights in us, and we will control MSC Cotai.
- In addition, New Cotai will have a non-voting, non-shareholding economic participation interest, or Participation Interest, in MSC Cotai, the terms of which will be set forth in the Participation Agreement that will be entered into by MSC Cotai, New Cotai and us. See "—Participation Agreement."
- The Participation Interest will entitle New Cotai to receive from MSC Cotai an amount equal to 66-2/3% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions as set out in the Participation Agreement and further described in "—Participation Agreement". The 66-2/3% represents the equivalent of New Cotai's 40% interest in us prior to the Organizational Transactions.
- The Participation Agreement will also provide that New Cotai will be entitled to exchange all or a portion of its Participation Interest for a number of SC Class A Shares subject to exceptions and adjustments as set out in the Participation Agreement. See "—Participation Agreement." When New Cotai exchanges all or a portion of the Participation Interest for SC Class A Shares pursuant to the terms of exchange set forth in the Participation Agreement and described herein, a proportionate number of SC Class B Shares will be deemed surrendered and automatically cancelled for no consideration as set out in the Participation Agreement.
- We will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands prior to the completion of this offering.

In connection with the completion of this offering, we will issue ADSs (representing SC Class A Shares) to the investors in this offering (or ADSs, representing SC Class A Shares, if the underwriters exercise their option in full to purchase additional SC Class A Shares in the form of ADSs) in exchange for net proceeds of approximately US$ million (or approximately US$ million if the underwriters exercise their option in full to purchase additional SC Class A Shares in the form of ADSs), after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Upon the completion of this offering, we will contribute the proceeds of this offering to MSC Cotai in exchange for MSC Cotai Shares.

As a result of the Organizational Transactions and this offering, immediately following this offering:

- the investors in this offering will collectively own ADSs (representing SC Class A Shares) representing a % economic and voting interest in our company;
- MCE Cotai will own SC Class A Shares, representing a % voting and economic interest in our company;
- New Cotai will own SC Class B Shares, representing a % voting, non-economic interest in our company;
- SC Class B Shares will collectively represent approximately % of the voting power in us;
- New Cotai will have a Participation Interest, which will entitle New Cotai to receive from MSC Cotai an amount equal to % of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions; and
- we will own all MSC Cotai Shares, representing 100% of the outstanding equity interests in MSC Cotai and 100% of the voting power in MSC Cotai.

The diagram below depicts our expected organizational structure immediately following completion of this offering. This diagram is provided for illustrative purposes only and does not purport to represent all legal entities owned or controlled by us, or owning a beneficial interest in us.


Melco Resorts & Entertainment Limited
(Cayman)
100%
New Cotai, LLC
(Delaware)
MCE Cotai Investments Limited
(Cayman)
Public Shareholders
100% SC Class B Shares
(Voting, Non-economic)
(% of the total voting power)
% SC Class A Shares
(Voting, Economic)
(% of the total voting power)
% SC Class A Shares
(Voting, Economic)
(% of the total voting power)
Studio City International Holdings Limited
(Cayman)(7)(9)
100% Voting power
MSC Cotai Limited
(BVI)(7)
100%
100%
100%
Studio City Holdings Five Limited
(BVI)
Studio City Holdings Limited
(BVI)
Studio City (HK) Limited
(HK)
100%
100%
Studio City Ventures Limited
(Macau)
Studio City Finance Limited
(BVI)
100%
100%
Studio City (HK) Three Limited
(Hong Kong)
Studio City Investments Limited
(BVI)
100%
Studio City Company Limited
(BVI)
50%
Studio City Holdings Two Limited
(BVI)(1)
50%
50%
96%
50%
100%
Studio City Holdings Three Limited
(BVI)(1)
Studio City Holdings Four Limited
(BVI)(1)
Studio City Services Limited
(Macau)(6)
SCP Holdings Limited
(BVI)(1)
SCIP Holdings Limited
(BVI)
95.04%
3.85%
92.30%
100%
50%
50%
Studio City Entertainment Limited
(Macau)(2)(5)
Studio City Hotels Limited
(Macau)(3)
Studio City Hospitality and Services Limited
(Macau)
SCP One Limited
(BVI)(1)
SCP Two Limited
(BVI)(1)
4%
96%
34.99%
34.99%
30%
Studio City Retail Services Limited
(Macau)
Studio City Developments Limited
(Macau)(4)
100%(8)
100%(9)
100%(9)
100%(9)
100%(9)
Studio City (HK) Two Limited
(Hong Kong)(9)

(1) Studio City Holdings Five Limited also holds 50% in one non-voting share.
(2) Studio City Holdings Five Limited also holds 1% of the voting equity interest.
(3) Studio City Holdings Five Limited also holds 3.85% of the voting equity interest.
(4) Studio City Holdings Five Limited also holds 0.02% of the voting equity interest.
(5) Studio City Holdings Four Limited also holds 3.96% of the voting equity interest.
(6) Studio City Company Limited also holds 4% of the voting equity interest.
(7) Upon the completion of this offering, New Cotai will have a Participation Interest in MSC Cotai, which will represent its economic right to receive an amount equal to % of the dividends, distributions or other consideration paid to us by MSC Cotai, if any, from time to time. New Cotai may exchange all or a portion of its Participation Interest for SC Class A Shares, subject to certain conditions. See "—Participation Agreement" and "—Exchange Arrangements."
(8) Prior to the completion of this offering, Studio City International will undergo a series of organizational transactions, as a part of which it will redomicile by way of continuation as an exempted company incorporated with limited liability under the laws of the Cayman Islands.
(9) Jointly owned by Studio City Hospitality and Services Limited, Studio City Hotels Limited, Studio City Entertainment Limited, Studio City Retail Services Limited and Studio City Developments Limited.

Amended and Restated Memorandum and Articles of Association of MSC Cotai

Prior to the completion of this offering, we will amend and restate MSC Cotai's existing memorandum and articles of association. The form of MSC Cotai's amended and restated memorandum and articles of association to be in effect upon completion of this offering will be filed as an exhibit to the registration statement of which this prospectus forms a part.

Share Capital. All MSC Cotai Shares will be held by Studio City International. The number of outstanding MSC Cotai Shares will equal the number of outstanding SC Class A Shares. The amended and restated memorandum and articles of association of MSC Cotai will also provide that MSC Cotai may not issue equity securities ranking senior in priority to the MSC Cotai Shares and may only issue equity and equity-linked securities to us.

Governance. We, as the sole holder of MSC Cotai Shares, will own 100% of the voting power of MSC Cotai and will have the sole right to appoint and replace directors of MSC Cotai. MSC Cotai will not be obligated to appoint more than one director.

Securities Issuances. The amended and restated memorandum and articles of association of MSC Cotai will provide that if we issue SC Class A Shares (including pursuant to the terms of exchange set forth in the Participation Agreement and described below) or other equity securities, MSC Cotai will issue to us (1) in the case of an issuance of SC Class A Shares, new MSC Cotai Shares, or (2) in the case of an issuance of other Studio City International equity securities, equivalent new equity securities in MSC Cotai.

Expenses. Pursuant to the Transfer Agreement and the Participation Agreement, MSC Cotai will agree to bear all fees and expenses that we incur, including all expenses associated with this offering, listing on a securities exchange, director and officer insurance, director fees and maintaining our corporate existence and reimburse us for any such fees and expenses that are paid by us.

Indemnification and Exculpation. The amended and restated memorandum and articles of association will provide for indemnification, to the fullest extent permitted by law, of the directors and officers of MSC Cotai and their respective subsidiaries or affiliates.

Amendments. The amended and restated memorandum and articles of association may be amended with the consent of the holders of a majority in voting power of the outstanding MSC Cotai Shares (and, in some cases, by a resolution of the directors of MSC Cotai), subject to the terms of the Participation Agreement.

Implementation Agreement

We have entered into the Implementation Agreement with MCE Cotai, Melco Resorts, New Cotai and MSC Cotai to govern our arrangements with respect to the Organizational Transactions, including the order in which such transactions are to occur.

Implementation Transactions. The Implementation Agreement provides that the parties to the agreement will implement the Organizational Transactions in accordance with the terms and conditions of the agreement.

Company Share Issuances. Under the Implementation Agreement, we agreed that we will contribute to MSC Cotai any net proceeds received by us from this offering in exchange for a number of ordinary shares of MSC Cotai equal to the number of SC Class A Shares issued by us in this offering. MSC Cotai agreed that it will accept the contribution and issue such number of SC Class A Shares to us.

Transfer Agreement

Prior to the completion of this offering, we will enter into the Transfer Agreement with MSC Cotai to provide for the transfer by us and the assumption by MSC Cotai of substantially all of our assets and liabilities, in exchange for all of the outstanding equity interests in MSC Cotai.

Contribution of Transferred Assets. The Transfer Agreement provides that we will contribute to MSC Cotai substantially all of our assets, including all direct interests of certain subsidiaries, all contracts and all intellectual property, subject to certain exceptions identified in the Transfer Agreement.

Assumption of Transferred Liabilities. Pursuant to the Transfer Agreement, MSC Cotai will assume substantially all of our liabilities described above.

Share Issuance. In consideration for the contribution by us of substantially all of our assets and liabilities, MSC Cotai will issue to us new ordinary shares, following which we will continue to be the sole holder of all of its outstanding ordinary shares. In addition, as discussed above, MSC Cotai will agree to bear all fees and expenses that we incur, including all expenses associated with this offering, listing on a securities exchange, director and officer insurance, director fees and maintaining our corporate existence and reimburse us for any such fees paid by us.

Participation Agreement

As part of the Organizational Transactions, Studio City International, MSC Cotai and New Cotai will enter into the Participation Agreement under which MSC Cotai will grant the Participation Interest to New Cotai (as the sole initial holder of the Participation Interest). Pursuant to the terms of the Participation Agreement, New Cotai or any permitted transferees to whom all or part of the Participation Interest may be transferred (collectively referred to as the Participants) will be entitled to receive from MSC Cotai a ratable proportionate amount of the distributions and dividends paid by MSC Cotai to Studio City International, as further described below. The Participation Agreement will also provide that the Participants will be entitled to exchange all or a portion of its Participation Interest, along with the deemed surrender and automatic cancellation of a corresponding number of SC Class B Shares, for a number of SC Class A Shares.

Payments on the Participation Interest. Generally, Participants will be entitled to receive a ratable proportionate amount of the distributions and dividends paid by MSC Cotai to Studio City International. Such ratable proportionate amount due to each Participant will generally be determined by multiplying the amount of the relevant distribution or dividend paid by MSC Cotai to Studio City International by the number of percentage points represented by such Participant's Participation Interest, subject to adjustment from time to time as set forth in the Participation Agreement (the "Participation Percentage"). Immediately prior to this offering, the Participation Percentage will be 66-2/3%. Immediately following this offering, the Participation Interest will provide New Cotai (as the sole initial participant) with the economic right to receive an amount equal to % of all dividends and distributions paid by MSC Cotai to Studio City International.

Adjustments to Participation Interest and the Number of SC Class B Shares Held. Generally, the Participation Interest will be subject to adjustments in the case of (i) the new issuances of MSC Cotai Shares to Studio City International in exchange for capital contributions by Studio City International to MSC Cotai (including as a result of this offering), (ii) repurchases and redemptions by MSC Cotai of MSC Cotai Shares, and (iii) any exchanges of the Participation Interest, as follows. In addition, the number of SC Class B Shares held by

each Participant will be adjusted by Studio City International from time to time so that the voting power represented by such SC Class B Shares is equal to the economic right represented by the SC Class A Shares that such Participant would receive if such Participant would exchange its entire Participation Interest for SC Class A Shares at such time.

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

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

Exchanges of Participation Interest. A Participant may elect, from time to time, to exchange its Participation Interest, in whole or in part, for SC Class A Shares. When electing to exchange, a Participant must deliver an exchange notice to MSC Cotai, which notice must be delivered at least five business days prior to the proposed exchange date; provided, that settlement may not occur later than 90 days from the notice date. The exchanging Participant may withdraw its exchange notice at any time prior to the exchange date. Each party will bear its own expenses in connection with an election to exchange. If an election to exchange request is withdrawn, the Participant will reimburse MSC Cotai for all out-of-pocket expenses incurred by MSC Cotai and Studio City International in connection with such withdrawn exchange. Following any exchange of all or a portion of the Participation Interest for SC Class A Shares, the Participation Interest will be reduced to reflect the decrease in number of SC Class A Shares that such Participant would be entitled to receive post-exchange if all of the remaining Participation Interest were to be exchanged.

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

Preemptive Rights. If Studio City International proposes to offer equity securities solely or primarily to Melco Resorts or one of its affiliates (except in connection with a public offering, equity incentive plan or assured entitlement arrangements), each Participant will have the pro rata right to purchase an increase in its Participation Interest so as to maintain its then-existing Participation Percentage, subject to certain conditions. To the extent practicable, MSC Cotai must notify the holders of the Participation Interest in writing prior to such sale of equity securities. If the Participant does not elect to purchase any additional Participation Interest within 15 business days, the Participant will be deemed to have rejected the offer. If the Participant elects to participate, it is required to pay the corresponding purchase price to MSC Cotai at the price as specified in the offer. In addition, if Studio City International grants any right, option or warrant (other than in connection with any equity plan) (i) at a price per share less than the current price of average SC Class A Shares, or (ii) that does not expire by the 30th day after such grant, then MSC Cotai must grant to each Participant similar rights, options or warrants, on a pro rata basis, to subscribe for or to purchase additional Participation Interests so as to maintain its then-existing Participation Percentage, subject to certain conditions.

Other Provisions

Expenses. Pursuant to the Transfer Agreement and the Participation Agreement, MSC Cotai will agree to bear all fees and expenses that we incur, including all expenses associated with this offering, listing on a securities exchange, director and officer insurance, director fees and maintaining our corporate existence and reimburse us for any such fees and expenses that are paid by us.

Capital Contributions. Studio City International will be required to contribute to MSC Cotai all net proceeds received by it from sales of equity securities and sales of assets.

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

HoldCo Relationship. Studio City International will covenant that it will always own all of the issued and outstanding MSC Cotai Shares, and that it will not own equity interests in any other entity.

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

Termination, Governing Law and Arbitration. The Participation Agreement will terminate when the holders of the Participation Interest hold less than the specified minimum threshold set out in the participation agreement in Studio City International. The Participation Agreement will be governed by New York law, and any disputes will be resolved by arbitration sitting in Hong Kong.

Our Relationship with Melco International

Since February 16, 2017, Melco International has been our majority shareholder through its subsidiary, Melco Resorts; the ADSs of Melco Resorts are listed on the NASDAQ Global Select Market. Upon the completion of this offering, Melco International will remain the majority shareholder of Melco Resorts.

Hong Kong Stock Exchange Matters of Melco International

Under Practice Note 15 under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, this offering is deemed a “spin-off” transaction by Melco International for which Melco International requires approval by the Hong Kong Stock Exchange. On July 28, 2017, the Hong Kong Stock Exchange agreed that Melco International may proceed with the “spin-off” transaction. Pursuant to Practice Note 15, Melco International must make available to its shareholders an “assured entitlement” to a certain portion of our shares.

As our ordinary shares are not expected to be listed on any stock exchange, Melco International intends to effect the Assured Entitlement Distribution by providing to its shareholders a “distribution in specie,” or distribution of our ADSs in kind. The distribution will be made without any consideration being paid by Melco International’s shareholders. Melco International’s shareholders who are entitled to fractional ADSs, who elect to receive cash in lieu of ADSs and who are located in the United States or are U.S. persons, or are otherwise ineligible holders, will only receive cash in the Assured Entitlement Distribution.

Concurrently with this offering as a separate transaction, Melco International intends to purchase from us new SC Class A Shares needed for the distribution in specie at the public offering price per SC Class A Share, which is the public offering price per ADS divided by the number of SC Class A Shares represented by one ADS.

Melco International currently intends to provide an assured entitlement with an aggregate value of approximately US$[●] million. The Assured Entitlement Distribution will only be made if this offering is completed.

The purchase of SC Class A Shares and distribution in specie of ADSs by Melco International are not part of this offering.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

We derived the unaudited pro forma condensed consolidated financial information set forth below through the application of pro forma adjustments to our unaudited condensed consolidated balance sheet as of March 31, 2018 and our audited consolidated balance sheets as of December 31, 2017 and 2016, and our unaudited condensed consolidated statements of operations for the three months ended March 31, 2018 and 2017 and our audited consolidated statements of operations for the years ended December 31, 2017, 2016 and 2015 included elsewhere in this prospectus. Studio City International, MSC Cotai and each of their respective consolidated subsidiaries are under the common control of Melco Resorts, who collectively hold more than 50% of the voting and economic interest of these entities.

The following unaudited pro forma condensed consolidated financial information gives pro forma effect to the Organizational Transactions and related transactions as described in "Corporate History and Organizational Structure," as if all such transactions had occurred on January 1, 2015, and are based on available information and certain assumptions we believe are reasonable, but are subject to change. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited pro forma condensed financial statements.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the sections of this prospectus captioned "Corporate History and Organizational Structure," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this prospectus.

The unaudited pro forma condensed consolidated financial information was prepared in accordance with Article 11 of Regulation S-X. The unaudited pro forma condensed consolidated financial information is included for informational purposes only and does not purport to reflect the financial position or results of operations that would have occurred had we operated as a public company during the periods presented. The unaudited pro forma condensed consolidated financial information does not purport to be indicative of our financial position or results of operations had the Organizational Transactions and related transactions as described in "Corporate History and Organizational Structure" occurred on the date assumed. The unaudited pro forma condensed consolidated financial information also does not project our financial position or results of operations for any future period or date.

The pro forma adjustments principally give effect to:

- the completion of the following transactions, referred to collectively as the "Organizational Transactions":

  i) the amendment and restatement of the memorandum of association and articles of association of Studio City International to authorize two classes of ordinary shares, the SC Class A Shares and the SC Class B Shares. Each SC Class A Share and each SC Class B Share will entitle its holder to one vote on all matters to be voted on by shareholders generally and holders of SC Class A Shares and SC Class B Shares will vote together as a single class on all matters presented to the shareholders for vote or approval, except as otherwise required by applicable law or Studio City International's memorandum of association and articles of association. The SC Class A Shares and the SC Class B Shares will have the same rights, except that holders of the SC Class B Shares do not have any right to receive dividends or distributions upon the liquidation or winding up of Studio City International;

  ii) MCE Cotai's 60% equity interest in Studio City International will be reclassified into SC Class A Shares;

  iii) New Cotai's 40% equity interest in Studio City International will be exchanged for SC Class B Shares. New Cotai's SC Class B Shares have only voting and no economic rights and, through its SC Class B Shares, New Cotai will have a % voting and non-economic interest in Studio City International, which will control MSC Cotai;

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION—(Continued)

iv) In addition, New Cotai will have a non-voting, non-shareholding economic participation interest, or Participation Interest, in MSC Cotai. Immediately prior to this offering, the Participation Interest will entitle New Cotai to receive from MSC Cotai an amount equal to 66- ⅔% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to Studio City International, subject to adjustments, exceptions and conditions as set out in a participation agreement to be entered into by Studio City International, MSC Cotai and New Cotai, or the Participation Agreement. The Participation Agreement will also provide that New Cotai will be entitled to exchange all or a portion of its Participation Interest for a number of SC Class A Shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement. When New Cotai exchanges all or a portion of the Participation Interest for SC Class A Shares pursuant to the terms of exchange set forth in the Participation Agreement, a proportionate number of SC Class B Shares will be deemed surrendered and automatically cancelled for no consideration as set out in the Participation Agreement.

- the consolidation of MSC Cotai into Studio City International and its consolidated subsidiaries financial statements in accordance with Accounting Standards Codification ("ASC") 810 *Consolidation*, pursuant to which Studio City International will record a participation interest in relation to the Participation Interest of MSC Cotai as described above. The Participation Interest does not provide to New Cotai any preferential rights in MSC Cotai with respect to dividend and distribution rights, including distributions in the event of liquidation or dissolution. The option held by New Cotai to exchange the Participation Interest for SC Class A Shares and the surrender of SC Class B Shares is a feature embedded in an instrument issued by MSC Cotai that is a privately held enterprise. Therefore, the exchange right does not meet the definition of a derivative in accordance with ASC 815 *Derivatives and Hedging* to require bifurcation for separate accounting.

We have not made an adjustment for additional accounting, legal and information technology costs that we expect to incur as a result of being a public company. As a public company, we expect our general and administrative expenses to increase in an amount that we cannot determine at this time due to greater expenses related to corporate governance, SEC reporting and other compliance matters.

The unaudited pro forma condensed consolidated financial information presented assumes no exercise by New Cotai of the option to exchange all or a portion of the Participation Interest for SC Class A Shares pursuant to the Participation Agreement, and to surrender the proportionate number of SC Class B Shares.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 293,800	$ —		$ 293,800
Bank deposit with original maturity over three months	4,987	—		4,987
Restricted cash	72,479	—		72,479
Accounts receivable, net	2,008	—		2,008
Amounts due from affiliated companies	47,197	—		47,197
Inventories	10,058	—		10,058
Prepaid expenses and other current assets	16,550	—		16,550
Total current assets	447,079	—		447,079
PROPERTY AND EQUIPMENT, NET	2,249,032	—		2,249,032
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	60,191	—		60,191
RESTRICTED CASH	130	—		130
LAND USE RIGHT, NET	124,841	—		124,841
TOTAL ASSETS	$2,881,273	$ —		$2,881,273
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
CURRENT LIABILITIES				
Accounts payable	$ 4,630	$ —		$ 4,630
Accrued expenses and other current liabilities	103,013	—		103,013
Amounts due to affiliated companies	22,024	—		22,024
Total current liabilities	129,667	—		129,667
LONG-TERM DEBT, NET	2,001,255	—		2,001,255
OTHER LONG-TERM LIABILITIES	4,210	—		4,210
DEFERRED TAX LIABILITIES	581	—		581
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
Class A ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Class B ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Existing shareholders' equity	745,072	(745,072)	2(a)	—
Additional paid-in capital	—	[ ]	2(b)	[ ]
Accumulated other comprehensive income	488	—		488
Total shareholders' equity	745,560	[ ]		[ ]
PARTICIPATION INTEREST	—	[ ]	2(a)	[ ]
Total shareholders' equity and participation interest	745,560	[ ]		[ ]
TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST	$2,881,273	$ [ ]		$ [ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2017
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 348,399	$ —		$ 348,399
Bank deposits with original maturities over three months	9,884	—		9,884
Restricted cash	34,400	—		34,400
Accounts receivable, net	2,345	—		2,345
Amounts due from affiliated companies	37,826	—		37,826
Inventories	10,143	—		10,143
Prepaid expenses and other current assets	17,930	—		17,930
Total current assets	460,927	—		460,927
PROPERTY AND EQUIPMENT, NET	2,280,116	—		2,280,116
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	60,722	—		60,722
RESTRICTED CASH	130	—		130
LAND USE RIGHT, NET	125,672	—		125,672
TOTAL ASSETS	$2,927,567	$ —		$2,927,567
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
CURRENT LIABILITIES				
Accounts payable	$ 2,722	$ —		$ 2,722
Accrued expenses and other current liabilities	155,840	—		155,840
Amounts due to affiliated companies	19,508	—		19,508
Total current liabilities	178,070	—		178,070
LONG-TERM DEBT, NET	1,999,354	—		1,999,354
OTHER LONG-TERM LIABILITIES	9,512	—		9,512
DEFERRED TAX LIABILITIES	588	—		588
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
Class A ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Class B ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Existing shareholders' equity	739,555	(739,555)	2(a)	—
Additional paid-in capital	—	[ ]	2(b)	[ ]
Accumulated other comprehensive income	488	—		488
Total shareholders' equity	740,043	[ ]		[ ]
PARTICIPATION INTEREST	—	[ ]	2(a)	[ ]
Total shareholders' equity and participation interest	740,043	[ ]		[ ]
TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST	$2,927,567	$ [ ]		$ [ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2016
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 336,783	$ —		$ 336,783
Restricted cash	34,333	—		34,333
Accounts receivable, net	2,820	—		2,820
Amounts due from affiliated companies	1,578	—		1,578
Inventories	9,484	—		9,484
Prepaid expenses and other current assets	12,220	—		12,220
Total current assets	397,218	—		397,218
PROPERTY AND EQUIPMENT, NET	2,419,410	—		2,419,410
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	76,246	—		76,246
RESTRICTED CASH	130	—		130
LAND USE RIGHT, NET	128,995	—		128,995
TOTAL ASSETS	$3,021,999	$ —		$3,021,999
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
CURRENT LIABILITIES				
Accounts payable	$ 3,482	$ —		$ 3,482
Accrued expenses and other current liabilities	156,495	—		156,495
Amounts due to affiliated companies	33,462	—		33,462
Total current liabilities	193,439	—		193,439
LONG-TERM DEBT, NET	1,992,123	—		1,992,123
OTHER LONG-TERM LIABILITIES	19,130	—		19,130
DEFERRED TAX LIABILITIES	827	—		827
COMMITMENTS AND CONTINGENCIES				
SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST				
Class A ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Class B ordinary shares, par value $; shares authorized; shares issued and outstanding on a pro forma basis	—	[ ]	2(a)	[ ]
Existing shareholders' equity	815,992	(815,992)	2(a)	—
Additional paid-in capital	—	[ ]	2(b)	[ ]
Accumulated other comprehensive income	488	—		488
Total shareholders' equity	816,480	[ ]		[ ]
PARTICIPATION INTEREST	—	[ ]	2(a)	[ ]
Total shareholders' equity and participation interest	816,480	[ ]		[ ]
TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST	$3,021,999	$ [ ]		$ [ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
OPERATING REVENUES				
Provision of gaming related services	$ 98,401	$ —		$ 98,401
Rooms	21,833	—		21,833
Food and beverage	16,053	—		16,053
Entertainment	3,655	—		3,655
Services fee	9,651	—		9,651
Mall	6,434	—		6,434
Retail and other	872	—		872
Total revenues	156,899	—		156,899
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(5,495)	—		(5,495)
Rooms	(5,421)	—		(5,421)
Food and beverage	(13,905)	—		(13,905)
Entertainment	(3,341)	—		(3,341)
Mall	(3,134)	—		(3,134)
Retail and other	(653)	—		(653)
General and administrative	(31,942)	—		(31,942)
Pre-opening costs	(42)	—		(42)
Amortization of land use right	(831)	—		(831)
Depreciation and amortization	(41,648)	—		(41,648)
Property charges and other	(2,363)	—		(2,363)
Total operating costs and expenses	(108,775)	—		(108,775)
OPERATING INCOME	48,124	—		48,124
NON-OPERATING INCOME (EXPENSES)				
Interest income	743	—		743
Interest expenses	(38,080)	—		(38,080)
Amortization of deferred financing costs	(2,002)	—		(2,002)
Loan commitment fees	(103)	—		(103)
Foreign exchange gains, net	148	—		148
Other income, net	66	—		66
Total non-operating expenses, net	(39,228)	—		(39,228)
INCOME BEFORE INCOME TAX	8,896	—		8,896
INCOME TAX EXPENSE	(47)	—		(47)
NET INCOME	8,849	—		8,849
NET INCOME ATTRIBUTABLE TO PARTICIPATION INTEREST	—	[ ]	3(a)	[ ]
NET INCOME ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL	$ 8,849	$ [ ]		$ [ ]
EARNINGS PER CLASS A ORDINARY SHARE:				
Basic			3(b)	$ [ ]
Diluted			3(b)	$ [ ]
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN EARNINGS PER SHARE CALCULATION:				
Basic			3(b)	[ ]
Diluted			3(b)	[ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
OPERATING REVENUES				
Provision of gaming related services	$ 59,225	$ —		$ 59,225
Rooms	21,822	—		21,822
Food and beverage	14,818	—		14,818
Entertainment	4,863	—		4,863
Services fee	10,767	—		10,767
Mall	8,202	—		8,202
Retail and other	1,696	—		1,696
Total revenues	121,393	—		121,393
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(6,070)	—		(6,070)
Rooms	(5,437)	—		(5,437)
Food and beverage	(13,425)	—		(13,425)
Entertainment	(4,138)	—		(4,138)
Mall	(2,575)	—		(2,575)
Retail and other	(910)	—		(910)
General and administrative	(32,065)	—		(32,065)
Pre-opening costs	19	—		19
Amortization of land use right	(831)	—		(831)
Depreciation and amortization	(43,119)	—		(43,119)
Total operating costs and expenses	(108,551)	—		(108,551)
OPERATING INCOME	12,842	—		12,842
NON-OPERATING INCOME (EXPENSES)				
Interest income	245	—		245
Interest expenses	(38,079)	—		(38,079)
Amortization of deferred financing costs	(1,857)	—		(1,857)
Loan commitment fees	(103)	—		(103)
Foreign exchange gains, net	290	—		290
Other income, net	144	—		144
Total non-operating expenses, net	(39,360)	—		(39,360)
LOSS BEFORE INCOME TAX	(26,518)	—		(26,518)
INCOME TAX CREDIT	5	—		5
NET LOSS	(26,513)	—		(26,513)
NET LOSS ATTRIBUTABLE TO PARTICIPATION INTEREST	—	[ ]	3(a)	[ ]
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL	$ (26,513)	$ [ ]		$ [ ]
LOSS PER CLASS A ORDINARY SHARE:				
Basic and diluted			3(b)	$ [ ]
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN LOSS PER SHARE CALCULATION:				
Basic and diluted			3(b)	[ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
OPERATING REVENUES				
Provision of gaming related services	$ 295,638	$ —		$ 295,638
Rooms	88,699	—		88,699
Food and beverage	60,705	—		60,705
Entertainment	18,534	—		18,534
Services fee	39,971	—		39,971
Mall	29,498	—		29,498
Retail and other	6,769	—		6,769
Total revenues	539,814	—		539,814
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(24,019)	—		(24,019)
Rooms	(21,750)	—		(21,750)
Food and beverage	(54,266)	—		(54,266)
Entertainment	(16,364)	—		(16,364)
Mall	(9,098)	—		(9,098)
Retail and other	(4,750)	—		(4,750)
General and administrative	(130,465)	—		(130,465)
Pre-opening costs	(116)	—		(116)
Amortization of land use right	(3,323)	—		(3,323)
Depreciation and amortization	(173,003)	—		(173,003)
Property charges and other	(22,210)	—		(22,210)
Total operating costs and expenses	(459,364)	—		(459,364)
OPERATING INCOME	80,450	—		80,450
NON-OPERATING INCOME (EXPENSES)				
Interest income	2,171	—		2,171
Interest expenses	(152,318)	—		(152,318)
Amortization of deferred financing costs	(7,600)	—		(7,600)
Loan commitment fees	(419)	—		(419)
Foreign exchange gains, net	466	—		466
Other income, net	574	—		574
Total non-operating expenses, net	(157,126)	—		(157,126)
LOSS BEFORE INCOME TAX	(76,676)	—		(76,676)
INCOME TAX CREDIT	239	—		239
NET LOSS	(76,437)	—		(76,437)
NET LOSS ATTRIBUTABLE TO PARTICIPATION INTEREST	—	[ ]	3(a)	[ ]
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL	$ (76,437)	$ [ ]		$ [ ]
LOSS PER CLASS A ORDINARY SHARE:				
Basic and diluted			3(b)	$ [ ]
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN LOSS PER SHARE CALCULATION:				
Basic and diluted			3(b)	[ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
OPERATING REVENUES				
Provision of gaming related services	$ 151,597	$ —		$ 151,597
Rooms	84,643	—		84,643
Food and beverage	61,536	—		61,536
Entertainment	35,155	—		35,155
Services fee	51,842	—		51,842
Mall	34,020	—		34,020
Retail and other	5,738	—		5,738
Total revenues	424,531	—		424,531
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(25,332)	—		(25,332)
Rooms	(22,752)	—		(22,752)
Food and beverage	(62,200)	—		(62,200)
Entertainment	(41,432)	—		(41,432)
Mall	(11,083)	—		(11,083)
Retail and other	(3,696)	—		(3,696)
General and administrative	(135,071)	—		(135,071)
Pre-opening costs	(4,044)	—		(4,044)
Amortization of land use right	(3,323)	—		(3,323)
Depreciation and amortization	(168,539)	—		(168,539)
Property charges and other	(1,825)	—		(1,825)
Total operating costs and expenses	(479,297)	—		(479,297)
OPERATING LOSS	(54,766)	—		(54,766)
NON-OPERATING INCOME (EXPENSES)				
Interest income	1,152	—		1,152
Interest expenses	(133,610)	—		(133,610)
Amortization of deferred financing costs	(25,626)	—		(25,626)
Loan commitment fees	(1,647)	—		(1,647)
Foreign exchange losses, net	(3,445)	—		(3,445)
Other income, net	1,163	—		1,163
Loss on extinguishment of debt	(17,435)	—		(17,435)
Costs associated with debt modification	(8,101)	—		(8,101)
Total non-operating expenses, net	(187,549)	—		(187,549)
LOSS BEFORE INCOME TAX	(242,315)	—		(242,315)
INCOME TAX EXPENSE	(474)	—		(474)
NET LOSS	(242,789)	—		(242,789)
NET LOSS ATTRIBUTABLE TO PARTICIPATION INTEREST	—	[ ]	3(a)	[ ]
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL	$ (242,789)	$ [ ]		$ [ ]
LOSS PER CLASS A ORDINARY SHARE:				
Basic and diluted			3(b)	$ [ ]
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN LOSS PER SHARE CALCULATION:				
Basic and diluted			3(b)	[ ]

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In thousands of U.S. dollars, except share and per share data)

	Before Pro Forma Adjustments	Organizational Transactions Adjustments		After Pro Forma Adjustments
OPERATING REVENUES				
Provision of gaming related services	$ 21,427	$ —		$ 21,427
Rooms	14,417	—		14,417
Food and beverage	9,457	—		9,457
Entertainment	6,730	—		6,730
Services fee	7,968	—		7,968
Mall	6,999	—		6,999
Retail and other	2,336	—		2,336
Total revenues	69,334	—		69,334
OPERATING COSTS AND EXPENSES				
Provision of gaming related services	(462)	—		(462)
Rooms	(4,113)	—		(4,113)
Food and beverage	(12,549)	—		(12,549)
Entertainment	(7,404)	—		(7,404)
Mall	(3,653)	—		(3,653)
Retail and other	(579)	—		(579)
General and administrative	(34,245)	—		(34,245)
Pre-opening costs	(153,515)	—		(153,515)
Amortization of land use right	(9,909)	—		(9,909)
Depreciation and amortization	(31,056)	—		(31,056)
Property charges and other	(1,126)	—		(1,126)
Total operating costs and expenses	(258,611)	—		(258,611)
OPERATING LOSS	(189,277)	—		(189,277)
NON-OPERATING INCOME (EXPENSES)				
Interest income	4,641	—		4,641
Interest expenses, net of capitalized interest	(23,285)	—		(23,285)
Amortization of deferred financing costs	(16,295)	—		(16,295)
Loan commitment fees	(1,794)	—		(1,794)
Foreign exchange gains, net	435	—		435
Other income, net	379	—		379
Costs associated with debt modification	(7,011)	—		(7,011)
Total non-operating expenses, net	(42,930)	—		(42,930)
LOSS BEFORE INCOME TAX	(232,207)	—		(232,207)
INCOME TAX EXPENSE	(353)	—		(353)
NET LOSS	(232,560)	—		(232,560)
NET LOSS ATTRIBUTABLE TO PARTICIPATION INTEREST	—	[ ]	3(a)	[ ]
NET LOSS ATTRIBUTABLE TO STUDIO CITY INTERNATIONAL	$ (232,560)	$ [ ]		$ [ ]
LOSS PER CLASS A ORDINARY SHARE:				
Basic and diluted			3(b)	$ [ ]
WEIGHTED AVERAGE CLASS A ORDINARY SHARES OUTSTANDING USED IN LOSS PER SHARE CALCULATION:				
Basic and diluted			3(b)	[ ]

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data)

1. BASIS OF PRESENTATION

The unaudited pro forma condensed consolidated financial statements are derived through the application of pro forma adjustments to the unaudited condensed consolidated balance sheet as of March 31, 2018 and the audited consolidated balance sheets as of December 31, 2017 and 2016, and the unaudited condensed consolidated statements of operations for the three months ended March 31, 2018 and 2017 and the audited consolidated statements of operations for the years ended December 31, 2017, 2016 and 2015 of Studio City International included elsewhere in this prospectus. The accompanying unaudited pro forma condensed consolidated financial information gives pro forma effect to the Organizational Transactions and related transactions as described in "Corporate History and Organizational Structure," as if all such transactions had occurred on January 1, 2015, and are based on available information and certain assumptions we believe are reasonable, but are subject to change. All pro forma adjustments and their underlying assumptions are described in Note 2 and Note 3 to the unaudited pro forma condensed financial statements.

2. UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS ADJUSTMENTS

The unaudited pro forma condensed consolidated balance sheet reflects the effect of the following pro forma adjustments:

(a) Reflect the Organizational Transactions and related transactions, as described in "Corporate History and Organizational Structure," including:

i) the amendment and restatement of the memorandum of association and articles of association of Studio City International to authorize two classes of ordinary shares, the SC Class A Shares and the SC Class B Shares. Each SC Class A Share and each SC Class B Share will entitle its holder to one vote on all matters to be voted on by shareholders generally and holders of SC Class A Shares and SC Class B Shares will vote together as a single class on all matters presented to the shareholders for vote or approval, except as otherwise required by applicable law or Studio City International's memorandum of association and articles of association. Holders of the SC Class B Shares do not have any right to receive dividends or distributions upon the liquidation or winding up of Studio City International;

ii) MCE Cotai's 60% equity interest in Studio City International will be reclassified into SC Class A Shares;

iii) New Cotai's 40% equity interest in Studio City International will be exchanged for SC Class B Shares. New Cotai's SC Class B Shares have only voting and no economic rights and, through its SC Class B Shares, New Cotai will have a % voting and non-economic interest in Studio City International, which will control MSC Cotai; and

(iv) in addition, New Cotai will have a non-voting, non-shareholding economic participation interest, or Participation Interest, in MSC Cotai.

Immediately prior to this offering, the Participation Interest will entitle New Cotai to receive from MSC Cotai an amount equal to 66 ⅔% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to Studio City International, subject to adjustments, exceptions and conditions as set out in the Participation Agreement. The Participation Agreement will also provide that New Cotai will be entitled to exchange all or a portion of its Participation Interest for a number of SC Class A Shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement. The Participation Interest to be held by New Cotai does not confer on New Cotai any right to participate in the management of the MSC Cotai nor does it confer on New Cotai any voting or other shareholders' rights in MSC Cotai. The Participation Interest to be held by New Cotai solely confers a right to participate in the profits and losses of MSC Cotai as set out in the Participation Agreement.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

(b) In connection with the Organizational Transactions and related transactions, as described in "Corporate History and Organizational Structure," the following pro forma adjustments were recorded to additional paid-in capital:

Par value of Class A ordinary shares issued	$
Par value of Class B ordinary shares issued	
Participation Interest of MSC Cotai	
	$

(c) After the Organizational Transactions and related transactions, as described in "Corporate History and Organizational Structure," we will own all MSC Cotai Shares, representing 100% of the outstanding equity interests in MSC Cotai and 100% of the voting power in MSC Cotai and we will have full control of the management of MSC Cotai. Therefore, pursuant to ASC 810 *Consolidation*, we will consolidate the financial results of MSC Cotai into our financial statements. The Participation Interest for SC Class A Shares will be accounted for as participation interest in our financial statements after the Organizational Transactions and related transactions.

3. UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS ADJUSTMENTS

The unaudited pro forma condensed consolidated statement of operations reflects the effect of the following pro forma adjustments:

(a) After the Organizational Transactions and related transactions, as described in "Corporate History and Organizational Structure," the Participation Interest will entitle New Cotai to receive from MSC Cotai an amount equal to 66 ⅔% of the amount of any distribution, dividend or other consideration paid by MSC Cotai to Studio City International, subject to adjustments, exceptions and conditions as set out in the Participation Agreement.

(b) Basic and diluted pro forma earnings (loss) per SC Class A Share does not include SC Class B Shares as these shares do not participate in the earnings (loss) of Studio City International. As a result, SC Class B Shares are not considered participating securities and are not included in the weighted average shares outstanding for purposes of computing pro forma earnings (loss) per share. Diluted pro forma earnings per share is calculated using the if-converted method for the exchange of SC Class B Shares for the proportionate number of SC Class A Shares.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected historical consolidated statements of operations data for the years ended December 31, 2017, 2016 and 2015 and selected historical consolidated balance sheets data as of December 31, 2017 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. The consolidated statements of operations data for the three months ended March 31, 2018 and 2017 and selected consolidated balance sheet data as of March 31, 2018 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements, except for the adoption of the New Revenue Standard using the modified retrospective method on January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our financial position as of March 31, 2018 and our results of operations and cash flows for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard. The unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the periods presented. Our consolidated statement of operations data for the year ended December 31, 2014 and our selected consolidated balance sheet data as of December 31, 2015 have been derived from our audited consolidated financial statements which are not included in this prospectus. The consolidated statement of operations data for the year ended December 31, 2013 and the selected consolidated balance sheets data as of December 31, 2014 and 2013 were not included in this section because Studio City did not commence operations until October 2015. Our historical results are not necessarily indicative of results expected for future periods. You should read this "Selected Historical Consolidated Financial and Operating Data" section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018(2)	2017
	(US$ thousands, except for share and per share data)					
Consolidated Statements of Operations Data:						
Operating revenues:						
Provision of gaming related services	295,638	151,597	21,427	—	98,401	59,225
Rooms	88,699	84,643	14,417	—	21,833	21,822
Food and beverage	60,705	61,536	9,457	—	16,053	14,818
Entertainment	18,534	35,155	6,730	—	3,655	4,863
Services fee	39,971	51,842	7,968	—	9,651	10,767
Mall	29,498	34,020	6,999	—	6,434	8,202
Retail and other	6,769	5,738	2,336	1,767	872	1,696
Total revenues	539,814	424,531	69,334	1,767	156,899	121,393
Operating costs and expenses:						
Provision of gaming related services	(24,019)	(25,332)	(462)	—	(5,495)	(6,070)
Rooms	(21,750)	(22,752)	(4,113)	—	(5,421)	(5,437)
Food and beverage	(54,266)	(62,200)	(12,549)	—	(13,905)	(13,425)
Entertainment	(16,364)	(41,432)	(7,404)	—	(3,341)	(4,138)
Mall	(9,098)	(11,083)	(3,653)	—	(3,134)	(2,575)
Retail and other	(4,750)	(3,696)	(579)	—	(653)	(910)
General and administrative	(130,465)	(135,071)	(34,245)	(3,071)	(31,942)	(32,065)
Pre-opening costs	(116)	(4,044)	(153,515)	(14,951)	(42)	19
Amortization of land use right	(3,323)	(3,323)	(9,909)	(12,104)	(831)	(831)
Depreciation and amortization	(173,003)	(168,539)	(31,056)	(26)	(41,648)	(43,119)
Property charges and other	(22,210)	(1,825)	(1,126)	—	(2,363)	—

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018(2)	2017
	(US$ thousands, except for share and per share data)					
Total operating costs and expenses	(459,364)	(479,297)	(258,611)	(30,152)	(108,775)	(108,551)
Operating income (loss)	80,450	(54,766)	(189,277)	(28,385)	48,124	12,842
Non-operating income (expenses):						
Interest income	2,171	1,152	4,641	8,901	743	245
Interest expenses, net of capitalized interest	(152,318)	(133,610)	(23,285)	(18,047)	(38,080)	(38,079)
Amortization of deferred financing costs	(7,600)	(25,626)	(16,295)	(10,642)	(2,002)	(1,857)
Loan commitment fees	(419)	(1,647)	(1,794)	(15,153)	(103)	(103)
Foreign exchange gains (losses), net	466	(3,445)	435	(2,710)	148	290
Other income, net	574	1,163	379	—	66	144
Loss on extinguishment of debt	—	(17,435)	—	—	—	—
Costs associated with debt modification	—	(8,101)	(7,011)	—	—	—
Total non-operating expenses, net	(157,126)	(187,549)	(42,930)	(37,651)	(39,228)	(39,360)
(Loss) income before income tax	(76,676)	(242,315)	(232,207)	(66,036)	8,896	(26,518)
Income tax credit (expense)	239	(474)	(353)	—	(47)	5
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
(Loss) earnings per share:						
Basic and diluted	(4,217)	(13,393)	(12,829)	(4,190)	488	(1,463)
Weighted average shares outstanding used in (loss) earnings per share calculation:						
Basic and diluted	18,127.94	18,127.94	18,127.94	15,759.02	18,127.94	18,127.94

(1) We commenced operations in October 2015.
(2) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

	As of December 31,			As of March 31,
	2017	2016	2015	2018(1)
	(US$ thousands)			
Selected Consolidated Balance Sheets Data:				
Total current assets	460,927	397,218	661,074	447,079
Cash and cash equivalents	348,399	336,783	285,067	293,800
Bank deposits with original maturities over three months	9,884	—	—	4,987
Restricted cash	34,400	34,333	301,096	72,479
Amounts due from affiliated companies	37,826	1,578	40,837	47,197
Total non-current assets	2,466,640	2,624,781	2,731,509	2,434,194
Property and equipment, net	2,280,116	2,419,410	2,518,578	2,249,032
Land use right, net	125,672	128,995	132,318	124,841
Restricted cash	130	130	—	130
Total assets	2,927,567	3,021,999	3,392,583	2,881,273
Total current liabilities	178,070	193,439	327,213	129,667
Accrued expenses and other current liabilities	155,840	156,495	214,004	103,013
Current portion of long-term debt, net	—	—	74,630	—
Amounts due to affiliated companies	19,508	33,462	34,763	22,024
Long-term debt, net	1,999,354	1,992,123	1,982,573	2,001,255
Other long-term liabilities	9,512	19,130	23,097	4,210
Total liabilities	2,187,524	2,205,519	2,333,236	2,135,713
Total shareholders' equity(1)	740,043	816,480	1,059,347	745,560
Total liabilities and shareholders' equity(1)	2,927,567	3,021,999	3,392,583	2,881,273

(1) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018 and recognized an increase in opening balance of accumulated losses of US$3.3 million due to the cumulative effect of adopting the New Revenue Standard. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted EBITDA, a non-GAAP financial measure, as described below, to understand and evaluate our core operating performance. This non-GAAP financial measure, which may differ from similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, other non-operating income and expenses. We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results. This non-GAAP financial measure eliminates the impact of items that we do not consider indicative of the performance of our business. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. It should not be considered in isolation or construed as an alternative to net income/loss, cash flow or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

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

The table below presents the reconciliation of net (loss) income to adjusted EBITDA for the periods indicated.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(2)	2014(2)	2018(3)	2017
	(US$ thousands)					
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
Income tax (credit) expense	(239)	474	353	—	47	(5)
Interest and other non-operating expenses, net	157,126	187,549	42,930	37,651	39,228	39,360
Property charges and other	22,210	1,825	1,126	—	2,363	—
Depreciation and amortization	176,326	171,862	40,965	12,130	42,479	43,950
Pre-opening costs	116	4,044	153,515	14,951	42	(19)
Adjusted EBITDA	279,102	122,965	6,329	(1,304)	93,008	56,773
Adjusted EBITDA margin(1)	51.7%	29.0%	9.1%	N/A	59.3%	46.8%

(1) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenues.
(2) We commenced operations in October 2015.
(3) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations and Adjusted EBITDA for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

Key Operating Data

The following table presents the key operating data at Studio City for the periods indicated since the commencement of its operation on October 27, 2015.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2017	2016	2015	2018	2017
Selected Key Operating Data					
Mass market table games					
Mass market table games drop (US$ million)	2,913.0	2,480.0	365.3	825.2	656.3
Mass market table games hold percentage	26.1%	24.7%	22.4%	27.4%	26.4%
Mass market table games gross gaming revenue(1) (US$ million)	759.1	611.6	81.8	226.3	173.2
Gaming machine					
Gaming machine handle (US$ million)	2,120.5	2,002.3	264.9	581.6	497.4
Gaming machine win rate	3.7%	3.8%	4.9%	3.7%	3.7%
Gaming machine gross gaming revenue(2) (US$ million)	78.2	76.0	12.9	21.2	18.4
Average net win per gaming machine per day (US$)	225	189	168	250	211
VIP rolling chip(3)					
VIP rolling chip volume (US$ million)	19,003.9	1,343.6	—	6,630.8	3,553.9
VIP rolling chip win rate	3.16%	1.39%	—	2.68%	2.39%
VIP rolling chip gross gaming revenue(4) (US$ million)	600.8	18.6	—	178.0	84.8
Hotel					
Average daily rate (US$)	140	136	136	139	139
REVPAR (US$)	138	133	133	139	138
Occupancy rate	99%	98%	98%	100%	99%

(1) Mass market table games gross gaming revenue is calculated by multiplying mass market table games drop by mass market table games hold percentage.
(2) Gaming machine gross gaming revenue is calculated by multiplying gaming machine handle by gaming machine win rate.
(3) VIP rolling chip operations commenced in November 2016.
(4) VIP rolling chip gross gaming revenue is calculated by multiplying VIP rolling chip volume by VIP rolling chip win rate.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated historical financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

Studio City is a world-class gaming, retail and entertainment resort located in Cotai, Macau. Studio City Casino has 250 mass market gaming tables and approximately 970 gaming machines, which we believe provide higher margins and attractive long-term growth opportunities. The mass market focus of Studio City Casino is complemented with junket and premium direct VIP rolling chip operations, which include 45 VIP rolling chip tables. Our cinematically-themed integrated resort is designed to attract a wide range of customers by providing highly differentiated non-gaming attractions, including the world's first figure-8 Ferris wheel, a Warner Bros.-themed family entertainment center, a 4-D Batman flight simulator, an exclusive night club and a 5,000-seat live performance arena. Studio City features approximately 1,600 luxury hotel rooms, diverse food and beverage establishments and approximately 35,000 square meters of complementary retail space. Studio City was named *Casino/Integrated Resort of the Year* in 2016 by the International Gaming Awards.

Studio City is rapidly ramping up since commencing operations in October 2015. We have grown total revenues from US$69.3 million in 2015 to US$424.5 million in 2016 and further to US$539.8 million in 2017, and generated net losses of US$232.6 million, US$242.8 million and US$76.4 million, respectively, for these periods. We increased our adjusted EBITDA from US$6.3 million in 2015 to US$123.0 million in 2016 and further to US$279.1 million in 2017, and expanded our adjusted EBITDA margin from 9.1% to 29.0% and further to 51.7%, respectively, for these periods. Our total revenues increased from US$121.4 million in the three months ended March 31, 2017 to US$156.9 million in the three months ended March 31, 2018 and we had net loss of US$26.5 million in the three months ended March 31, 2017 and net income of US$8.8 million in the three months ended March 31, 2018. Our adjusted EBITDA increased from US$56.8 million in the three months ended March 31, 2017 to US$93.0 million in the three months ended March 31, 2018 and our adjusted EBITDA margin expanded from 46.8% to 59.3% in these periods, respectively.

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

Major Factors Affecting Our Results of Operations

Our historical operating results may not be indicative of future operating results because prior to October 2015 when Studio City commenced operations, activities undertaken had been primarily related to our early development and construction of Studio City. We currently derive a significant portion of our revenues from the provision of services in connection with the operation of Studio City Casino, and our remaining revenues from other non-gaming operations of Studio City, including the hotel, food and beverage, entertainment, mall, services fee and retail and other. As our business develops, we expect our revenues derived from the provision of services at Studio City Casino to increase in proportion to our revenues from other sources and expect the expenses we incur to be primarily related to the operation of Studio City.

Our results of operations are directly affected by certain factors specific to us, including the following:

Overall Economic Environment and Growth in the Gaming and Tourism Market in Macau

The performance of the gaming and tourism industries in Macau is impacted by a range of factors, including overall global economic development, credit markets and consumer spending trends. Income and spending levels of visitors from various regions in Asia, in particular those from mainland China, are key factors in the development of these industries. We believe that visitation and gaming revenue for the Macau market have been, and will continue to be, driven by the rise of the wealthier demographic in China. Our operations can also be impacted by the ability of Chinese citizens to access large sums of foreign currency and the Chinese government's visa policies. However, the Chinese and Macau governments' development plans and policies for the region, including improved transportation and infrastructure connecting Macau with mainland China and fewer restrictions on travel to Macau from mainland China, are expected to boost the future development of gaming and tourism industries in Macau.

Continued Ramp-up and Development of Studio City

Studio City remains in its ramp-up period. Since Studio City started operations in October 2015, it did not have any material financial results in the first nine months of 2015. Our operating costs, including staffing costs and marketing expenses, will continue to increase in line with our continued ramp-up.

As part of our business development initiatives, we launched marketing campaigns and incentive programs to drive up visitation and increase awareness. We believe these programs, along with the improving transportation infrastructure, and increasing gaming facilities, food and beverage selections, entertainment options and retail offerings will enable us to attract more customers to our property and thereby increase our revenue. However, notwithstanding our management's efforts to increase demand for our services and optimize the operations of Studio City, we have only been in operation for a short period of time, and factors affecting our operations, including factors not currently known to us, may present challenges to further develop our businesses in a manner that is consistent with our current plans and expectations. If the ramp-up is not as successful as we expected, there may be a significant impact on our results of operations and financial condition.

Our plan for the remaining project remains at an early stage, and is subject to various conditions. We may include in the remaining project a hotel and related amenities. We expect to have significant capital expenditures in the future if we continue to expand our existing operations at Studio City and develop the remaining project. As we continue to develop the remaining project, we may need to incur additional indebtedness, which could affect our interest expenses and financing costs and result in an increase in depreciation and amortization expenses.

Our Relationship with Melco Resorts

We have entered into arrangements with certain subsidiaries of Melco Resorts, our controlling shareholder, to manage the Studio City Casino under the Services and Right to Use Arrangements and conduct management and shared services related to our operations under the Management and Shared Services Arrangements. See "Business—Our Relationship with Melco Resorts." Pursuant to the Services and Right to Use Arrangements, the Gaming Operator manages the casino operations and performs marketing, advertising, player development and other programs as provided under the arrangements. The Gaming Operator deducts the relevant gaming tax and the costs incurred in connection with its operation, including retail value of the complimentary rooms, food and beverage and entertainment services provided to gaming patrons at Studio City, gaming staff costs and other gaming related costs from the gross gaming revenues. We receive the residual gross gaming revenues and recognize these amounts as revenues from provision of gaming related services. For details of the terms of the Services and Right to Use Arrangements, see "Related Party Transactions—Material Contracts with Affiliated Companies—Services and Right to Use Arrangements."

In addition, there are various other related party transactions between Melco Resorts and its subsidiaries and us, which comprise a significant part of our financial results. Under the Management and Shared Services Arrangements, we receive services from the Master Service Providers, including operational management services and general corporate services, such as payroll, human resources, information technology, marketing, accounting and legal services. We also provide certain shared administrative services and shuttle bus transportation services to Studio City Casino. We believe that these shared services are beneficial in comparison to the cost and terms for similar services that we could negotiate on a stand-alone basis. See "Risk Factors—Risks Relating to Our Business—The costs associated with the Services and Right to Use Arrangements and the Management and Shared Services Arrangements may not be indicative of the actual costs we could have incurred as an independent company," "Risk Factors—Risks Relating to Our Relationship with Melco Resorts—Studio City Casino is subject to operational risks commonly faced by other gaming facilities in Macau" and "Related Party Transactions."

Competitive Landscape

The markets for gaming, hotel and other entertainment facilities in Macau are rapidly evolving. Macau has undergone significant expansion since the liberalization of Macau's gaming industry in 2002 with several world-class integrated resorts opening with a significant increase in the number of hotel rooms and other non-gaming amenities which enhances the appeal of Macau as a tourism destination, promotes visitation and expands the duration of visitors' stay. Currently, there are six gaming operators in Macau, three concessionaires and three subconcessionaires. The three concessionaires are SJM, Wynn Resorts Macau and Galaxy. The three subconcessionaires are Melco Resorts Macau, MGM Grand and Venetian Macau, respectively. As of March 31, 2018, there were 41 casinos, 6,586 gaming tables and 17,205 slot machines in Macau according to the DICJ.

Regionally, countries such as Singapore, Malaysia, South Korea, the Philippines, Vietnam, Cambodia, Australia, New Zealand and Japan have opened, or are considering opening, gaming and non-gaming entertainment facilities, which has increased, and will continue to increase, the overall level of competition. We compete to some extent with these destinations.

Competition affects our ability to attract more patrons to Studio City's gaming and non-gaming facilities, and affects the price of our services, the level of our promotional activities, our operational and marketing costs and results of operations in general. See "Risk Factors—Risks Relating to Operating in the Gaming Industry in Macau—Studio City Casino faces intense competition in the gaming industry of Macau and elsewhere in Asia, and it may not be able to compete successfully."

Finance Costs and Access to Financing

Our continued need to service our outstanding indebtedness which, as of March 31, 2018, amounted to US$2,025.1 million, affects our finance costs and our cash flow. Moreover, since we are still in the ramp-up period, our access to additional financing and our ability to obtain additional financing is key to our ability to fund our capital expenditures in the further development of Studio City. Our existing indebtedness also include covenants that restrict our ability to incur additional indebtedness.

Mix of Gaming Segments

Our results of operations are also affected by changes in the number and mix of mass market gaming tables, gaming machines and VIP rolling chip tables at Studio City Casino. In general, mass market segment has a higher margin than VIP rolling chip segment due to its lower cost structure, which is mainly impacted by junket operator commissions and higher player concessions. Studio City Casino launched its VIP rolling chip operations in November 2016 to broaden its gaming offerings and diversify its revenue base. As different market segments and operating formats have different revenue generation and cost structures, changes in the mix of gaming tables and gaming machines may impact the revenue we receive from the Gaming Operator or our costs and expenses,

and thus our operating margins. We and the Gaming Operator may continue to alter the number and mix of mass market gaming tables, gaming machines and VIP rolling chip tables from time to time in response to market demand and industry competition.

Description of Certain Statements of Operations Items

Revenues

We currently generate revenues primarily from the provision of gaming related services to the Gaming Operator which operates Studio City Casino, and non-gaming revenues. The table below sets forth the breakdown of our revenues, both in absolute amount and as a percentage of total revenues, for the periods indicated.

	For the Year Ended December 31,								For the Three Months Ended March 31,			
	2017		2016		2015(1)		2014(1)		2018(2)		2017	
	US$	%	US$	%	US$	%	US$	%	US$	%	US$	%
	(US$ thousands, except for percentages)											
Provision of gaming related services	295,638	54.8	151,597	35.7	21,427	30.9	—	—	98,401	62.7	59,225	48.8
Rooms	88,699	16.4	84,643	19.9	14,417	20.8	—	—	21,833	13.9	21,822	18.0
Food and beverage	60,705	11.2	61,536	14.5	9,457	13.6	—	—	16,053	10.2	14,818	12.2
Entertainment	18,534	3.4	35,155	8.3	6,730	9.7	—	—	3,655	2.3	4,863	4.0
Services fee	39,971	7.4	51,842	12.2	7,968	11.5	—	—	9,651	6.2	10,767	8.9
Mall	29,498	5.5	34,020	8.0	6,999	10.1	—	—	6,434	4.1	8,202	6.7
Retail and other	6,769	1.3	5,738	1.4	2,336	3.4	1,767	100.0	872	0.6	1,696	1.4
Total revenues	539,814	100.0	424,531	100.0	69,334	100.0	1,767	100.0	156,899	100.0	121,393	100.0

(1) We commenced operations in October 2015.
(2) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our total revenues and the respective revenue for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

Revenues from Provision of Gaming Related Services

We started to generate revenues from provision of gaming related services in October 2015 when we commenced operations. Revenues from provision of gaming related services are derived from the provision of facilities for the operations of Studio City Casino by the Gaming Operator and services related thereto pursuant to the Services and Right to Use Arrangements. Pursuant to the Services and Right to Use Arrangements, the Gaming Operator is responsible for the operation of Studio City Casino and deducts gaming tax imposed on the gross gaming revenues as described under "Regulation—The Gaming Operator's Subconcession—The Concession Regime" and its costs incurred in connection with the operation of Studio City Casino from the gross gaming revenues. Such costs of operations of Studio City Casino include (i) retail value of the complimentary services (including rooms, food and beverage and entertainment services) provided by us to Studio City Casino's gaming patrons; (ii) shared administrative services and shuttle bus transportation services provided to Studio City Casino by us; (iii) gaming-related staff costs; and (iv) other gaming related costs including the costs related to the VIP operations at Studio City Casino under the Services and Right to Use Arrangements. The costs related to the VIP operations at Studio City Casino under the Services and Right to Use Arrangements are calculated monthly by multiplying (a) the ratio of the Gaming Operator's average number of VIP tables operating at Studio City Casino for a calendar month to the total number of VIP tables operated by the Gaming Operator at its major gaming areas (including Studio City Casino) for the same calendar month by (b) 7% of the Gaming Operator's VIP gaming revenue from the major gaming areas it operates (including Studio City Casino). The deductions for the costs of operations relating to the VIP operations at Studio City Casino under the Services and Right to Use Arrangements cannot exceed 50% of Studio City Casino's VIP EBITDA (as defined under the relevant

arrangements). The residual amount following such various deductions is transferred to us as our revenues for provision of gaming related services.

Studio City Casino's gross gaming revenues, consisting of mass market table games revenue, gaming machine revenue and VIP rolling chip revenue. The table below sets forth Studio City Casino's gross gaming revenues by nature for the periods indicated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2017	2016	2015	2018	2017
			(US$ millions)		
Mass market table games revenue	759.1	611.6	81.8	226.3	173.2
Gaming machine revenue	78.2	76.0	12.9	21.2	18.4
VIP rolling chip revenue	600.8	18.6	—	178.0	84.8
Total gross gaming revenues	1,438.1	706.2	94.7	425.5	276.4

After the Gaming Operator deducted gaming tax and the costs incurred in connection with its operation of Studio City Casino from the gross gaming revenues, we recognized revenues from provision of gaming related services of US$295.6 million, US$151.6 million and US$21.4 million in 2017, 2016 and 2015, respectively, representing 20.6%, 21.5% and 22.6% of Studio City Casino's gross gaming revenues in 2017, 2016 and 2015, respectively, and of US$98.4 million and US$59.2 million in the three months ended March 31, 2018 and 2017, respectively, representing 23.1% and 21.4% of Studio City Casino's gross gaming revenues in the same periods, respectively.

Non-gaming Revenues

Our differentiated non-gaming amenities complement the gaming operations and attract a diverse range of customers. Studio City features approximately 1,600 hotel rooms, over 20 food and beverage outlets, approximately 35,000 square meters of themed retail space and a variety of cinematically-themed attractions. We started to generate non-gaming revenues from our intended business since the commencement of operations in October 2015. Below sets forth Studio City's non-gaming revenues by nature:

Room revenues. We generated room revenues from Studio City hotel consisting of Celebrity Tower with 996 rooms and all-suite Star Tower with 602 rooms. Our room revenues accounted for 16.4%, 19.9% and 20.8% of our revenues during 2017, 2016 and 2015, respectively, and 13.9% and 18.0% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Food and beverage revenues. We generated food and beverage revenues from a broad range of international restaurants, cafes and bars and lounges with over 20 food and beverage venues located throughout the property. Our food and beverage revenues accounted for 11.2%, 14.5% and 13.6% of our revenues during 2017, 2016 and 2015, respectively, and 10.2% and 12.2% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Entertainment revenues. We generated entertainment revenues from Studio City's cinematically-themed entertainment offerings, including a variety of cinematically-themed attractions, an exclusive night club and concerts held in the Studio City Event Center. Our entertainment revenues accounted for 3.4%, 8.3% and 9.7% of our revenues during 2017, 2016 and 2015, respectively, and 2.3% and 4.0% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Services fee revenues. Our services fee revenues primarily consist of certain shared administrative services and shuttle bus transportation services to Studio City Casino. See "Related Party Transactions—Transactions with Affiliated Companies." Our services fee revenues accounted for 7.4%, 12.2% and 11.5% of our revenues during 2017, 2016 and 2015, respectively, and 6.2% and 8.9% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Mall revenues. We generated mall revenues from operating and right to use fee income for mall spaces in Studio City. Our mall revenues accounted for 5.5%, 8.0% and 10.1% of our revenues during 2017, 2016 and 2015, respectively, and 4.1% and 6.7% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Retail and other revenues. Retail and other revenues mainly consist of revenues from self-operated retail outlets and accounted for 1.3%, 1.4% and 3.4% of our revenues during 2017, 2016 and 2015, respectively, and 0.6% and 1.4% of our revenues in the three months ended March 31, 2018 and 2017, respectively.

Our non-gaming revenues include the retail value of complimentary services (including rooms, food and beverage and entertainment services) provided to Studio City Casino's gaming patrons and are charged to Studio City Casino. In addition, non-gaming revenues also include services fee revenues generated from shared administrative services and shuttle bus transportation services provided to Studio City Casino. Such retail value of the complimentary services provided by us and services fee charges are deducted from Studio City Casino's gross gaming revenues as casino operating costs before the residual amount is recorded as our revenues for provision of gaming related services. In 2017, 2016 and 2015, non-gaming revenues from such complimentary services provided to gaming patrons at Studio City Casino aggregated to US$74.3 million, US$61.8 million and US$7.1 million, respectively, a majority of which were complimentary rooms. The services fees for services provided to the Studio City Casino amounted to US$36.9 million, US$49.2 million and US$7.7 million in 2017, 2016 and 2015, respectively. In the three months ended March 31, 2018 and 2017, non-gaming revenues from such complimentary services provided to gaming patrons at Studio City Casino amounted to US$19.0 million and US$18.0 million, respectively, a majority of which were complimentary rooms. The fee for services provided to the Studio City Casino amounted to US$9.1 million and US$10.1 million in the three months ended March 31, 2018 and 2017, respectively. See "Related Party Transactions—Transactions with Affiliated Companies."

Operating Costs and Expenses

Our operating costs and expenses consist of general and administrative, pre-opening costs, amortization of land use right, depreciation and amortization and property charges and other and, since the commencement of operation of Studio City in October 2015, provision of gaming related services expenses and non-gaming expenses (including rooms, food and beverage, entertainment, mall and retail and other). We expect our operating costs and expenses to increase along with our business growth as we are still in a ramp-up period. The table below sets forth our operating expenses by nature for the periods indicated.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018	2017
	(US$ thousands)					
Provision of gaming related services	24,019	25,332	462	—	5,495	6,070
Rooms	21,750	22,752	4,113	—	5,421	5,437
Food and beverage	54,266	62,200	12,549	—	13,905	13,425
Entertainment	16,364	41,432	7,404	—	3,341	4,138
Mall	9,098	11,083	3,653	—	3,134	2,575
Retail and other	4,750	3,696	579	—	653	910
General and administrative	130,465	135,071	34,245	3,071	31,942	32,065
Pre-opening costs	116	4,044	153,515	14,951	42	(19)
Amortization of land use right	3,323	3,323	9,909	12,104	831	831
Depreciation and amortization	173,003	168,539	31,056	26	41,648	43,119
Property charges and other	22,210	1,825	1,126	—	2,363	—
Total operating costs and expenses	459,364	479,297	258,611	30,152	108,775	108,551

(1) We commenced operations in October 2015.

The provision of gaming related services expenses mainly represented (1) services fees for shared corporate services provided by the Master Services Providers pursuant to the Management and Shared Service Arrangements and (2) management payroll expenses. See “Business—Our Relationship with Melco Resorts—Management and Shared Services Arrangements with Melco Resorts” and “Related Party Transactions—Material Contracts with Affiliated Companies.”

The non-gaming expenses, including rooms, food and beverage, entertainment, mall and retail and other, primarily represented the costs of operating the respective non-gaming services at Studio City and respective payroll expenses.

General and administrative expenses primarily consisted of payroll expenses, utilities, marketing and advertising costs, repairs and maintenance, and since the commencement of the operation of Studio City in October 2015, also included fees paid to the Master Services Providers for shared corporate services provided to non-gaming departments. Expenses relating to services fee revenues are also included in the general and administrative expenses. See “Business—Our Relationship with Melco Resorts—Management and Shared Services Arrangements with Melco Resorts” and “Related Party Transactions—Material Contracts with Affiliated Companies.” We expect general and administrative expenses to increase with our business growth. In addition, upon becoming a public company, we will incur significant legal, accounting and other expenses that we have not incurred thus far as a private company, including expenses associated with public company reporting requirements. We will also incur expenses in order to comply with the Sarbanes-Oxley Act of 2002 and the related rules and regulations implemented by the SEC and the New York Stock Exchange. Although we are unable to estimate these expenses with any degree of certainty, we expect that such compliance, together with the further development of Studio City, will cause our general and administrative expenses to increase in absolute terms.

Pre-opening costs primarily represented personnel, marketing and other costs incurred prior to the opening of new or start-up operations. For the three months ended March 31, 2018 and during 2017, 2016 and 2015, we incurred pre-opening costs in connection with Studio City. We also incurred pre-opening costs on other one-off activities related to the marketing of new facilities and operations in Studio City.

Amortization of land use right is primarily related to the land use right under the land concession contract for Studio City. The land use right was originally amortized over the initial term of 25 years with an expiration date in October 2026. Effective from October 1, 2015, the estimated term of the land use right, in accordance with the relevant accounting standards, has been extended to October 2055, which aligned with the estimated useful lives of certain buildings assets of 40 years. The change in estimated term of the land use right resulted in a reduction in amortization of land use right and net loss of US$2.2 million for the year ended December 31, 2015 and has had and will continue to have impact on the amortization of land use right going forward. Amortization of land use right amounted to US$3.3 million in both 2017 and 2016, and US$0.8 million in both the three months ended March 31, 2018 and 2017.

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

Results of Operations

The table below sets forth our consolidated results of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(1)	2014(1)	2018(2)	2017
	(US$ thousands, except for share and per share data)					
Operating revenues						
Provision of gaming related services	295,638	151,597	21,427	—	98,401	59,225
Rooms	88,699	84,643	14,417	—	21,833	21,822
Food and beverage	60,705	61,536	9,457	—	16,053	14,818
Entertainment	18,534	35,155	6,730	—	3,655	4,863
Services fee	39,971	51,842	7,968	—	9,651	10,767
Mall	29,498	34,020	6,999	—	6,434	8,202
Retail and other	6,769	5,738	2,336	1,767	872	1,696
Total revenues	539,814	424,531	69,334	1,767	156,899	121,393
Operating costs and expenses						
Provision of gaming related services	(24,019)	(25,332)	(462)	—	(5,495)	(6,070)
Rooms	(21,750)	(22,752)	(4,113)	—	(5,421)	(5,437)
Food and beverage	(54,266)	(62,200)	(12,549)	—	(13,905)	(13,425)
Entertainment	(16,364)	(41,432)	(7,404)	—	(3,341)	(4,138)
Mall	(9,098)	(11,083)	(3,653)	—	(3,134)	(2,575)
Retail and other	(4,750)	(3,696)	(579)	—	(653)	(910)
General and administrative	(130,465)	(135,071)	(34,245)	(3,071)	(31,942)	(32,065)
Pre-opening costs	(116)	(4,044)	(153,515)	(14,951)	(42)	19
Amortization of land use right	(3,323)	(3,323)	(9,909)	(12,104)	(831)	(831)
Depreciation and amortization	(173,003)	(168,539)	(31,056)	(26)	(41,648)	(43,119)
Property charges and other	(22,210)	(1,825)	(1,126)	—	(2,363)	—
Total operating costs and expenses	(459,364)	(479,297)	(258,611)	(30,152)	(108,775)	(108,551)
Operating income (loss)	80,450	(54,766)	(189,277)	(28,385)	48,124	12,842
Non-operating income (expenses)						
Interest income	2,171	1,152	4,641	8,901	743	245
Interest expenses, net of capitalized interest	(152,318)	(133,610)	(23,285)	(18,047)	(38,080)	(38,079)
Amortization of deferred financing costs	(7,600)	(25,626)	(16,295)	(10,642)	(2,002)	(1,857)
Loan commitment fees	(419)	(1,647)	(1,794)	(15,153)	(103)	(103)
Foreign exchange gains (losses), net	466	(3,445)	435	(2,710)	148	290
Other income, net	574	1,163	379	—	66	144
Loss on extinguishment of debt	—	(17,435)	—	—	—	—
Costs associated with debt modification	—	(8,101)	(7,011)	—	—	—
Total non-operating expenses, net	(157,126)	(187,549)	(42,930)	(37,651)	(39,228)	(39,360)
(Loss) income before income tax	(76,676)	(242,315)	(232,207)	(66,036)	8,896	(26,518)
Income tax credit (expense)	239	(474)	(353)	—	(47)	5
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
(Loss) earnings per share:						
Basic and diluted	(4,217)	(13,393)	(12,829)	(4,190)	488	(1,463)
Weighted average shares outstanding used in (loss) earnings per share calculation:						
Basic and diluted	18,127.94	18,127.94	18,127.94	15,759.02	18,127.94	18,127.94

(1) We commenced operations in October 2015.

(2) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Revenues

Our total revenues increased by US$35.5 million, or 29.2%, to US$156.9 million for the three months ended March 31, 2018 from US$121.4 million for the three months ended March 31, 2017. The increase in total revenues was primarily due to enhanced performance in the mass market table games and VIP rolling chip operations as a result of the continuous ramp-up of Studio City. There was no material impact on our total revenues and the respective revenue for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard from January 1, 2018.

- *Provision of gaming related services.* Revenues from the provision of gaming related services increased by US$39.2 million, or 66.1%, to US$98.4 million for the three months ended March 31, 2018 from US$59.2 million for the three months ended March 31, 2017. This increase was due to enhanced performance in mass market table games and VIP rolling chip operations, which contributed to a significant increase in Studio City Casino's gross gaming revenues for the three months ended March 31, 2018.

  Studio City Casino generated gross gaming revenues of US$425.5 million and US$276.4 million for the three months ended March 31, 2018 and 2017, respectively, before the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino pursuant to the Services and Right to Use Arrangements.

  Mass market table games revenue increased to US$226.3 million for the three months ended March 31, 2018 from US$173.2 million for the three months ended March 31, 2017 due to an increase in both mass market table games drop and mass market table games hold percentage. Mass market table games drop increased to US$825.2 million for the three months ended March 31, 2018 from US$656.3 million for the three months ended March 31, 2017. Mass market table games hold percentage also increased to 27.4% for the three months ended March 31, 2018 from 26.4% for the three months ended March 31, 2017.

  Gaming machine revenue increased to US$21.2 million for the three months ended March 31, 2018 from US$18.4 million for the three months ended March 31, 2017 due to an increase in gaming machine handle to US$581.6 million for the three months ended March 31, 2018 from US$497.4 million for the three months ended March 31, 2017 while gaming machine win rate remained stable at 3.7% for both the three months ended March 31, 2018 and 2017. Average net win per gaming machine per day was US$250 and US$211 for the three months ended March 31, 2018 and 2017, respectively.

  Studio City Casino launched its VIP rolling chip operations in November 2016 with 33 VIP rolling chip tables and in June 2017 the number of VIP rolling chip tables subsequently increased to 45. VIP rolling chip revenue increased to US$178.0 million for the three months ended March 31, 2018 from US$84.8 million for the three months ended March 31, 2017 due to an increase in both VIP rolling chip volume and VIP rolling chip win rate. VIP rolling chip volume increased to US$6.6 billion for the three months ended March 31, 2018 from US$3.6 billion for the three months ended March 31, 2017. VIP rolling chip win rate (calculated before discounts and commissions) also increased to 2.68% for the three months ended March 31, 2018 from 2.39% for the three months ended March 31, 2017.

  In the three months ended March 31, 2018 and 2017, total gaming tax and costs incurred in connection with the operation of Studio City Casino deducted from gross gaming revenues were US$327.1 million and US$217.2 million, respectively, which included (i) gaming tax imposed on the gross gaming revenue of US$166.0 million and US$107.8 million, respectively, (ii) retail value of the complimentary

services provided by us to Studio City Casino's gaming patrons of US$19.0 million and US$18.0 million, respectively; (iii) shared administrative services and shuttle bus transportation services provided by us to Studio City Casino of US$9.1 million and US$10.1 million, respectively, and (iv) remaining costs of US$133.0 million and US$81.3 million, respectively, primarily representing gaming-related staff costs and other gaming-related costs, including costs related to VIP operations at Studio City Casino.

After the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino from gross gaming revenues, we recognized revenues from the provision of gaming related services of US$98.4 million and US$59.2 million for the three months ended March 31, 2018 and 2017, respectively.

- *Rooms.* Our room revenues remained stable at US$21.8 million for both the three months ended March 31, 2018 and 2017. Studio City's average daily rate, occupancy rate and REVPAR were US$139, 100% and US$139, respectively, for the three months ended March 31, 2018, as compared to US$139, 99% and US$138, respectively, for the three months ended March 31, 2017.
- *Food and beverage, entertainment, mall and retail and other*. Our revenues generated from food and beverage, entertainment, mall and retail and other decreased by US$2.6 million, or 8.7%, to US$27.0 million for the three months ended March 31, 2018 from US$29.6 million for the three months ended March 31, 2017. The decrease was primarily due to the closure of a non-gaming attraction for remodeling in late 2017 and closure of certain retails shops for property enhancement project in mid-2017.
- *Services fee.* Our services fee revenues decreased by US$1.1 million, or 10.4%, to US$9.7 million for the three months ended March 31, 2018 from US$10.8 million for the three months ended March 31, 2017. The decrease was due to the implementation of cost-saving initiatives at Studio City, resulting in a lower level of shared administrative services charged to Studio City Casino during the three months ended March 31, 2018.

Operating Costs and Expenses

Our total operating costs and expenses were US$108.8 million for the three months ended March 31, 2018, compared to US$108.6 million for the three months ended March 31, 2017.

- *Provision of gaming related services*. Provision of gaming related services expenses, relatively fixed in nature, amounted to US$5.5 million and US$6.1 million for the three months ended March 31, 2018 and 2017, respectively.
- *Rooms*. Room expenses remained stable at US$5.4 million for both the three months ended March 31, 2018 and 2017.
- *Food and beverage, entertainment, mall and retail and other*. Expenses related to food and beverage, entertainment, mall and retail and other remained stable at US$21.0 million for both the three months ended March 31, 2018 and 2017.
- *General and administrative*. General and administrative expenses remained stable at US$31.9 million and US$32.1 million for the three months ended March 31, 2018 and 2017, respectively.
- *Amortization of land use right.* Amortization of land use right expenses were US$0.8 million for both the three months ended March 31, 2018 and 2017.
- *Depreciation and amortization*. Depreciation and amortization expenses slightly decreased by US$1.5 million, or 3.4%, to US$41.6 million for the three months ended March 31, 2018 from US$43.1 million for the three months ended March 31, 2017.
- *Property charges and other.* Property charges and other expenses of US$2.4 million for the three months ended March 31, 2018 were primarily attributable to a write-off of US$2.2 million in relation to the termination of a contract related to a non-gaming attraction.

Operating Income

As a result of the foregoing, we had an operating income of US$48.1 million for the three months ended March 31, 2018, compared to an operating income of US$12.8 million for the three months ended March 31, 2017.

Non-operating Expenses, Net

Net non-operating expenses consisted of interest income, interest expenses, amortization of deferred financing costs, loan commitment fees, net foreign exchange gains and other non-operating income, net. We incurred total net non-operating expenses of US$39.2 million for the three months ended March 31, 2018, compared to US$39.4 million for the three months ended March 31, 2017.

- *Interest expenses*. Interest expenses remained stable at US$38.1 million for both the three months ended March 31, 2018 and 2017.
- *Amortization of deferred financing costs*. Amortization of deferred financing costs was associated with the 2012 Notes, 2016 Notes and 2016 Credit Facility and remained stable at US$2.0 million and US$1.9 million for the three months ended March 31, 2018 and 2017, respectively.
- *Loan commitment fees*. Loan commitment fees, which were associated with the 2016 Credit Facility, were US$0.1 million for both the three months ended March 31, 2018 and 2017.

Income (Loss) before Income Tax

As a result of the foregoing, we had an income before income tax of US$8.9 million for the three months ended March 31, 2018, compared to a loss of US$26.5 million for the three months ended March 31, 2017.

Income Tax (Expense) Credit

Income tax expense was US$47,000 for the three months ended March 31, 2018 and was mainly attributable to under provision of income tax in prior years, compared to income tax credit of US$5,000 for the three months ended March 31, 2017, which was attributable to deferred income tax credit. The effective tax rates for the three months ended March 31, 2018 and 2017 were 0.53% and 0.02%, respectively. Our effective tax rates for the three months ended March 31, 2018 and 2017 differed from the statutory Macau complementary tax rate of 12% primarily due to certain of our profits were exempted from the Macau complementary tax, the effect of expenses for which no income tax benefits are receivable and the effect of changes in valuation allowances. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carry-forwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will reduce the valuation allowances related to the net operating losses and other deferred tax assets.

Net Income (Loss)

As a result of the foregoing, we had net income of US$8.8 million for the three months ended March 31, 2018, compared to net loss of US$26.5 million for the three months ended March 31, 2017.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Revenues

Our total revenues increased by US$115.3 million, or 27.2%, to US$539.8 million in 2017 from US$424.5 million in 2016. The increase in total revenues was primarily due to enhanced performance in the mass

market table games as a result of the continuous ramp-up of Studio City since its commencement of operations in October 2015 and the launch of VIP rolling chip operations in November 2016.

- *Provision of gaming related services.* Revenues from the provision of gaming related services increased by US$144.0 million, or 95.0%, to US$295.6 million in 2017 from US$151.6 million in 2016. This increase was due to enhanced performance in mass market table games as a result of the continuous ramp-up of Studio City since its commencement of operations in October 2015 and the launch of VIP rolling chip operations in November 2016, which contributed to a significant increase in Studio City Casino's gross gaming revenues in 2017.

  Studio City Casino generated gross gaming revenues of US$1,438.1 million and US$706.2 million in 2017 and 2016, respectively, before the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino pursuant to the Services and Right to Use Arrangements.

  Mass market table games revenue increased to US$759.1 million in 2017 from US$611.6 million in 2016 due to an increase in both mass market table games drop and mass market table games hold percentage. Mass market table games drop increased to US$2,913.0 million in 2017 from US$2,480.0 million in 2016. Mass market table games hold percentage also increased to 26.1% in 2017 from 24.7% in 2016.

  Gaming machine revenue increased to US$78.2 million in 2017 from US$76.0 million in 2016 due to an increase in gaming machine handle to US$2,120.5 million in 2017 from US$2,002.3 million in 2016 despite a slight decrease in gaming machine win rate to 3.7% in 2017 from 3.8% in 2016. Average net win per gaming machine per day was US$225 and US$189 in 2017 and 2016, respectively.

  Studio City Casino launched its VIP rolling chip operations in November 2016 with 33 VIP rolling chip tables and in June 2017 the number of VIP rolling chip tables subsequently increased to 45. VIP rolling chip revenue increased to US$600.8 million in 2017 from US$18.6 million in 2016 due to the first full year of VIP rolling chip operations in Studio City in 2017. VIP rolling chip volume increased to US$19.0 billion in 2017 from US$1.3 billion in 2016. VIP rolling chip win rate (calculated before discounts and commissions) also increased to 3.16% in 2017 from 1.39% in 2016.

  In 2017 and 2016, total gaming tax and costs incurred in connection with the operation of Studio City Casino deducted from gross gaming revenues were US$1,142.5 million and US$554.6 million, respectively, which included (i) gaming tax imposed on the gross gaming revenue of US$560.9 million and US$275.4 million, respectively, (ii) retail value of the complimentary services provided by us to Studio City Casino's gaming patrons of US$74.3 million and US$61.8 million, respectively; (iii) shared administrative services and shuttle bus transportation services provided by us to Studio City Casino of US$36.9 million and US$49.2 million, respectively and (iv) remaining costs of US$470.4 million and US$168.2 million, respectively, primarily representing gaming-related staff costs and other gaming-related costs, including costs related to VIP operations at Studio City Casino.

  After the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino from gross gaming revenues, we recognized revenues from the provision of gaming related services of US$295.6 million and US$151.6 million in 2017 and 2016, respectively.

- *Rooms.* Our room revenues increased by US$4.1 million, or 4.8%, to US$88.7 million in 2017 from US$84.6 million in 2016. The increase in room revenues was primarily due to the slightly increased occupancy rate and average daily rate. Studio City's average daily rate, occupancy rate and REVPAR were US$140, 99% and US$138, respectively, in 2017, as compared to US$136, 98% and US$133, respectively, in 2016.

- *Food and beverage, entertainment, mall and retail and other*. Our revenues generated from food and beverage, entertainment, mall and retail and other decreased by US$20.9 million, or 15.3%, to

US$115.5 million in 2017 from US$136.4 million in 2016. We generated more revenues in 2016 as we sold more tickets during that period for more events held at Studio City including live concerts from headline acts such as Madonna and Russell Peters.

- *Services fee.* Our services fee revenues decreased by US$11.9 million, or 22.9%, to US$40.0 million in 2017 from US$51.8 million in 2016. The decrease was due to the implementation of cost-saving initiatives at Studio City, resulting in a lower level of shared administrative services charged to Studio City Casino in 2017.

Operating Costs and Expenses

Our total operating costs and expenses decreased by US$19.9 million, or 4.2%, to US$459.4 million in 2017 from US$479.3 million in 2016.

- *Provision of gaming related services*. Provision of gaming related services expenses, relatively fixed in nature, remained stable at US$24.0 million and US$25.3 million in 2017 and 2016, respectively.
- *Rooms*. Room expenses remained stable at US$21.8 million and US$22.8 million in 2017 and 2016, respectively.
- *Food and beverage, entertainment, mall and retail and other*. Expenses related to food and beverage, entertainment, mall and retail and other decreased by US$33.9 million, or 28.7%, to US$84.5 million in 2017 from US$118.4 million in 2016. The decrease was primarily due to the decrease in performers' fees as we held fewer events at Studio City in 2017 and lower payroll expenses resulting from the implementation of our cost-saving initiatives.
- *General and administrative*. General and administrative expenses decreased by US$4.6 million, or 3.4%, to US$130.5 million in 2017 from US$135.1 million in 2016, primarily due to lower payroll expenses resulting from the implementation of our cost-saving initiatives and higher marketing and advertising costs in the prior period from promotional activities carried out for the newly-opened Studio City, partially offset by higher repairs and maintenance costs.
- *Amortization of land use right.* Amortization of land use right expenses were US$3.3 million in both 2017 and 2016.
- *Depreciation and amortization*. Depreciation and amortization expenses slightly increased by US$4.5 million, or 2.6%, to US$173.0 million in 2017 from US$168.5 million in 2016.
- *Property charges and other.* Property charges and other expenses increased by US$20.4 million, or 1,117.0%, to US$22.2 million in 2017 from US$1.8 million in 2016. Property charges and other expense of US$22.2 million in 2017 were primarily attributable to impairment of assets as a result of the remodeling of a non-gaming attraction, retail shops and a food station of US$19.6 million.

Operating Income (Loss)

As a result of the foregoing, we had an operating income of US$80.5 million in 2017, compared to an operating loss of US$54.8 million in 2016.

Non-operating Expenses, Net

Net non-operating expenses consisted of interest income, interest expenses, net of capitalized interest, amortization of deferred financing costs, loan commitment fees, net foreign exchange gains (losses), loss on extinguishment of debt and costs associated with debt modification as well as other non-operating income, net. We incurred total net non-operating expenses of US$157.1 million in 2017, compared to US$187.5 million in 2016. Higher net non-operating expenses in 2016 was primarily due to the loss on extinguishment of debt and

costs associated with debt modification arisen from the refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility in November 2016.

- *Interest expenses, net of capitalized interest*. Interest expenses were US$152.3 million in 2017, compared to US$133.6 million in 2016. The increase in interest expenses of US$18.7 million was due to the higher borrowing rate as a result of the refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility in November 2016. There was no interest capitalization during the year ended December 31, 2017 and 2016 as we commenced our operations in October 2015.
- *Amortization of deferred financing costs*. Amortization of deferred financing costs was US$7.6 million in 2017, compared to US$25.6 million in 2016. In late 2016, the 2013 Project Facility was refinanced by the 2016 Notes and the 2016 Credit Facility. Amortization of deferred financing costs in 2017 was associated with the 2012 Notes, 2016 Notes and 2016 Credit Facility while amortization of deferred financing costs in 2016 was mainly associated with the 2013 Project Facility and 2012 Notes. The decrease was primarily due to no amortization of deferred financing costs recorded for the 2013 Project Facility in 2017 after its refinancing in November 2016. The deferred financing costs related to the 2016 Notes and 2016 Credit Facility were lower compared to the deferred financing costs for the 2013 Project Facility.
- *Loan commitment fees*. Loan commitment fees were US$0.4 million in 2017, which were associated with the 2016 Credit Facility, while those in 2016 were US$1.6 million, which were associated with the 2013 Project Facility. As of December 31, 2017, the available facilities consisted of US$29.9 million in the form of a revolving credit facility under the 2016 Credit Facility compared to available facilities of approximately US$100 million in the form of a revolving credit facility under the 2013 Project Facility prior to the refinancing of the 2013 Project Facility in November 2016.
- *Loss on extinguishment of debt.* Loss on extinguishment of debt was US$17.4 million in 2016 and was associated with a portion of the unamortized deferred financing costs of the 2013 Project Facility that were not eligible for capitalization upon refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility. We incurred nil loss on extinguishment of debt in 2017.
- *Costs associated with debt modification.* Costs associated with debt modification in 2016 were US$8.1 million, which mainly represented a portion of the underwriting fee and legal and professional fees incurred for refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility that were not eligible for capitalization. We incurred nil costs associated with debt modification in 2017.

Loss before Income Tax

As a result of the foregoing, we had a loss before income tax of US$76.7 million in 2017, compared to a loss of US$242.3 million in 2016.

Income Tax Credit (Expense)

Income tax credit was US$0.2 million in 2017 and was attributable to deferred income tax credit, compared to income tax expense of US$0.5 million in 2016, which was attributable to deferred income tax expense. The effective tax rates in 2017 and 2016 were a positive rate of 0.3% and a negative rate of 0.2%, respectively. Our effective tax rates in 2017 and 2016 differed from the statutory Macau complementary tax rate of 12% due to the effect of expenses for which no income tax benefit is receivable, the change in valuation allowance and certain of our profits were exempted from the Macau complementary tax. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carry-forwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net Loss

As a result of the foregoing, we had a net loss of US$76.4 million in 2017, compared to US$242.8 million in 2016.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Revenues

Our total revenues increased by US$355.2 million, or 512.3%, to US$424.5 million in 2016 from US$69.3 million in 2015. The increase in total revenues was primarily a result of the ramp-up of business and having full year operations in 2016 since Studio City commenced operations on October 27, 2015.

- *Provision of gaming related services.* Revenues from the provision of gaming related services increased by US$130.2 million, or 607.5%, to US$151.6 million in 2016 from US$21.4 million in 2015. Such increase was due to the first full year of operation of Studio City in 2016 and hence a significant increase in Studio City Casino's gross gaming revenues in 2016.

  Studio City Casino generated gross gaming revenues of US$706.2 million and US$94.7 million in 2016 and 2015, respectively, before the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino pursuant to the Services and Right to Use Arrangements.

  Mass market table games revenue increased to US$611.6 million in 2016 from US$81.8 million in 2015 primarily due to an increase in mass market table games drop to US$2,480.0 million in 2016 from US$365.3 million in 2015, corresponding to the commencement of Studio City's full-year operations in 2016. Mass market table games hold percentage also increased to 24.7% in 2016 from 22.4% in 2015.

  Gaming machine revenue increased to US$76.0 million in 2016 from US$12.9 million in 2015 due to an increase in gaming machine handle to US$2,002.3 million in 2016 from US$264.9 million in 2015, partially offset by a decrease in gaming machine win rate to 3.8% in 2016 from 4.9% in 2015. Average net win per gaming machine per day was US$189 and US$168 in 2016 and 2015, respectively.

  Studio City Casino launched its VIP rolling chip operations in November 2016. In 2016, VIP rolling chip revenue was US$18.6 million, with rolling chip volume of US$1,343.6 million and rolling chip win rate (calculated before discounts and commissions) of 1.39%.

  In 2016 and 2015, total gaming tax and costs incurred in connection with the operation of Studio City Casino deducted from the gross gaming revenues were US$554.6 million and US$73.3 million, respectively, which included (i) gaming tax imposed on the gross gaming revenue of US$275.4 million and US$37.0 million, respectively; (ii) retail value of the complimentary services provided by us to Studio City Casino's gaming patrons of US$61.8 million and US$7.1 million, respectively; (iii) costs for shared administrative services and shuttle bus transportation services provided by us to Studio City Casino of US$49.2 million and US$7.7 million, respectively; and (iv) remaining costs of US$168.2 million and US$21.5 million, respectively, primarily representing gaming related staff costs and other gaming related costs.

  After the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino from gross gaming revenues, we recognized revenues from provision of gaming related services of US$151.6 million and US$21.4 million in 2016 and 2015, respectively.

- *Rooms*. Our room revenues increased by US$70.2 million, or 487.1%, to US$84.6 million in 2016 from US$14.4 million in 2015. The increase in room revenues was primarily due to the full year operation of Studio City in 2016. Studio City's average daily rate, occupancy rate and REVPAR remained relatively stable at US$136, 98% and US$133, respectively, in both 2016 and 2015.

- *Food and beverage, entertainment, mall and retail and other*. Our revenues generated from food and beverage, entertainment, mall and retail and other increased by US$110.9 million, or 434.6%, to

US$136.4 million in 2016 from US$25.5 million in 2015. The increase was primarily due to the first full year operation of Studio City in 2016.

- *Services fee*. Our services fee revenues increased by US$43.9 million, or 550.6%, to US$51.8 million in 2016 from US$8.0 million in 2015. The increase was primarily due to the provision of full year services in 2016.

Operating Costs and Expenses

Our total operating costs and expenses increased by US$220.7 million, or 85.3%, to US$479.3 million in 2016 from US$258.6 million in 2015. The increase was primarily due to Studio City's first full year operations in 2016.

- *Provision of gaming related services*. Provision of gaming related services expenses increased by US$24.9 million, or 5,383.1%, to US$25.3 million in 2016 from US$0.5 million in 2015. The increase was primarily due to the first full year of Studio City Casino operations in 2016.
- *Rooms*. Room expenses increased by US$18.6 million, or 453.2%, to US$22.8 million in 2016 from US$4.1 million in 2015. The increase was primarily due to the increase in the costs of operating the hotel facilities due to the first full year hotel operations in Studio City in 2016.
- *Food and beverage, entertainment, mall and retail and other*. Expenses related to food and beverage, entertainment, mall and retail and other increased by US$94.2 million, or 389.6%, to US$118.4 million in 2016 from US$24.2 million in 2015. The increase was primarily due to the increase in payroll and other operating costs for operating the food and beverage outlets, entertainment facilities and the mall, performers' fees and advertising and marketing expenses due to the first full year operations in 2016.
- *General and administrative*. General and administrative expenses increased by US$100.8 million or 294.4%, to US$135.1 million in 2016 from US$34.2 million in 2015, primarily due to the increase in payroll expenses, utilities, marketing and advertising costs, expenses related to repairs and maintenance, and non-gaming related service fees for the full year operation of Studio City.
- *Pre-opening costs*. Pre-opening costs decreased by US$149.5 million, or 97.4%, to US$4.0 million in 2016 from US$153.5 million in 2015. Such costs relate primarily to personnel training, rental, marketing, advertising and administrative costs in connection with new or start-up operations. The pre-opening costs significantly decreased in 2016 after we commenced our operations in October 2015.
- *Amortization of land use right*. Amortization of land use right expenses decreased by US$6.6 million, or 66.5%, to US$3.3 million in 2016 from US$9.9 million in 2015. The decrease was primarily due to the extension of the estimated term of the land use right which went into effect in October 2015.
- *Depreciation and amortization*. Depreciation and amortization expenses increased by US$137.5 million, or 442.7%, to US$168.5 million in 2016 from US$31.1 million in 2015. The increase was primarily due to the full year depreciation of assets at Studio City.

Operating Loss

As a result of the foregoing, we had an operating loss of US$54.8 million in 2016, compared to an operating loss of US$189.3 million in 2015.

Non-operating Expenses, Net

Net non-operating expenses consisted of interest income, interest expenses, net of capitalized interest, amortization of deferred financing costs, loan commitment fees, net foreign exchange (losses) gains, loss on extinguishment of debt and costs associated with debt modification as well as other non-operating income, net.

We incurred total net non-operating expenses of US$187.5 million, compared to US$42.9 million in 2015. The increase was primarily due to the increase in interest expenses, net of capitalized interest.

- *Interest income.* Interest income was US$1.2 million in 2016, compared to US$4.6 million in 2015. The decrease was primarily due to lower level of deposits placed at banks in 2016.
- *Interest expenses, net of capitalized interest*. Interest expenses were US$133.6 million (nil capitalized interest) in 2016, compared to US$23.3 million (net of capitalized interest of US$108.4 million) in 2015. The increase in net interest expenses (net of capitalization) of US$110.3 million was primarily due to the cessation of interest capitalization for Studio City since its opening in October 2015.
- *Amortization of deferred financing costs*. Amortization of deferred financing costs was US$25.6 million (nil capitalization) in 2016, compared to US$16.3 million (net of capitalization of US$8.6 million) in 2015. Amortization of deferred financing costs in 2016 was associated with the 2013 Project Facility, 2016 Notes and the 2012 Notes while those in 2015 were associated with the 2013 Project Facility and 2012 Notes. The increase was primarily due to the cessation of capitalization of deferred financing costs amortization associated with the opening of Studio City in October 2015.
- *Loan commitment fees*. Loan commitment fees associated with the 2013 Project Facility were payable from January 2013 and were US$1.6 million in 2016 and US$1.8 million in 2015. The slight decrease was primarily due to the repayment of the 2013 Project Facility (other than HK$1 million which was rolled over into a term loan facility under the 2016 Credit Facility) with the proceeds from the issuance of the 2016 Notes together with cash on hand.
- *Loss on extinguishment of debt.* Loss on extinguishment of debt was US$17.4 million in 2016 associated with a portion of the unamortized deferred financing costs of the 2013 Project Facility that were not eligible for capitalization upon refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility. We incurred nil loss on extinguishment of debt in 2015.
- *Costs associated with debt modification.* Costs associated with debt modification in 2016 were US$8.1 million, which mainly represented a portion of the underwriting fee and legal and professional fees incurred for refinancing of the 2013 Project Facility with the 2016 Notes and the 2016 Credit Facility that were not eligible for capitalization. Costs associated with debt modification was US$7.0 million in 2015, which primarily represented legal and professional fees incurred for the loan documentation amending the 2013 Project Facility that are not eligible for capitalization.

Loss before Income Tax

As a result of the foregoing, we had a loss before income tax of US$242.3 million in 2016, compared to a loss of US$232.2 million in 2015.

Income Tax Expense

Income tax expense was US$0.5 million and US$0.4 million in 2016 and 2015, respectively, and was attributable to deferred income tax expenses. The effective tax rate was a negative rate of 0.2% for each of the years ended December 31, 2016 and 2015. Our effective tax rates for 2016 and 2015 differed from the statutory Macau complementary tax rate of 12% primarily due to the effect of expenses for which no income tax benefit is receivable and the change in valuation allowance. Furthermore, certain of our profits were exempted from the Macau complementary tax which significantly decreased our effective tax rate for 2016. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carry-forwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net Loss

As a result of the foregoing, we had net loss of US$242.8 million in 2016, compared to US$232.6 million in 2015.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted EBITDA, a non-GAAP financial measure, as described below, to understand and evaluate our core operating performance. This non-GAAP financial measure, which may differ from similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, other non-operating income and expenses. We believe that adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results. This non-GAAP financial measure eliminates the impact of items that we do not consider indicative of the performance of our business. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. It should not be considered in isolation or construed as an alternative to net income/loss, cash flow or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

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

	For the Year Ended December 31,				For the Three Months Ended March 31,	
	2017	2016	2015(2)	2014(2)	2018(3)	2017
	(US$ thousands)					
Net (loss) income	(76,437)	(242,789)	(232,560)	(66,036)	8,849	(26,513)
Income tax (credit) expense	(239)	474	353	—	47	(5)
Interest and other non-operating expenses, net	157,126	187,549	42,930	37,651	39,228	39,360
Property charges and other	22,210	1,825	1,126	—	2,363	—
Depreciation and amortization	176,326	171,862	40,965	12,130	42,479	43,950
Pre-opening costs	116	4,044	153,515	14,951	42	(19)
Adjusted EBITDA	279,102	122,965	6,329	(1,304)	93,008	56,773
Adjusted EBITDA margin(1)	51.7%	29.0%	9.1%	N/A	59.3%	46.8%

(1) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by total revenues.
(2) We commenced operations in October 2015.
(3) We adopted the New Revenue Standard using the modified retrospective method from January 1, 2018. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. There was no material impact on our results of operations and Adjusted EBITDA for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

Segment Reporting

Our principal operating activities are the provision of gaming related services and the hospitality business in Macau. Our chief operating decision maker monitors the operations and evaluate earnings by reviewing the

assets and operations of Studio City as one operating segment. Accordingly, we do not present separate segment information. As of March 31, 2018, December 31, 2017, 2016 and 2015, we operated in one geographical area, Macau, where we generated our revenue and our long-lived assets were located.

Liquidity and Capital Resources

Up through the opening of Studio City, our principal sources of liquidity included shareholder equity contributions, loan facilities and senior notes facilities to meet our project development needs. Following the opening of Studio City in October 2015, we relied on, and intend to continue to rely on, our cash generated from our operations and our debt and equity financings, including the net proceeds we will receive from this offering, to meet our financing or refinancing needs. As of March 31, 2018 and December 31, 2017, we recorded US$293.8 million and US$348.4 million, respectively, in cash and cash equivalents and US$5.0 million and US$9.9 million, respectively, in bank deposits with original maturities over three months. Further, the HK$233.0 million (equivalent to approximately US$29.9 million) revolving credit facility under the 2016 Credit Facility is available for future drawdown as of March 31, 2018, subject to certain conditions precedent. We believe that our current available cash and cash equivalents, the bank deposits and funds available for drawdown under the 2016 Credit Facility will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next twelve months without considering the proceeds from this offering.

Cash Flows

The following table sets forth a summary of our cash flows for the periods presented. The consolidated cash flows data for the year ended December 31, 2017, 2016 and 2015 and for the three months ended March 31, 2017 have been adjusted to reflect the retrospective adoption on January 1, 2018 of Accounting Standards Update 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash (A Consensus of the FASB Emerging Issues Task Force*). As a result of the adoption, restricted cash is included with cash and cash equivalents in the beginning and ending balances, and the changes in restricted cash that were previously reported within net cash used in investing activities in the consolidated statements of cash flows have been eliminated.

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2017	2016	2015	2018	2017
			(US$ thousands)		
Net cash provided by (used in) operating activities	68,313	14,579	(113,054)	77,862	31,276
Net cash used in investing activities	(55,345)	(106,710)	(972,526)	(94,382)	(9,123)
Cash used in financing activities	(1,285)	(122,786)	(2,887)	—	(1,189)
Net increase (decrease) in cash, cash equivalents and restricted cash	11,683	(214,917)	(1,088,467)	(16,520)	20,964
Cash, cash equivalents and restricted cash at beginning of year/period	371,246	586,163	1,674,630	382,929	371,246
Cash, cash equivalents and restricted cash at end of year/period	382,929	371,246	586,163	366,409	392,210

Operating Activities

Studio City commenced operations on October 27, 2015. Operating cash flows are generally affected by changes in operating income and certain operating assets and liabilities, including the receivables related to the provision of gaming related services and hotel operations, as well as the non-gaming business, including food and beverage, entertainment, mall, retail and other, which are conducted primarily on a cash basis. There was no revenue and cash generated from our intended operations prior to the commencement of such operations. We recorded net cash provided by operating activities of US$77.9 million for the three months ended March 31,

2018, as compared to net cash provided by operating activities of US$31.3 million for the three months ended March 31, 2017, primarily due to the higher contribution of cash generated from the improving operations of Studio City. We recorded net cash provided by operating activities of US$68.3 million in 2017, as compared to net cash provided by operating activities of US$14.6 million in 2016, primarily due to the higher contribution of cash generated from the improving operations of Studio City, partially offset by increased working capital for operations. We recorded net cash provided by operating activities of US$14.6 million in 2016, as compared to net cash used in operating activities of US$113.1 million in 2015, primarily due to the contribution of cash generated from the full year operation of Studio City, partially offset by increased working capital for the operations.

Investing Activities

Net cash used in investing activities was US$94.4 million for the three months ended March 31, 2018, as compared to net cash used in investing activities of US$9.1 million for the three months ended March 31, 2017. Net cash used in investing activities was US$55.3 million in 2017, as compared to net cash used in investing activities of US$106.7 million in 2016. Net cash used in investing activities in 2015 was US$972.5 million.

Net cash used in investing activities amounted to US$94.4 million for the three months ended March 31, 2018, primarily attributable to (i) capital expenditure payments of US$97.3 million and (ii) funds to an affiliated company of US$3.0 million, partially offset by (iii) net withdrawal of bank deposits with original maturities over three months of US$4.9 million.

Net cash used in investing activities amounted to US$55.3 million in 2017, primarily attributable to (i) capital expenditure payments of US$42.4 million and (ii) the placement of bank deposits with original maturities over three months of US$9.9 million and (iii) funds to an affiliated company of US$2.8 million.

Net cash used in investing activities amounted to US$106.7 million in 2016, primarily attributable to (i) capital expenditure payments of US$111.4 million and (ii) funds to an affiliated company of US$8.5 million, partially offset by (iii) proceeds from sale of property and equipment and other long-term assets of US$13.5 million.

Net cash used in investing activities amounted to US$972.5 million in 2015, primarily attributable to (i) capital expenditure payments of US$827.8 million, (ii) payments for transfer of other long-term assets from an affiliated company of US$74.9 million, (iii) funds to an affiliated company of US$47.0 million, (iv) payment for land use right of US$24.4 million and (v) advance payments and deposits for acquisition of property and equipment of US$18.9 million. This was partially offset by (vi) proceeds from sale of property and equipment and other long-term assets of US$20.5 million.

Financing Activities

There was no cash used in/provided by any financing activity for the three months ended March 31, 2018, as compared to cash used in a financing activity of US$1.2 million for the three months ended March 31, 2017. Cash used in financing activities was US$1.3 million in 2017, as compared to US$122.8 million in 2016. Cash used in financing activities in 2015 was US$2.9 million.

Cash used in financing activities was US$1.3 million in 2017, attributable to the payment of debt issuance costs associated with the 2016 Notes and the 2016 Credit Facilities.

Cash used in financing activities was US$122.8 million in 2016, due to (i) the scheduled repayment in September 2016 and subsequently the early repayment in full of the 2013 Project Facility (other than HK$1.0 million rolled over into the term loan facility under the 2016 Credit Facility) of US$1,295.6 million net of proceeds of US$1,200.0 million from the issuance of the 2016 Notes, and (ii) the payments of debt issuance costs primarily associated with the 2016 Notes and the 2016 Credit Facility as well as payments of legal and professional fees for amending the 2013 Project Facility loan documentation of US$27.2 million.

Cash used in financing activities was US$2.9 million in 2015, due to the payments of legal and professional fees for amending the loan documentation for the 2013 Project Facility.

Indebtedness and Capital Contributions

We enter into loan facilities and issue notes through our subsidiaries. The following table sets forth our gross indebtedness, before the reduction of debt issuance costs, as of March 31, 2018:

	Issuer	As of March 31, 2018 (US$ thousands)
2012 Notes	Studio City Finance	825,000
2016 Credit Facility	Studio City Company	129
2016 5.875% Notes	Studio City Company	350,000
2016 7.250% Notes	Studio City Company	850,000
Total		2,025,129

The revolving credit facility under the 2016 Credit Facility is available for future drawdown from January 1, 2017, subject to satisfaction of certain conditions precedent. For details and summary of terms of our indebtedness, see “Description of Indebtedness.”

Prior to the opening of Studio City, MCE Cotai and New Cotai, our shareholders, had made aggregate contributions in the amount of US$1,280 million, including US$1,250 million for Studio City and US$30 million for the initial design work for our remaining project in accordance with the relevant shareholders agreement. The relevant shareholders agreement does not require MCE Cotai or New Cotai to make any additional capital contributions to us.

Capital Expenditures

Our capital expenditures on an accrual basis amounted to US$7.8 million, US$35.7 million, US$59.3 million and US$936.3 million for the three months ended March 31, 2018 and for the years ended December 31, 2017, 2016 and 2015, respectively, primarily for the construction, development and enhancement of Studio City. We will continue to make capital expenditures to meet the expected growth of our business and expect that cash generated from our operating and financing activities will meet our capital expenditure needs in the foreseeable future.

Long-term Indebtedness and Contractual Obligations

Our total long-term indebtedness and other contractual obligations as of December 31, 2017 are summarized below. For details and summary of terms of our indebtedness, see "Description of Indebtedness."

	Payments Due by Period				
	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
			(US$ millions)		
Long-term debt obligations:					
2012 Notes	—	825.0	—	—	825.0
2016 Credit Facility	—	—	0.1	—	0.1
2016 5.875% Notes	—	350.0	—	—	350.0
2016 7.250% Notes	—	—	850.0	—	850.0
Fixed interest payments	152.3	276.5	56.5	—	485.3
Construction costs and property and equipment retention payables	16.1	—	—	—	16.1
Other contractual commitments:					
Government annual land use fees(1)	0.9	1.8	2.1	4.4	9.2
Construction, plant and equipment acquisition commitments	6.8	3.9	—	—	10.7
Total contractual obligations	176.1	1,457.2	908.7	4.4	2,546.4

(1) The Studio City site is located on the land parcel in which we have received a land concession from the Macau government for a 25-year term, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. See "Business—Land and Properties—Land Concession."

There were no material changes outside the ordinary course of business in contractual obligations during the three months ended March 31, 2018.

Off-Balance Sheet Commitments and Arrangements

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

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

Holding Company Structure

Studio City International Holdings Limited is a holding company with no operations of its own. We conduct our operations through our subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. Our subsidiaries have incurred debt on their own behalf and any of our newly formed subsidiaries may incur debt on their own behalf in the future and the instruments governing their debt have and may restrict their ability to pay dividends to us. See "—Liquidity and Capital Resources—Indebtedness and Capital Contributions."

In addition, our subsidiaries in Macau are required to set aside a minimum of 25% of the entity's profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of the entity's

share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, contingent assets and liabilities and revenues and expenses. Certain of our accounting policies require that management apply significant judgment in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, we regularly evaluate these estimates and assumptions based on the most recently available information, our own historical experiences, terms of existing contracts, industry trends and other factors that we believe to be relevant, reasonable and appropriate under the circumstances. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from what we expect. This is especially true with some accounting policies that require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements because they involve the greatest reliance on our management's judgment.

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

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

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

We believe the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the consolidated financial statements reflect our cost of doing business. However, such allocations may not be indicative of the actual expenses we would have incurred had we operated as an independent company for the periods presented. See a detailed discussion of services and related charges in Note 14 to our audited consolidated financial statements and Note 10 to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

Property and Equipment and Other Long-lived Assets

During the construction and development stage of Studio City, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll benefit related costs, applicable portions of interest and 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 suspended for more than a brief period. Pre-opening costs, consisting of marketing and other expenses related to our new or start-up operations are expensed as incurred.

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

Property and equipment are depreciated and amortized on a straight-line basis over the asset's estimated useful life. The estimated useful lives are based on factors including the nature of the assets, its relationship to other assets, our operating plans and anticipated use and other economic and legal factors that impose limits. We review periodically the remaining estimated useful lives of the property and equipment.

Our land use right in Macau under the land concession contract for Studio City is being amortized over the estimated term of the land use right on a straight-line basis. The amortization of land use right is recognized from the date construction commences. Each land concession contract in Macau has an initial term of 25 years and is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The land use right was originally amortized over the initial term of 25 years, in which the expiry date of the land use right of Studio City is October 2026. The estimated term of the land use right is periodically reviewed. For the review of such estimated term of the land use right under the land concession contract, we considered factors such as the business and operating environment of the gaming industry in Macau, laws and regulations in Macau, and our development plans. As a result, effective from October 1, 2015, the estimated term of the land use right under the land concession contract for Studio City, in accordance with the relevant accounting standards, has been extended to October 2055, which aligns with the estimated useful lives of certain buildings assets of 40 years. The change in estimated term of the land use right under the land concession contract has resulted in reduction in amortization of land use right and net loss of US$2.2 million and a reduction in basic and diluted loss per share of US$121 for the year ended December 31, 2015.

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

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

We did not recognize any impairment loss during the three months ended March 31, 2018 and in 2016 and 2015. We recognized impairment loss of US$19.6 million mainly due to reconfigurations and renovations at Studio City in 2017.

Revenue Recognition

On January 1, 2018, we adopted the New Revenue Standard using the modified retrospective method applying to those contracts not yet completed as of January 1, 2018. The accounting policies for revenue recognition as a result of the New Revenue Standard are as follows.

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

Revenues from provision of gaming related services represent revenues arising from the provision of facilities for the operations of Studio City Casino and services related thereto pursuant to the Services and Right

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

Non-gaming revenues include services provided for cash consideration and services provided on a complimentary basis to the gaming patrons at Studio City Casino. 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 tax and other applicable taxes collected by us are excluded from revenues. We record advance deposits on rooms and advance ticket sales as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by us are allocated to each good or service based on its relative standalone selling price.

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

Upon the adoption of the New Revenue Standard, we recognized the cumulated effect of initially applying the New Revenue Standard as an adjustment to the opening balance of accumulated losses. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. The major changes as a result of the adoption of the New Revenue Standard are as follows:

(1) Complimentary services provided to Studio City Casino's gaming patrons are deducted from the gross gaming revenues, measured based on stand-alone selling prices under the New Revenue Standard, replacing the previously used retail values, if different. The amounts of non-gaming revenues associated with the provision of these complimentary services by us are measured on the same basis. This change impacts the amount of revenues from the provision of gaming related services received by us with corresponding changes to the non-gaming revenues.

(2) The New Revenue Standard changes the measurement basis for the non-discretionary incentives (including the loyalty program) provided to Studio City Casino's gaming patrons, as administered by the Gaming Operator, from previously used estimated costs to standalone selling prices. Such amount of non-discretionary incentives is deducted from the gross gaming revenues by the Gaming Operator and impacts the amount of revenues from provision of gaming related services received by us. Similarly, upon redemptions of the non-discretionary incentives for non-gaming services provided by us, the associated non-gaming revenues are measured on the same basis. At the adoption date, we recognized an increase in opening balance of accumulated losses of US$3.3 million with a corresponding decrease in amounts due from affiliated companies.

There was no material impact on our financial position as of March 31, 2018 and our results of operations and cash flows for the three months ended March 31, 2018 as a result of the adoption of the New Revenue Standard.

Income Tax

We recognize deferred income taxes 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 March 31, 2018 and December 31, 2017, 2016 and 2015, we recorded valuation allowances of US$64.7 million, US$59.5 million, US$42.3 million and US$24.9 million, respectively; as management does not believe that it is more likely than not that the deferred tax assets will be realized. Our assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, and the duration of statutory carry-forward periods. To the extent that the financial results of our operations improve and it becomes more likely than not that the deferred tax assets are realizable, the valuation allowances will be reduced.

Taxation

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

Hong Kong

Our subsidiaries in Hong Kong are subject to Hong Kong profits tax on their estimated taxable income earned in or derived from Hong Kong at a uniform tax rate of 16.5%. No provision for Hong Kong profits tax has been made for the three months ended March 31, 2018 and for the years ended December 31, 2017, 2016 and 2015 as there was no taxable income during such periods. Payments of dividends by our subsidiaries to us are not subject to withholding tax in Hong Kong.

Macau

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of 12% on taxable income, as defined in the relevant tax laws. Concessionaires and subconcessionaires are currently subject to a 35% special gaming tax as well as other levies of 4% under the relevant concession or subconcession and may benefit from a corporate tax holiday on profit from their gaming revenues. The Gaming Operator benefits from a corporate tax holiday on gaming generated income which expires at the end of 2021. No provision for Macau complementary tax on profits has been made for the three months ended March 31, 2018 and for the years ended December 31, 2017, 2016 and 2015 as there was no taxable income during such periods.

In addition, in January 2015, the Macau government approved the application by our subsidiary, Studio City Entertainment, for a Macau complementary tax exemption through December 2016 on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and has been subject to gaming tax. In January 2017, the Macau government granted an extension of this exemption for an additional five years from 2017 to 2021. Dividend distributions by Studio City Entertainment continue to be subject to Macau complementary tax. We remain subject to Macau complementary tax on our non-gaming related profits.

In September 2017, the Macau government granted Studio City Hotels Limited, or 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. Although the Studio City property is owned by Studio City Developments Limited, or Studio City Developments, we believe Studio City Hotels is entitled to such property tax holiday; however, there is no assurance that the Macau government will extend such benefit to Studio City Hotels.

Distribution of Profits

All subsidiaries of our company incorporated in Macau are required to set aside a minimum of 25% of the entity’s profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to

50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the directors of the relevant subsidiaries. As of March 31, 2018 and December 31, 2017, 2016 and 2015, the legal reserve was US$6,000, US$6,000, nil and nil, respectively.

Restrictions on Distributions

The respective indentures governing the 2012 Notes and the 2016 Notes and the agreement for the 2016 Credit Facility contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by (in respect of the 2012 Notes) Studio City Finance and its subsidiaries, and (in respect of the 2016 Notes and the agreement for the 2016 Credit Facility) Studio City Investments and its subsidiaries.

Quantitative and Qualitative Disclosure about Market Risks

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and the presentation of our consolidated financial statements in U.S. Dollars. The majority of our revenues are denominated in Hong Kong Dollars, since the Hong Kong Dollar is the predominant currency used in Macau and is often used interchangeably with the Macau Pataca in Macau, while our expenses are denominated predominantly in Macau Patacas and Hong Kong Dollars. A significant portion of our indebtedness, as a result of the 2012 Notes, 2016 Notes, and the costs associated with servicing and repaying such debts are denominated in U.S. Dollars. In addition, the 2016 Credit Facility and the costs associated with servicing and repaying such debt are denominated in Hong Kong Dollars. The Hong Kong Dollar is pegged to the U.S. Dollar within a narrow range and the Macau Pataca is in turn pegged to the Hong Kong Dollar, and the exchange rates between these currencies have remained relatively stable over the past several years. However, we cannot assure you that the current peg or linkages between the U.S. Dollar, Hong Kong Dollar and Macau Pataca will not be de-pegged, de-linked or modified and subjected to fluctuation as such exchange rates may be affected by, among other things, changes in political and economic conditions.

Major currencies in which our cash and bank balances (including restricted cash and bank deposits with original maturities over three months) were held as of March 31, 2018 included U.S. Dollars, Hong Kong Dollars and the Macau Patacas. Based on the cash and bank balances as of March 31, 2018, an assumed 1% change in the exchange rates between currencies other than U.S. Dollars against the U.S. Dollar would cause a maximum foreign transaction gain or loss of approximately US$2.1 million for the three months ended March 31, 2018.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk.

Inflation Risk

The majority of our revenues were generated in Macau in the three months ended March 31, 2018 and in 2017, 2016 and 2015. Inflation did not have a material impact on our results of operations. According to the Statistics and Census Services of the Macau government, inflation as measured by the consumer price index in Macau was 1.23%, 2.37% and 4.56% in 2017, 2016 and 2015, respectively. Although we have not been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in Macau.

Recent Accounting Pronouncements

Please see a detailed discussion in Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Changes in Registrant's Certifying Accountant

On July 17, 2017, the board of directors of Melco Resorts approved the appointment of Ernst & Young and dismissed Deloitte Touche Tohmatsu ("Deloitte") as the independent registered public accounting firm of Melco Resorts and certain of its subsidiaries, including Studio City International Holdings Limited, effective July 17, 2017. The change of the independent registered public accounting firm was recommended by the audit and risk committee of the board of directors of Melco Resorts, or the Audit Committee, and made after the completion of a periodic tendering process conducted in accordance with the charter of the Audit Committee. The decision was not made due to any disagreements with Deloitte.

Deloitte's audit reports on our consolidated financial statements as of December 31, 2016 and 2015 and for each of the years ended December 31, 2016, 2015 and 2014 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During each of the years ended December 31, 2016, 2015 and 2014 and the subsequent interim period through July 17, 2017, there were (i) no "disagreements" (as such term is defined in Item 16F of Form 20-F) between Deloitte and us on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedures, any of which, if not resolved to Deloitte's satisfaction, would have caused Deloitte to make reference thereto in their reports and (ii) no "reportable events" (as such term is defined in Item 16F of Form 20-F).

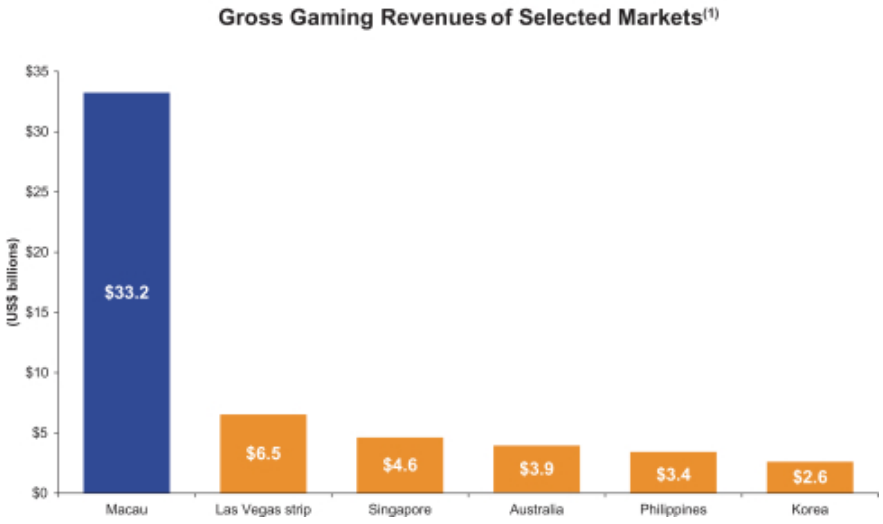
We have provided a copy of the above statements to Deloitte and requested that it furnish us with a letter addressed to the SEC stating whether or not they agree with the above disclosure. A copy of that letter is filed as exhibit 99.2 to the registration statement of which this prospectus is a part.

During each of the years ended December 31, 2016, 2015 and 2014 and the subsequent interim period through July 16, 2017, neither we nor anyone on our behalf has consulted with Ernst & Young regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us or anyone on our behalf that Ernst & Young concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issues or (ii) any matter that was the subject of a "disagreement" or a "reportable event" (as each of such terms is defined in Item 16F of Form 20-F).

INDUSTRY

Macau Gaming Market Overview

Macau has been the world's largest gaming destination in terms of gross gaming revenues since 2006. Macau's gross gaming revenues amounted to US$33.2 billion in 2017, which is approximately 5.1 times that of the Las Vegas Strip and approximately 7.2 times that of Singapore.



(1) The gross gaming revenues of the above selected markets are sourced from the latest available data from the sources as set out below. Australia data is for the 12 months ended June 30, 2016; and the remaining data is for the 12 months ended December 31, 2017.

The translation of Australian Dollars into U.S. Dollars has been made at the noon buying rate on June 30, 2016 in The City of New York for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York set forth in the H.10 statistical release of the U.S. Federal Reserve Board, which was AU$1.3455 to US$1.00. The translation of Philippine Pesos into U.S. Dollars was based on the volume weighted average exchange rate quoted through the Philippine Dealing System, which was PHP49.958 to US$1.00 on December 29, 2017. The translation of South Korean Won into U.S. Dollars has been made at the noon buying rate on December 29, 2017 in The City of New York for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York set forth in the H.10 statistical release of the U.S. Federal Reserve Board, which was KRW1,067.4200 to US$1.00.

Source: DICJ, Nevada Gaming Control Board, Bloomberg Intelligence, Queensland Government Statisticians Office, Nikkei Asian Review, Korea National Gambling Control Commission

Macau is well-positioned and strategically important in the overall gaming market across the Asia Pacific region. The success of Macau as a gaming and entertainment destination has led to the legalization, regulation and proliferation of gaming across the Asia Pacific region, and supported local economies within the broader pan-Asian region through enhanced tourism, job creation, tax revenues and the influx of domestic and foreign capital and other resources. The expansion of the gaming industry has also spurred investment and employment activities in related non-gaming industries, including retail, dining, entertainment, conference and convention sectors. The gaming industry's growth and success in Macau have largely been driven by gaming's particular appeal in Asian culture, the relatively low penetration in supply, an enormous population base, a fast urbanization rate and the emergence of an affluent, middle-class population with a proclivity towards leisure and entertainment.

Geography of Macau

Macau is a Special Administrative Region of the People's Republic of China located on the Pearl River Delta, and remains the closest place for the increasingly-affluent Chinese population to engage in gaming related

activities near mainland China. It is located adjacent to the southern coastline of Guangdong Province, one of China's wealthiest and most urbanized provinces. It is an hour away via high-speed ferry from Hong Kong, an international tourism hub in the region and home to Greater China's only approved casino gaming region. Macau attracts visitors from Guangdong Province, which had a population of approximately 112 million as of December 31, 2017 according to the Statistics Bureau of Guangdong Province, and from the rest of China, Hong Kong, Taiwan, Japan, South Korea, Thailand, Vietnam, Malaysia, Singapore, Indonesia, India and the Philippines, which are all within approximately five hours away by flight from Macau and together had a total population of approximately 3.5 billion in 2017, according to the International Monetary Fund.

The majority of the visitations to Macau are from mainland China and Hong Kong, accounting for 68.1% and 18.9%, respectively, of visitations in 2017. Driven by the continued development and prosperity of mainland China, total and overnight visitations to Macau from mainland China grew at a compound annual growth rate, or CAGR, of 7.7% and 9.5%, respectively, from 2010 to 2017. For 2017, total and overnight visitations from China continued to stay robust, growing by 8.5% and 16.4% year-on-year, respectively, according to Statistics and Census Service Macau SAR, or DSEC. The visitation mix from China has also improved, with a growing share of overnight versus same-day visitations as well as higher Individual Visit Scheme (IVS) / Non-package tour visitations. 2016 marked the first year in a decade with overnight visits exceeding day-visits, supported by increasing hotel capacity, and this trend has continued into the first quarter of 2018.

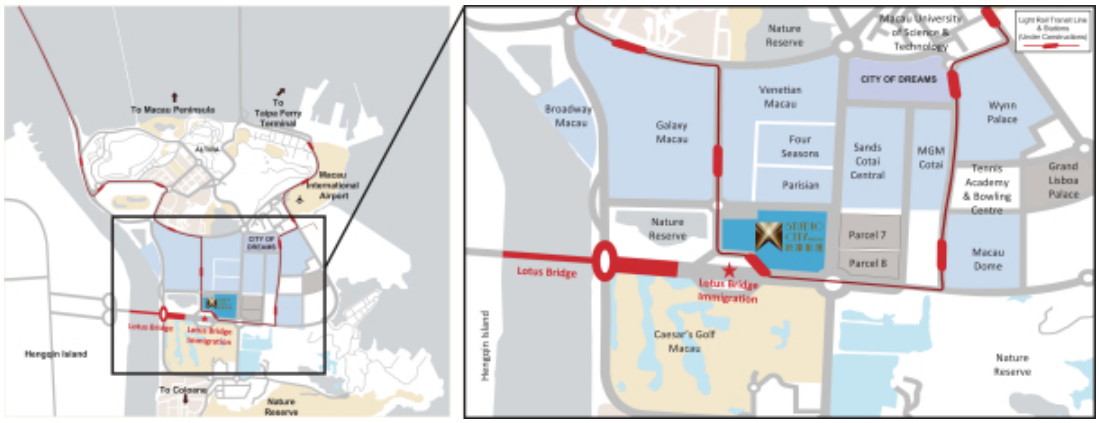
Trends and Development of the Macau Gaming Market

The Macau government initiated a bidding process to grant three new gaming concessions in late 2001 with the goal of improving the size, scope and quality of Macau's casinos and reinforcing its position as a gaming center. In 2002, SJM was awarded the first gaming concession, followed by Wynn Resorts Macau and Galaxy. A subsequent process allowed each concessionaire to grant one subconcession, and as a result, there are now six companies licensed to operate casinos in Macau. SJM, Wynn Resorts Macau and Galaxy entered into subconcession contracts with MGM Grand, Melco Resorts Macau and Venetian Macau, respectively. The increase in the number of full-service casino resorts has not only contributed to a more than five-fold increase in gross gaming revenues from 2005 through 2017, but has also helped broaden Macau's appeal to a larger audience by delivering a diverse range of non-gaming entertainment offerings, which were previously limited. The developers and operators of integrated resorts, which are able to attract new, premium-focused customers through premier gaming experiences and high-end retail, entertainment and leisure offerings, are expected to be the prime beneficiaries and are expected to experience significant growth during the evolution of the Macau gaming market.

The Macau gaming market is geographically segregated into two main regions, the Macau Peninsula and Cotai. The Macau Peninsula spreads across 9.3 square kilometers and is geographically connected to Zhuhai, China. The casino operations in Macau are primarily concentrated on the Macau Peninsula along the belt

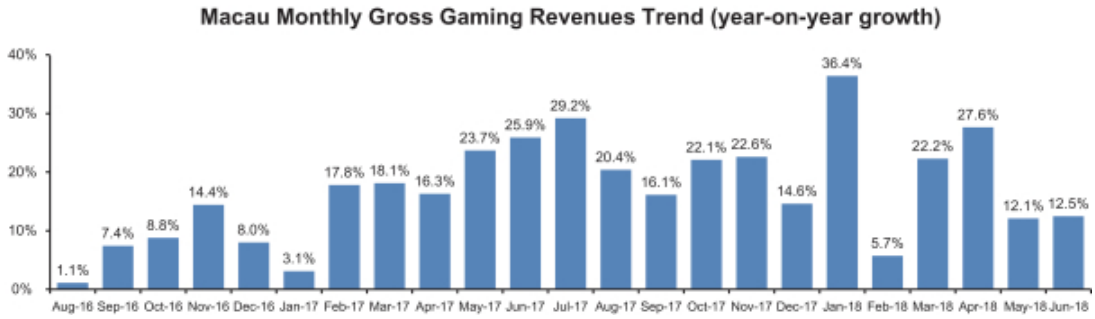
between the Macau-Hong Kong Ferry Terminal and the Governador Nobre de Carvalho Bridge. Cotai is a 6.0 square kilometers area of reclaimed land between the islands of Taipa and Coloane, connected to Zhuhai through the Lotus Bridge. Taipa is directly connected to the Macau Peninsula by three bridges.

With the Macau government's support and growing popularity of gaming, the number of casinos and hotels in Macau has increased and developments in Cotai have grown to critical mass. Cotai has emerged as one of the prime locations for further growth and development in Macau as a result of its integrated resort offerings that appeal to both VIP rolling chip players and mass market players.



The entry of international gaming operators, supported by favorable regional economic trends, has led to strong growth in the overall gaming market. We expect the Macau product offerings to continue to develop as a result of capital investments in new casino resorts as well as expansion of existing resorts such as Studio City and enhancements in infrastructure.

Gross gaming revenues in Macau peaked in 2013 at US$45.0 billion. After a decline in performance, Macau gross gaming revenues have shown consistent improvement with 23 consecutive months of year-on-year growth between August 2016 and June 2018. Gross gaming revenues in Macau reached US$33.2 billion in 2017 and the growth momentum has been robust in 2018 to date, with gross gaming revenues of US$18.7 billion recorded over the first six months of 2018, reflecting a year-on-year growth of 18.9%.



Source: DICJ

The Macau gaming market consists of two primary segments: the mass market and the VIP rolling chip segments.

Mass Market Segment

The mass market segment consists of both mass market table games and gaming machines for primarily cash stakes. The mass market players are further classified into mainstream mass market players and premium mass market players. The premium mass market offers gaming players a variety of premium mass market amenities within private gaming areas that are not generally available to the mainstream mass market players. The mass market segment is generally considered to be a higher-margin gaming segment relative to the VIP rolling chip segment, the margins of which are typically impacted by junket operator commissions and higher player concessions. Mass market gaming revenues have grown significantly in recent years and according to the DICJ, mass market table and gaming machine operations revenues grew at a CAGR of 12.7% and 6.2% from 2010 to 2017, respectively. Mass market table and gaming machine operations revenues accounted for approximately 38.3% and 5.0%, respectively, of total gross gaming revenues in Macau for 2017, compared to 23.4% and 4.6% in 2010, respectively.

VIP Rolling Chip Segment

VIP rolling chip players in Macau typically play mostly in dedicated VIP rolling chip rooms for higher stakes. VIP rolling chip players are sourced either by gaming promoters or through direct relationships between the casinos and the players such as members of loyalty programs.

- In accordance with general industry practice, gaming promoters typically commit to certain casino-specified minimum VIP rolling chip purchases per VIP rolling chip room per month. In return for their services, the gaming promoter is typically paid a commission by the gaming operator, based on either gaming win or the VIP rolling chip volume generated, of which a significant proportion is paid to the player in the form of a rebate. Hence, although the VIP rolling chip segment accounts for a large portion of total gross gaming revenues, margins from the VIP rolling chip segment are less favorable than those from the mass market segment. In addition, VIP rolling chip players typically receive various forms of complimentary services, including transportation, accommodation and food and beverage services from the gaming promoters or concessionaires or subconcessionaires. These complimentary services also affect the margins associated with the VIP rolling chip segment of the business.
- Direct VIP rolling chip players are brought in through direct relationships between players and gaming operators or players' preference for a particular gaming operator or property. Due to savings from commissions paid to gaming promoters, gaming revenues generated from direct VIP rolling chip players generally have higher margins compared to those generated from VIP rolling chip players sourced through gaming promoters.

The following table shows certain information about Macau's gaming market and gross gaming revenues by segment from 2010 to 2017 and the three months ended March 31, 2017 and 2018. It is anticipated that the diversified range in gaming segments in the Macau gaming market will continue to be the key driver of growth in the near future.

(All revenues in US$ billions)	2010	2011	2012	2013	2014	2015	2016	2017	3M 2017	3M 2018
Total gross gaming revenues	23.5	33.4	38.0	45.0	43.9	28.8	27.9	33.2	7.9	9.5
VIP rolling chip gross gaming revenues	16.9	24.5	26.3	29.8	26.5	16.0	14.8	18.8	4.4	5.4
Mass market gross gaming revenues(1)	6.6	9.0	11.6	15.3	17.3	12.9	13.0	14.4	3.5	4.2
—Mass market table gross revenues	5.5	7.5	10.0	13.5	15.5	11.4	11.6	12.7	3.1	3.7
—Gaming machine gaming revenues	1.1	1.4	1.7	1.8	1.8	1.5	1.4	1.6	0.4	0.5
Number of gaming tables(2)	4,791	5,302	5,485	5,750	5,711	5,957	6,287	6,419	6,423	6,586
Number of gaming machines(2)	14,050	16,056	16,585	13,106	13,018	14,578	13,826	15,622	16,018	17,205

Note: Mass market table gross gaming revenues and VIP rolling chip gross gaming revenues are calculated from original source data from DICJ
(1) Includes mass market table and gaming machine gross gaming revenues.
(2) As of December 31 or March 31 as applicable
Source: DICJ

Key Drivers for the Macau Gaming Market

We believe the development of the Macau gaming market has been driven by and will continue to be driven by a combination of factors, including:

- Close proximity to approximately 3.5 billion people in nearby regions in Asia and expansion of mainland China out-bound tourism to Macau;
- Continuing economic development and emergence of a wealthier demographic in China;
- Diversified range of gaming segments;
- Increased diversification in non-gaming offerings further enhancing visitation and game play;
- Further improvement of transportation and infrastructure driving visitation; and
- Hengqin Island development initiatives.

Details of these market drivers and initiatives are set out as follows:

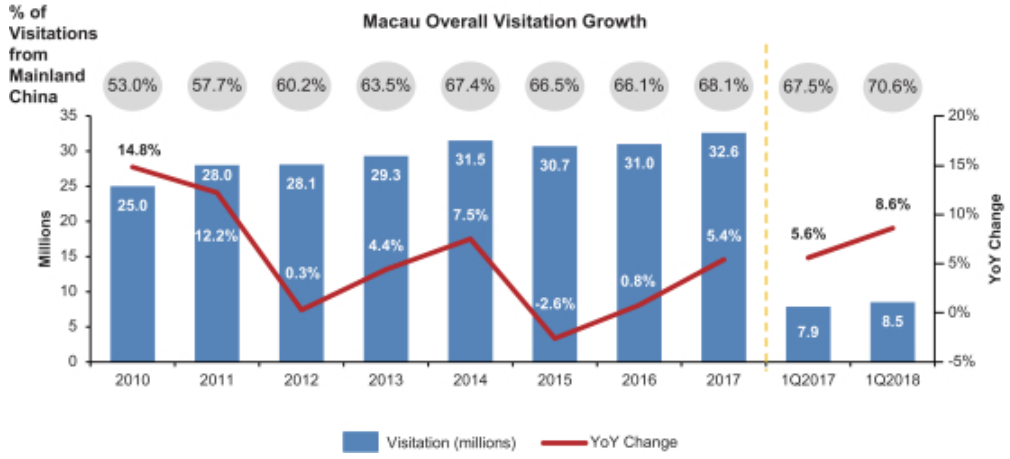
Close Proximity to Approximately 3.5 Billion People in Nearby Regions in Asia and Expansion of Mainland China Out-bound Tourism to Macau

Macau shares a border with China's populous and wealthy Guangdong Province and is approximately one hour from Hong Kong via high-speed ferry. Approximately 3.5 billion people live within a five-hour flight of Macau. The relatively easy access from major population centers in Asia facilitates Macau's development as a popular gaming destination in the region. Demand for non-gaming services, including retail, leisure and entertainment services is also supported by the growth of personal disposable income and the growth of the middle class in China.

The following table shows the population of, and visitations to Macau from, countries and regions within a five-hour flight of Macau in 2017. According to the DSEC, Macau had 32.6 million visitations in 2017. Visitations from China grew at a CAGR of 7.7% from 2010 to 2017 and accounted for approximately 68.1% of the visitations to Macau in 2017.

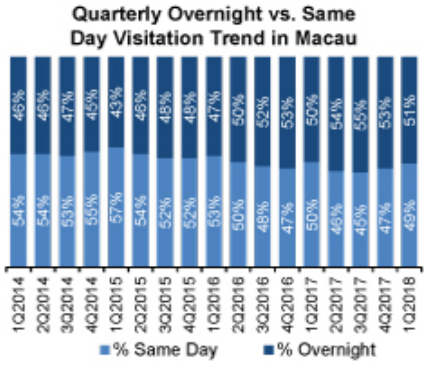
	2017 Visitations to Macau (millions) (A)	2017 Population (millions) (B)	Visitations as a % of Population (A÷B)
China	22.2	1,390.1	1.6%
Hong Kong	6.2	7.4	83.2%
Taiwan	1.1	23.6	4.5%
South Korea	0.9	51.5	1.7%
Japan	0.3	126.7	0.3%
Philippines	0.3	105.3	0.3%
Thailand	0.2	69.1	0.3%
Malaysia	0.2	32.1	0.7%
Indonesia	0.2	262.0	0.08%
India	0.1	1,316.9	0.01%
Singapore	0.1	5.6	2.5%
Vietnam	0.01	93.6	0.01%

Source: 2017 visitation figures from DSEC; 2017 population data from International Monetary Fund World Economic Outlook Database, April 2018.

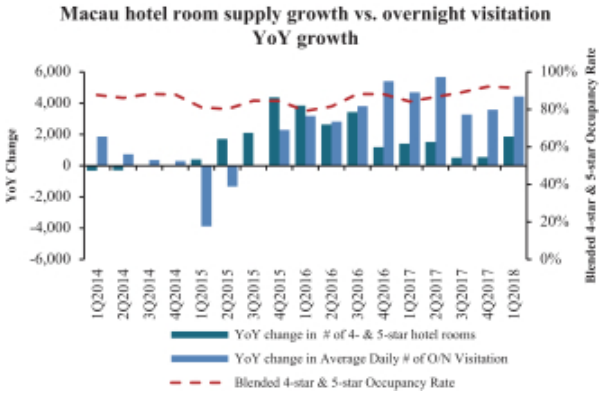


Source: DSEC

In terms of same-day and overnight visitation, 2016 marked the first time in a decade with aggregate overnight visitation exceeding same-day visitation, and this trend has continued into the first quarter of 2018. Occupancy rates at 4-star and 5-star hotel rooms were at 89% and 88%, respectively, on average during 2017 despite the new hotel capacity that came onto the market.



Source: DSEC



Source: DSEC

Visitation growth from mainland China has been supported by the implementation of the IVS. Following its implementation in 2003, mainland Chinese citizens from selected large urban centers and economically developed regions were able to obtain permits to travel to Macau on their own without having to be part of a tour. The IVS covers 49 cities and over 300 million mainland Chinese citizens. However, it is estimated that less than 3.6% of the eligible citizens, or approximately 10.6 million, were IVS travelers in 2017, indicating room for increased growth.

The Chinese government has indicated its intention to maintain tourism development by opening the IVS to more mainland Chinese citizens to visit Macau. In March 2016, the Ministry of Public Security of China

announced a new practice to make it easier for some mainland Chinese citizens to apply for the IVS visa. In 2017, mainland Chinese non-package tour visitors accounted for 68.8% of total visitations from China, according to DSEC. Non-package tour visitors are generally considered more valuable to gaming operators due to higher spending propensity as compared with package tour visitors.

The majority of visitations from mainland China are from nearby areas. In recent years, approximately 40-50% of the mainland Chinese visitations are from Guangdong province.

With continued economic growth and favorable visa policies, further penetration of tourism by mainland Chinese residents is expected to increase growth opportunities for the Macau gaming market.

Macau Visitation by Province

Province	Total 2017 Visitation (millions) (A)	Total Population (millions) (B)	GDP per Capita (US$)	Visitations as a % of Population (A ÷ B)
Guangdong	9.2	112	12,463	8.3%
Fujian	0.8	39	12,753	2.1%
Zhejiang	0.6	57	14,149	1.1%
Hunan	1.0	69	7,771	1.5%
Jiangsu	0.6	80	16,475	0.7%
Henan	0.5	96	7,244	0.5%
Sichuan	0.4	83	6,863	0.5%
Beijing	0.4	22	19,827	1.6%
Shanghai	0.6	24	19,151	2.5%
Tianjin	0.1	16	18,358	0.9%
Chongqing	0.3	31	9,789	0.8%
Hubei	0.7	59	9,511	1.2%
Guangxi	0.6	49	6,448	1.3%
Jiangxi	0.5	46	6,945	1.1%
Liaoning	0.3	44	8,414	0.8%
Anhui	0.3	63	6,794	0.4%
Shanxi	0.2	37	6,233	0.6%
Shandong	0.3	100	11,197	0.3%
Heilongjiang	0.3	38	6,563	0.8%
Hebei	0.3	75	7,375	0.4%
Shaanxi	0.2	38	8,802	0.5%
Inner Mongolia	0.1	25	9,804	0.4%
Jilin	0.2	27	8,623	0.8%
Other PRC	3.5	162	N/A	2.2%
Total	**22.2**	**1,390**	**9,170**	**1.6%**

(1) Visitations from China to Macau for which no province could be identified are designated under the Province category of "Other PRC."
Source: 2017 visitation figures from DSEC; 2017 population and GDP per capita figures from statistics bureaus of each respective province

Continuing Economic Development and Emergence of a Wealthier Demographic in China

It is anticipated that Macau will directly benefit from China's expanding economy. According to the National Bureau of Statistics of China, China's GDP grew at a CAGR of 8.9% over the past five years, and China is currently the second largest economy in the world by GDP. According to The International Monetary Fund's World Economic Outlook (April 2018), China's real GDP growth is forecasted to reach approximately 6.6% for 2018. Long-term economic growth in China is expected to help sustain and fuel the development of Macau, which is the mass entertainment and leisure hub in the Pearl River Delta region.

The promotion of domestic demand is critical in sustaining long-term economic growth in China. The impact of the global recession on China's economic growth has provided an impetus for China's shift to increase domestic consumption in order to reduce dependence on exports and foreign investments. In order to strengthen domestic spending and consumption, the Chinese government is accelerating urbanization and providing an impetus for better education and jobs. At the end of 2017, approximately 58.5% of China's 1.39 billion population lived in urban areas. Rapid urbanization has historically spurred greater consumption and shifted the composition of retail spending in China from a heavy weighting towards food to a more balanced consumption model.

The following table sets out the growth of retail sales in China from 2010 to 2017 and the three months ended March 31, 2017 and 2018, and the growth in per capita disposable income of urban households in China from 2010 to 2017 and the three months ended March 31, 2017 and 2018:

	2010	2011	2012	2013	2014	2015	2016	2017	3M17	3M18	2010-2017 CAGR
Retail sales in China (US$ billions)	2,413	2,877	3,296	3,732	4,179	4,625	5,108	5,629	1,319	1,388	12.9%
Urban household per capita disposable income (US$)	2,937	3,352	3,776	4,068	4,433	4,795	5,167	5,594	1,535	1,657	9.6%

Source: National Bureau of Statistics of China

The outbound tourism industry in China is also becoming more sophisticated. According to the China National Tourism Administration, visits by Chinese out-bound tourists are estimated to reach 150 million in 2020 from 117 million in 2015.

The shift in China's consumption patterns towards more discretionary spending is expected to continue as incomes continue to increase. Given the higher propensity for gaming in this demographic, increasing spending patterns are expected to further support growth in Macau's gaming market.

Increased Diversification in Non-gaming Offerings Further Enhancing Visitation and Game Play

Macau also provides non-gaming amenities in the form of retail, hotel, conference and entertainment amenities, which are supported by the Macau government's infrastructure initiatives.

Although non-gaming revenues currently represent a small portion of total revenues in the Macau gaming market, the development of non-gaming attractions positions Macau as a comprehensive entertainment destination. As casino operators utilize their expertise to incorporate retail, food and beverage outlets and entertainment into their properties to offer an integrated resort experience, visitation to Macau, duration of stay and spending of visitors (excluding gaming expense and donations) have all increased.

Retail

In the past five years, casino operators have expanded retail space on the Macau Peninsula and in Cotai for upscale shopping. Retail sales in Macau grew at a CAGR of 11.6% from 2010 to 2017. As mainland Chinese citizens constitute a majority of visitations to Macau, retail plays an important role in attracting Chinese customers to the region to purchase premium brands without paying a luxury goods tax which may be levied if the purchases were made in mainland China. During 2017, mainland Chinese visitors spent an average of US$144 per person on shopping, higher than visitors from any other region, according to DSEC. The upcoming supply of retail space offered by entertainment resorts is expected to help further propel visitation and business to the casinos.

Entertainment

The newly integrated gaming resorts support the development of Macau's entertainment offerings to emulate Las Vegas' breadth of entertainment attractions. The new resorts offer a variety of leisure and entertainment attractions to help draw in a more diverse array of visitors.

Lodging

As at March 31, 2018, Macau had 37,938 hotel rooms. By comparison, the Las Vegas Strip had 147,463 hotel rooms as of the same date. According to the Five-Year Development Plan of the Macao Special

Administrative Region (2016-2020), from 2016 to 2020, the number of hotel rooms is expected to increase by 12,000, along with an increase of at least 14,400 job vacancies. It is anticipated that the introduction of additional high quality hotels, in combination with increasing retail and entertainment facilities and MICE space, will continue to enhance Macau's reputation as a world-class tourist and business destination and, ultimately, to contribute to increases in both visitation and the average length of stay in Macau.

The following table shows the timing and supply of major new hotel room additions.

Property		Hotel Rooms
Wynn Palace	Opened	1,700
Parisian Macao	Opened	3,000
MGM Cotai	Opened	1,400
City of Dreams Phase 3(1)	Opened	770
SJM Cotai	2019	2,000

(1) Includes Morpheus Tower

We believe there is significant long-term growth potential for Macau's non-gaming segment given the ongoing development of world class facilities and Macau's proximity to the growing MICE market in China. Macau visitors currently spend only a fraction of what their U.S. counterparts spend on non-casino activities. According to the DSEC, there were 1,381 MICE events held in various venues in Macau during 2017 with an average duration of 1.7 days, attracting approximately 1.9 million participants and attendees, significantly lower than its Las Vegas counterparts which, according to Las Vegas Convention and Visitors Authority, had 19,767 events and 6.6 million attendees over the same period. According to the Five-Year Development Plan of the Macao Special Administrative Region (2016-2020), one of Macau's major targets is to increase the percentage of non-gaming revenue compared to total gaming revenue from 6.6% in 2014 to over 9% in 2020.

Further Improvement of Transportation and Infrastructure Driving Visitation

Macau is accessible by land, air and sea. During 2017, approximately 57.1% of visitations arrived in Macau via the Zhuhai border gate, Lotus Checkpoint and Checkpoint of Trans-border Industrial Park, approximately 34.5% arrived via ferry from Hong Kong and nearby cities in China and approximately 8.4% arrived via the Macau International Airport and heliport. Specifically, in-bound visitations into Cotai have been consistently increasing as a percentage of total visitation over the last few years.

	In-bound visitations as % of total visitations										CAGR of In-bound visitations
	2010	2011	2012	2013	2014	2015	2016	2017	3M17	3M18	'14-'17
In-bound visitations through Lotus Bridge, Cotai(1)	N/A	N/A	N/A	N/A	5.6%	6.5%	7.3%	7.7%	8.4%	8.7%	12.3%
In-bound visitations through Cotai(2)	24.5%	22.2%	24.5%	25.4%	25.5%	26.6%	28.7%	29.4%	28.7%	30.6%	6.0%
In-bound visitations *not through* Cotai	75.5%	77.8%	75.5%	74.6%	74.5%	73.4%	71.3%	70.6%	71.3%	69.4%	(0.7%)

Source: DSEC
(1) Refers to visitations through the Lotus Checkpoint.
(2) Includes visitations through the Taipa Ferry Terminal, Macau International Airport, Lotus Checkpoint and Checkpoint of Trans-border Industrial Park for the period from 2010 to 2013 due to a lack of further breakdown between Lotus Checkpoint and Checkpoint of Trans-border Industrial Park. Includes visitations through the Taipa Ferry Terminal, Macau International Airport, and Lotus Checkpoint for 2014 and onwards.

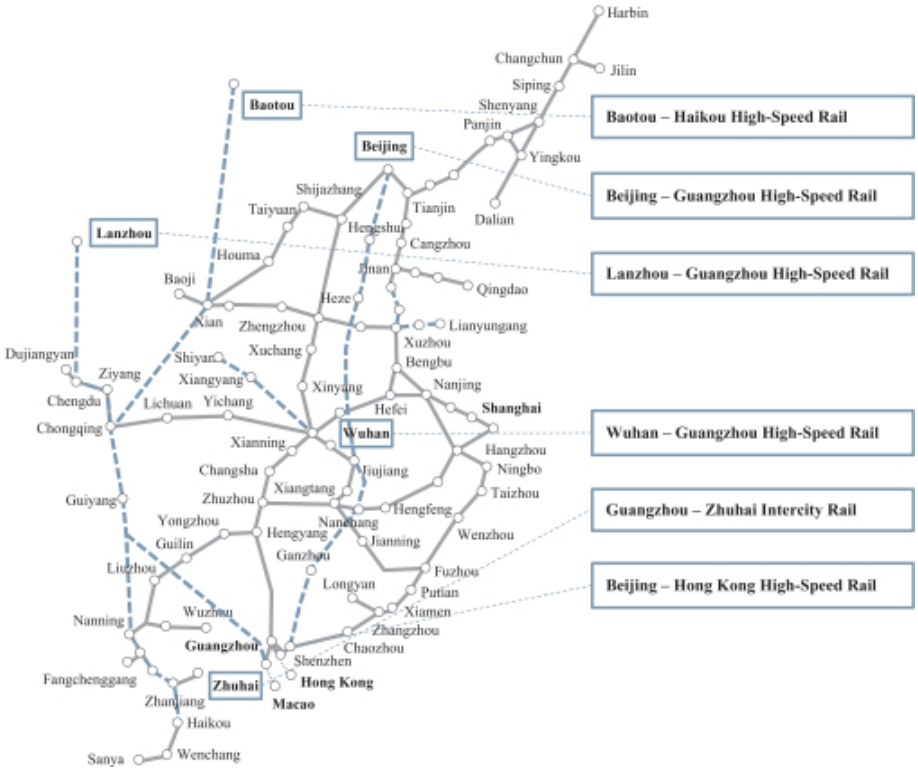
Several airlines currently fly directly to Macau International Airport, operating direct routes to Macau from China and countries such as South Korea, Japan, Thailand, Malaysia, Singapore and the Philippines.

A number of infrastructure projects to facilitate travel have been recently completed or are in various stages of planning or development, most of which are expected to be completed before end of 2018 and contribute to growth in visitation and an increase in gaming patrons:

- *New Taipa Ferry Terminal.* The Pac On Ferry Terminal, a MOP3.8 billion project, opened on June 1, 2017, with a capacity to accommodate 30 million passengers annually. The new five-floor terminal is approximately 200,000 square meters, quadruple the size of the temporary Taipa ferry terminal. The new terminal is able to accommodate three ferry operators across its 19 berths.
- *Hong Kong-Zhuhai-Macau Bridge*. The bridge linking the three areas will include a bridge with total length of approximately 30 kilometers, boundary crossing facilities, access roads and associated works. In January 2007, the local governments of Hong Kong, Zhuhai and Macau established the Hong Kong-Zhuhai-Macau Bridge Task Force to implement the project, and the Hong Kong portion was completed in January 2018. It is expected to contribute to a significant reduction in travel time from Hong Kong as well as throughout China to Macau.
- *Gongbei-Zhuhai Airport Railroad Transit.* The Gongbei-Zhuhai Airport rail road transit project commenced in 2014 and Phase 1, connecting Gongbei and Hengqin Island, is expected to open in 2018. Phase 2 of the project, which connects Hengqin Island to Zhuhai Airport, is expected to be completed in 2022. The total length is expected to be approximately 39 kilometers and the top speed is expected to reach 160 kilometers per hour. When the project is completed and in operation, it is anticipated that it will only take half an hour to go from Gongbei to Zhuhai Airport, approximately half an hour less than the time currently needed.
- *Guangzhou-Zhuhai Intercity Mass Rapid Transit*. The mass rapid transit opened in January 2011, which provides another convenient form of transport to Macau. The extension rail connecting Zhuhai and Hengqin Island is estimated to be completed in 2018, which will include direct connection facilities to the Macau Light Rail Transit line.
- *Airport Capacity Upgrade.* The north extension of the passenger terminal building of the Macau International Airport, with a total area of 14,000 sq.m., was opened in February 2018, and is expected to enable the airport to receive up to 7.8 million passengers per year. The south extension project is currently under planning and is expected to increase the airport’s receiving capacity to 10 million passengers per year when completed. The airport served approximately 8.4% of the annual incoming visitation traffic to Macau in 2017.
- *Macau Light Rail Transit Line.* The Taipa route of the Macau Light Rail Transit Line has been substantially completed in 2016, and full completion of the entire line is expected in 2019. The light rail system will service the Macau Peninsula, Taipa and Cotai areas, and will have stations at major checkpoints such as the Macau International Airport, Outer Harbour Ferry Terminal, Taipa Ferry Terminal and the Lotus Checkpoint.

Upon completion of the above initiatives, it is expected that the improved transportation to and within Macau will contribute to growth in visitation.

In recent years, the rapid development of the high-speed rail network in mainland China has made Macau an easier destination to reach from inner cities in mainland China. Currently, the high speed rail connects Macau well with cities in central China, northern China, as well as various coastal cities. With the completion of the high-speed rail routes, it is expected to take approximately seven hours from Beijing to Hong Kong by train. The following is a map of various current as well as planned high-speed rail routes that make traveling to Macau easier from cities in mainland China(1):



(1): The Baotou—Haikou, Lanzhou—Guangzhou, and Beijing—Hong Kong high-speed lines are proposed lines, and are shown with dotted lines
Source: National Development and Reform Commission, China Railway Corporation

Macau is also participating in the One Belt One Road initiative which has been incorporated into the Five-Year Development Plan of the Macao Special Administrative Region (2016-2020) and is expected to be a new driver for boosting socio-economic development and social well-being in Macau.

Hengqin Island Development Initiatives

Hengqin Island, Zhuhai, China is a 106.5 square kilometer piece of land connected to Cotai via Macau's Lotus Bridge. This island was designated as a special economic zone under China's 12th "Five Year Plan." Hengqin Island's development is focused on the following industries: business services, financial services, cultural innovation, tourism, scientific research, hi-tech industries, traditional Chinese medicine and healthcare. Qualifying companies and imported goods on the island will benefit from preferential tax rates and import duties. Approximately US$6 billion of planned investments focusing on medicine, technology and financial services were announced in 2016 for Hengqin Island.

Major developments on Hengqin Island include:

- *Commercial Hub, Branded as the Shizimen Central Business District*. The first phase of this new urban center and commercial hub comprises of office, hotel, residential and convention and exhibition space. The new Zhuhai International Convention and Exhibition Centre, which is the first phase of the Shizimen Central Business District, opened in October 2014. Under current plans, these public and civic functions will be complemented by retail, serviced apartments, grade A office spaces and international hotels.
- *Chimelong International Ocean Resort*. The Chimelong International Ocean Resort opened in January 2014 and according to the Hengqin government website, is expected to generate 50 million visits per year after completion of all phases. In December 2015, the Zhuhai municipal government and Chimelong Group signed a new investment agreement with a total investment of RMB50 billion.
- *University of Macau*. The University of Macau built a MOP9.8 billion campus on Hengqin Island, with an aim to promote exchange and cooperation with other universities in Macau and the rest of China in the research and development of new technologies. The 1.09 square kilometer campus opened in 2014.

Continued developments on the island are expected to increase entry into Macau via the Lotus Bridge and facilitate Macau's growth as a tourism hub in Asia through increased visitor traffic and extended length of stays.

BUSINESS

Overview

Studio City is a world-class gaming, retail and entertainment resort located in Cotai, Macau. Studio City Casino has 250 mass market gaming tables and approximately 970 gaming machines, which we believe provide higher margins and attractive long-term growth opportunities. The mass market focus of Studio City Casino is complemented with junket and premium direct VIP rolling chip operations, which include 45 VIP rolling chip tables. Our cinematically-themed integrated resort is designed to attract a wide range of customers by providing highly differentiated non-gaming attractions, including the world's first figure-8 Ferris wheel, a Warner Bros.-themed family entertainment center, a 4-D Batman flight simulator, an exclusive night club and a 5,000-seat live performance arena. Studio City features approximately 1,600 luxury hotel rooms, diverse food and beverage establishments and approximately 35,000 square meters of complementary retail space. Studio City was named *Casino/Integrated Resort of the Year* in 2016 by the International Gaming Awards.

Macau is the world's largest gaming market, with gross gaming revenue in 2017 approximately 5.1 times that of the Las Vegas Strip and approximately 7.2 times that of Singapore, according to the DICJ, the Nevada Gaming Control Board and Bloomberg Intelligence. The recent growth of the Macau gaming market has been robust, with gross gaming revenue increasing by 18.9% compared to the prior year period for the first six months of 2018 to US$18.7 billion, and monthly gross gaming revenue growing for each of the 23 months from August 2016 to June 2018 on a year-on-year basis, according to the DICJ. Macau is also a limited gaming concession market, with only six gaming concessions and subconcessions currently granted by the local government. We believe we are well-positioned to take advantage of this large and growing, supply-constrained market.

Studio City is strategically located in Cotai, as the only property directly adjacent to the Lotus Bridge immigration checkpoint and to one of the few dedicated Cotai hotel-casino resort stops planned on the Macau Light Rail Transit Line. The Lotus Bridge connects Cotai with Hengqin Island in Zhuhai, China, a designated special economic district in China undergoing significant business and infrastructure development.

Studio City is rapidly ramping up since commencing operations in October 2015. We have grown total revenues from US$69.3 million in 2015 to US$424.5 million in 2016 and further to US$539.8 million in 2017, and generated net losses of US$232.6 million, US$242.8 million and US$76.4 million, respectively, for these periods. We increased our adjusted EBITDA from US$6.3 million in 2015 to US$123.0 million in 2016 and further to US$279.1 million in 2017, and expanded our adjusted EBITDA margin from 9.1% to 29.0% and further to 51.7%, respectively, for these periods. Our total revenues increased from US$121.4 million in the three months ended March 31, 2017 to US$156.9 million in the three months ended March 31, 2018 and we had net loss of US$26.5 million in the three months ended March 31, 2017 and net income of US$8.8 million in the three months ended March 31, 2018. Our adjusted EBITDA increased from US$56.8 million in the three months ended March 31, 2017 to US$93.0 million in the three months ended March 31, 2018 and our adjusted EBITDA margin expanded from 46.8% to 59.3% in these periods, respectively.

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

Competitive Strengths

Fully Integrated Destination Resort Focused on the Attractive Mass Market Segment

Studio City resort focuses on the mass market segment. We believe this segment provides attractive long-term growth opportunities and the mass market gaming segment has relatively higher margins than the VIP gaming segment. According to the DICJ, aggregate annual mass market gaming revenues increased at a CAGR of 11.8% from 2010 to 2017, and we believe the projected economic growth in Asia will drive significant further growth in the mass market gaming segment. Mass market gaming has higher margins due to its lower cost structure than the VIP segment, which is impacted by junket operator commissions and higher player concessions.

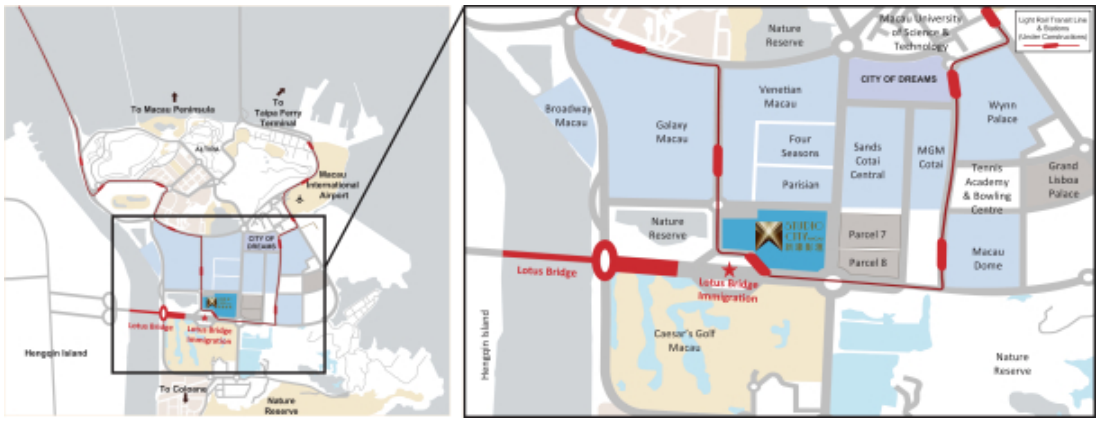
Studio City is a large-scale cinematically-themed integrated resort that was designed to drive mass market gaming at Studio City Casino. Studio City's extensive range of non-gaming entertainment offerings include:

- *The "Golden Reel."* The world's first figure-8, and Asia's highest, Ferris wheel built into the facade of the resort that stands out to visitors entering Cotai via the Macau Light Rail or the Lotus Bridge immigration checkpoint.
- *An Extensive Family Entertainment Center*. A 32,000 square foot indoor play center with rides and interactive fun built around the iconic Warner Bros., Hanna-Barbera and Looney Tunes entertainment franchises.
- *Batman Dark Flight Simulator*. A 4-dimensional flight simulation thrill ride that is fun for the whole family.
- *Events Arena*. A 5,000-seat, multi-purpose live performance arena with 16 private VIP suites, more than 240 luxury club seats and a deluxe club lounge.

Studio City also features approximately 1,600 luxury hotel rooms, consisting of the Star Tower with approximately 600 high-end suites, personalized services and a private health club and spa, and the Celebrity Tower with nearly 1,000 luxurious and well-appointed hotel rooms. Studio City's dining and beverage options are also geared toward the mass market crowd and include a broad range of international restaurants, cafes, bars and lounges. Its signature Cantonese restaurant, *Pearl Dragon*, earned a one-Michelin-star rank for the second consecutive year by the Michelin Guide Hong Kong Macau in 2018. Its Chinese restaurant, *Bi Ying*, was included in Hong Kong Tatler's Best Restaurants guide in 2017. Finally, the Boulevard at Studio City offers an immersive retail environment in a streetscape surrounding inspired by iconic shopping and entertainment locations from around the world, including New York's Times Square and Beverly Hills' Rodeo Drive.

Strategic Location with Strong and Improving Accessibility

Studio City is strategically located in Cotai, as the only property directly adjacent to the Lotus Bridge immigration checkpoint and one of the few dedicated Cotai hotel-casino resort stops planned on the Macau Light Rail Transit line, which is expected to commence operations in 2019. Macau visitation through the Lotus Bridge as a percentage of total visitations increased from 6.5% in 2015 to 7.3% and 7.7% in 2016 and 2017, respectively, and further to 8.7% in the three months ended March 31, 2018, according to the DSEC. In addition, construction of an access way to level two of Studio City from the Lotus Bridge is expected to be completed in 2018. We also expect a significant increase in traffic flow over time from the development initiatives on Hengqin Island in Zhuhai, China, which adjoins Cotai via the Lotus Bridge, as a result of Hengqin Island's designation as a special economic zone under China's 12th "Five Year Plan." We expect to be a natural and popular first stop for a large number of visitors from mainland China due to our close proximity to these key entry points and development areas. The following map illustrates the centralized location of Studio City in Cotai, Macau:



We believe we can also leverage the traffic flow from nearby resorts and casinos, including the Parisian Macao, which opened in September 2016, primarily due to our differentiated non-gaming attractions. We recently completed the expansion of the northeast entrance of Studio City adjacent to the Parisian Macao to enhance foot traffic into Studio City from this entry point. In addition, our close proximity to City of Dreams, which is also under the ownership of our controlling shareholder and with its casino operated by the Gaming Operator, enables innovative cross-marketing initiatives and promotions that drive traffic to our resort.

Well-Positioned to Capitalize on an Improving Market Environment

We have achieved significant growth since Studio City commenced operations in October 2015. In our first full year of operations in 2016, we generated US$424.5 million of total revenues and an adjusted EBITDA margin of 29.0%. For the year ended December 31, 2017, we generated total revenues of US$539.8 million and an adjusted EBITDA margin of 51.7%. In the three months ended March 31, 2018, we generated total revenues of US$156.9 million and an adjusted EBITDA margin of 59.3%. More recently, Macau gross gaming revenues have consistently improved with 23 consecutive months of year-on-year growth between August 2016 and June 2018, according to the DICJ. Our targeted mass market segment also benefits from the recent trend toward increasing visitation to Macau, which grew by 8.6% to 8.5 million visitors for the three months ended March 31, 2018, compared to the three months ended March 31, 2017, according to the DSEC. We believe the development of the Macau gaming market will continue to be driven by a combination of factors, including its close proximity to approximately 3.5 billion people in nearby Asia regions, increasing tourism from mainland China due to the continuing economic development and emergence of a wealthier demographic in China, further improvement of transportation and infrastructure, as well as the significant Hengqin Island economic development initiatives. We believe Studio City is well-positioned to capitalize on the improved market conditions and growth opportunities due to its focus on mass market and its integrated and differentiated non-gaming offerings.

Experienced and Dedicated Management Team

Our management team has extensive experience in the gaming and hospitality industries. Management team members have prior tenures at other Macau large-scale integrated resorts, such as Wynn Macau, Sands Macau and Venetian Macau. Our property president, Geoffry Philip Andres, and property chief financial officer, Timothy Green Nauss, have an average of more than 20 years of experience in the gaming and hospitality industries. In addition, there are more than 4,500 staff who are solely dedicated to the operations of Studio City to ensure exceptional customer experiences. We also receive certain centralized corporate and management services from the senior management and other shared service staff of other subsidiaries of Melco Resorts who devote a portion of their time to our operations. We intend to continue to capitalize on the deep industry expertise, management skills and strong execution capabilities of our management team to successfully formulate and implement our strategies, and continue to streamline our operations by utilizing the services provided by our affiliates.

Significant Operational Experience and Extensive Network of Our Controlling Shareholder

Our controlling shareholder, Melco Resorts entered the Macau gaming market in 2006 and has a successful track record in launching and operating integrated gaming resorts such as Altira Macau and City of Dreams. Melco Resorts has significant operational knowledge and experience in the gaming market in Macau. The deep understanding of our controlling shareholder of the Macau gaming industry, customer needs and preferences, regulatory processes, and the evolving competitive landscape offers us a significant competitive advantage over our competitors. After this offering, we will continue to benefit from our relationship with Melco Resorts through economies of scale resulting in cost-savings, including the centralization of shared services and support functions such as legal, information technology, human resources, supply chain logistics, warehousing, strategic sourcing and transportation. We will also continue to benefit from Melco Resorts' extensive customer and sales network in Asia, as well as its well-developed and recognized customer loyalty programs, which we will continue to leverage to further drive visitation.

Business and Growth Strategies

Continue to Focus on the Mass Market Segment

We intend for Studio City Casino to continue to focus on mass market gaming due to its attractive growth opportunities and higher margin profile. We designed our non-gaming attractions to complement the mass market focus of Studio City Casino by delivering experiences that specifically appeal to mass market players. We aim to leverage our differentiated entertainment, retail, food and beverage and hotel amenities to drive visitation, longer stays and greater spending by our patrons. We currently plan to develop a hotel and related amenities on the remaining land where Studio City is located in accordance with our land concession.

Complement the Mass Market Business of Studio City Casino with VIP Rolling Chip Operations

Studio City Casino introduced both junket and premium direct VIP offerings at Studio City in November 2016 to complement our mass market business. The VIP rolling area at Studio City Casino currently includes 45 VIP rolling chip tables. The VIP rolling chip operations expand the gaming operations at Studio City Casino and diversify our revenue base by leveraging our existing infrastructure, without any substantial additional capital investment. VIP gaming also increases demand for our premium restaurant selections and foot-traffic for our retail outlets. We intend to continue to complement the mass market focus with an attractive VIP offering to enhance our growth.

Continue to Drive Visitation and Revenue Growth through Innovative Non-gaming Attractions

We intend to continue to enhance and diversify our differentiated non-gaming amenities and service offerings with the goal to drive further visitation to Studio City, and deliver long-term growth and higher

margins. We differentiate our resort from the existing resorts in Macau by focusing on innovative and interactive entertainment attractions to drive gaming revenues. We intend to leverage our existing attractions to provide superior entertainment experiences. For example, we intend to host more premier concerts and events in our arena over time to increase our brand recognition. We also intend to enhance our existing attractions and update them over time, and to optimize our mix of our retail and food and beverage offerings that appeal to our target customers.

Continue to Pursue Strategic Marketing Initiatives and Differentiate the "Studio City" Brand

We plan to continue to build the "Studio City" brand to increase awareness among potential customers. We intend to continue to pursue innovative promotions, including engaging celebrities to promote the resort's cinematic themes and entertainment facilities, and to host special events at Studio City. We also plan to enhance our advertising activities, including through a variety of social media, print, television, online, outdoor, onsite and other means. In addition, we intend to leverage our relationship with our controlling shareholder, Melco Resorts, to promote our resort through complementary and cost-effective cross-marketing and sales campaigns.

Prudently Manage Our Capital Structure

We commenced operations in October 2015, and we have evolved our capital structure to match and support the on-going ramp-up of our operations. In November 2016, we refinanced our 2013 Project Facility with diverse sources of operating capital, including a secured credit facility and bond issuance. We intend to strengthen our balance sheet by focusing on optimizing our leverage, maintaining a competitive cost of capital and improving balance sheet flexibility. We expect to use the net proceeds from this offering to repay US$ million of our outstanding indebtedness. Pro forma for this offering, assuming the midpoint of the range on the cover of this prospectus, our net debt will be approximately US$ million. We intend to prudently manage our capital structure as we continue to grow our operations.

Our Relationship with Melco Resorts

We benefit from the significant experience and knowledge in the Macau gaming market of our controlling shareholder, Melco Resorts. The Studio City Casino is operated by the Gaming Operator, which is a holder of a gaming subconcession in Macau, under the Services and Right to Use Arrangements. In addition, we also entered into the Management and Shared Services Arrangements with the Master Service Providers, which are subsidiaries of Melco Resorts, with the aim to leverage our relationship with Melco Resorts to achieve economies of scale through cost-saving arrangements, including centralization of shared services and support functions. We believe such arrangements with Melco Resorts allow us to streamline our operations with greater administrative flexibility and efficiency.

Services and Right to Use Arrangements with the Gaming Operator

In May 2007, we entered into a services and right to use agreement with the Gaming Operator, pursuant to which the Gaming Operator agrees to operate Studio City Casino (as amended on June 15, 2012, the "Services and Right to Use Agreement" and together with the reimbursement agreement of the same date and other agreements or arrangements entered into from time to time regarding the operation of Studio City Casino, the "Services and Right to Use Arrangements"). Under the Services and Right to Use Arrangements, the Gaming Operator manages all day-to-day operations, and maintains security and internal control systems to Studio City Casino. The Gaming Operator also recruits all casino staff, including dealers, cashiers, security and surveillance personnel and managers. The Gaming Operator deducts gaming tax and the costs incurred in connection with its operation, including retail value of the complimentary services within Studio City provided to the casino patrons, gaming staff costs and other gaming related costs from the gross gaming revenues. We receive the residual gross gaming revenues and recognize these amounts as revenues from provision of gaming related services. For details of the terms of the Services and Right to Use Arrangements, see "Related Party Transactions—Material Contracts with Affiliated Companies."

Since its opening, Studio City Casino generated gross gaming revenues of US$1,438.1 million, US$706.2 million and US$94.7 million in 2017, 2016 and 2015, respectively, and US$425.5 million and US$276.4 million in the three months ended March 31, 2018 and 2017, respectively. After the Gaming Operator deducted gaming tax and the costs incurred in connection with its operation of Studio City Casino pursuant to the Services and Right to Use Arrangements, we recognized US$295.6 million, US$151.6 million and US$21.4 million as revenues from the provision of gaming related services provided at the property in 2017, 2016 and 2015, respectively, and US$98.4 million and US$59.2 million in the three months ended March 31, 2018 and 2017, respectively.

Management and Shared Services Arrangements with Melco Resorts

In December 2015, we entered into a master service agreement (the "Master Service Agreement") and a series of work agreements (together with the Master Service Agreement, the "Management and Shared Services Arrangements") with respect to the non-gaming services with the Master Service Providers. Under the Management and Shared Services Arrangements, the Master Service Providers recruit, allocate, train, manage and supervise a majority of the staff who are all solely dedicated to our property to perform our corporate and administrative functions and carry out other non-gaming activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities. In addition, leveraging the resources and platform of Melco Resorts, we receive services from the Master Service Providers, including operational management services and general corporate services, such as payroll, human resources, information technology, marketing, accounting and legal services. We believe the Management and Shared Services Arrangements increase our competitive advantage and contributes to the success of our business. See "Related Party Transactions—Material Contracts with Affiliated Companies—Management and Shared Services Arrangements."

Studio City

Studio City is a large-scale cinematically-themed and integrated entertainment, retail and gaming resort with a luxury hotel, iconic attractions, award-winning restaurants and chefs, shopping areas and a casino. The integrated nature of Studio City allows for easy access to various entertainment, high-end lodging and dining attractions and provides a synergy that allows customers to seamlessly experience gourmet dining, engage in high-end retail shopping, participate in immersive entertainment events and nightlife, enjoy luxurious hotel accommodations and attend corporate meetings or conferences all at one convenient location.

Studio City commenced its operations in October 2015. Studio City Casino is operated by the Gaming Operator while we operate the non-gaming business. Although Studio City Casino primarily focuses on the mass market segment for gaming, targeting all ranges of mass market players, in early November 2016, Studio City Casino introduced VIP rolling chip operations, including both junket and premium direct VIP offerings. Studio City also offers premier entertainment venues that include the world's first figure-8 Ferris wheel, a high-end shopping complex, spa and beauty salon facilities, award winning restaurants and bars and family-themed play areas for children to attract a diverse range of customers.

Studio City is located in the fast growing Cotai area of Macau, on a site immediately adjacent to the Lotus Bridge immigration checkpoint and a proposed light rail station, which we believe offers us an advantage in attracting mass market gaming and non-gaming patrons to our property. In order to drive more visitation to Studio City, we arrange complimentary shuttle bus pick-up services for our gaming and non-gaming patrons from various high-traffic locations throughout Macau, including the Border Gate, Macau Ferry Terminal, Taipa Ferry Terminal, Macau International Airport and Macau Tower. Studio City is located in close proximity to the new Taipa Ferry Terminal which opened on June 1, 2017 and has a capacity to accommodate 30 million passengers annually. The new five floor-terminal is approximately 200,000 square meters, quadrupling the size of the temporary Taipa ferry terminal. The terminal is expected to accommodate three ferry operators across its 19 berths. For the three months ended March 31, 2018 and the years ended December 31, 2017, 2016 and 2015,

we generated total revenues of US$156.9 million, US$539.8 million, US$424.5 million, and US$69.3 million, respectively.

Gaming

Studio City Casino consists of a mass market table gaming area, a gaming machine area and a VIP gaming area, with a total gross floor area of 23,745 square meters, located on the first two floors of Studio City. Our gaming customers include mass market and VIP rolling chip players. Studio City Casino catered exclusively to mass market players until it launched its VIP rolling chip operations in November 2016, including both junket and premium direct VIP offerings. For the three months ended March 31, 2018 and the years ended December 31, 2017, 2016 and 2015, Studio City Casino's gross gaming revenues was US$425.5 million, US$1,438.1 million, US$706.2 million and US$94.7 million, respectively.

Studio City Casino currently has 250 mass market gaming tables, approximately 970 gaming machines and 45 VIP rolling chip tables. These gaming tables offer gaming patrons a variety of options including baccarat, three card baccarat, fortune baccarat, blackjack, craps, Caribbean stud poker, roulette, sic bo, fortune 3 card poker and other games.

Mass Market Segment

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

Studio City Casino's mass market table games drop and hold percentage were US$2,913.0 million and 26.1% in 2017, respectively, US$2,480.0 million and 24.7% in 2016, respectively, and US$365.3 million and 22.4% in 2015, respectively. As a result, Studio City Casino had gross gaming revenue from mass market table games of US$759.1 million, US$611.6 million and US$81.8 million in 2017, 2016 and 2015, respectively. Studio City Casino's gaming machine handle and gaming machine win rate were US$2,120.5 million and 3.7% in 2017, respectively, US$2,002.3 million and 3.8% in 2016, respectively, and US$264.9 million and 4.9% in 2015, respectively. As a result, Studio City Casino had gross gaming revenue from gaming machine of US$78.2 million, US$76.0 million and US$12.9 million in 2017, 2016 and 2015, respectively. Average net win per gaming machine per day in 2017, 2016 and 2015 was US$225, US$189 and US$168, respectively.

Studio City Casino's mass market table games drop and hold percentage in the three months ended March 31, 2018 was US$825.2 million and 27.4%, respectively. As a result, Studio City Casino had gross gaming revenue from mass market table games of US$226.3 million in the three months ended March 31, 2018. Studio City Casino's gaming machine handle and gaming machine win rate was US$581.6 million and 3.7%, respectively, in the three months ended March 31, 2018. As a result, Studio City Casino had gross gaming revenue from gaming machine of US$21.2 million in the three months ended March 31, 2018. Average net win per gaming machine per day was US$250 in the three months ended March 31, 2018.

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

VIP Rolling Chip Segment

In November 2016, Studio City Casino introduced VIP rolling chip operations, including both junket and premium direct VIP offerings, and currently has 45 VIP rolling chip tables in operation. The VIP rolling chip area is comprised of private gaming salons or areas that have restricted access to rolling chip patrons and offer

more personalized and ultra-premium services than the mainstream and premium mass market gaming areas. It is also situated at a higher level than the mass market gaming areas with generally higher-end dining and beverage options and special decorations. Studio City Casino's VIP rolling chip volume, VIP rolling chip win rate and VIP rolling chip gross gaming revenue were US$6,630.8 million, 2.68% and US$178.0 million, respectively, in the three months ended March 31, 2018, US$19,003.9 million, 3.16% and US$600.8 million, respectively, in 2017 and US$1,343.6 million, 1.39% and US$18.6 million, respectively, in 2016.

Hotel

Studio City includes self-managed luxury hotel facilities with approximately 1,600 hotel rooms, all elegantly furnished and complete with services and amenities to match. The hotel facilities include indoor and outdoor swimming pools, beauty salon, spa, fitness centers and other amenities. The Studio City hotel features two distinct towers, enabling it to provide a variety of accommodation selections to visitors. The premium all-suite Star Tower offers approximately 600 suites complete with lavish facilities and dedicated services for a five-star retreat. There are five types of suites which range in size from the Star Premier King Suite at 62 square meters to the Star Grand Suite at 185 square meters which includes a living room, dining room and a separate bedroom. Personalized check-in, private indoor heated pool and health club can be enjoyed by all Star Tower guests. The Celebrity Tower with approximately 1,000 rooms brings a deluxe hotel experience to a board range of travelers, which includes access to all of the entertainment facilities offered by Studio City. It offers seven different room packages ranging from the Celebrity King at 42 square meters to the Celebrity Suite at 85 square meters. The following table sets forth certain data with respect to our hotel for the specified periods:

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2017	2016	2015	2018	2017
Average daily rate (US$)	140	136	136	139	139
REVPAR (US$)	138	133	133	139	138
Occupancy rate	99%	98%	98%	100%	99%

Dining

We believe that our selection of dining options that include restaurants, bars and lounges offering a diverse selection of local, regional and international cuisine attracts more visitors to Studio City. Studio City offers both high-end and casual dining restaurants, cafes, bars and lounges to cater to the tastes and preferences of our patrons. Over 20 food and beverage outlets are located throughout Studio City, including traditional Cantonese, Shanghainese, northern Chinese, South East Asian, Japanese, Italian and other western and international cuisines as well as local Macau cuisine. Studio City offers gourmet dining with a range of signature restaurants including one Michelin-starred *Pearl Dragon*. We also offer a casual food area within our Warner Bros. Fun Zone, a 32,000 square foot playground replete with all the popular Warner Bros., DC Comics and Hanna-Barbera characters.

Retail

Studio City has approximately 35,000 square meters of themed and innovative retail space at the lower levels of the property. It has a net leasable area of approximately 21,385 square meters. The retail mall showcases a variety of shops and food and beverage offerings including a small portion of our self-operated retail outlets.

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

internationally-renowned luxury brands, such as Aeronautica Militare, Balmain, Bottega Veneta, Bvlgari, Calvin Klein Platinum, Coach, Emporio Armani, Fendi, Givenchy, Graff, Gucci, Hublot, IWC, Jaeger-LeCoultre, Jaquet Droz, Longines, Prada, Tiffany & Co., Vacheron Constantin and Versace Collection as well as personal shopper services. At the connection between the two themed retail streets lies Times Square Macau, which features an array of futuristic technologies, including holographic projections that showcase a variety of entertainment content from both real and virtual musicians and entertainers.

Entertainment

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

- *Golden Reel*—an iconic landmark of Macau, it is the world's first figure-8 and Asia's highest Ferris wheel. The Golden Reel rises approximately 130 meters high between Studio City's Art Deco-inspired twin hotel towers. The iconic landmark features 17 spacious Steampunk-themed cabins that can each accommodate up to ten passengers. During 2017, the Golden Reel attracted over 700,000 visitors.

- *Batman Dark Flight*—the world's first flight simulation ride based on the "Batman" franchise. Enhanced with the latest in flight simulation technology and the very best in audio design and visual graphics, this immersive flying theater 4D motion ride provides thrill-seekers with a dynamic flying experience based on a multi-sensory, action-packed, digitally-animated Batman storyline with Batman's heart-stopping encounters. Our Batman Dark Flight ride attracted over 300,000 visitors in 2017.
- *Warner Bros. Fun Zone*—a 32,000-square-foot indoor play center packed with rides and interactive fun zones themed around popular characters from Warner Bros.' DC Comics, Hanna-Barbera Productions and Looney Tunes entertainment franchises in a secure environment, complete with on-site child concierge services. The Warner Bros. Fun Zone targets kids of all ages, where kids can enjoy an immersive play experience with characters including Bugs Bunny, Tweety Pie, Sylvester, Taz and

Daffy Duck. A range of shops and restaurants, a cartoon cinema and a designated birthday venue with different customizable rooms are also featured at the venue, providing families with children with memorable opportunities to interact and meet with iconic cartoon characters.

- *Studio 8*—the only TV studio facility in Macau to provide open access to "plug-in and play" facilities to create a fully operational television recording and broadcast studio. Studio 8 is a state-of-the-art studio facility with all the best-in-class infrastructure to support portable specialist equipment required for world-class TV production.
- *Studio City Entertainment Center*—a 5,000-seat multi-purpose arena representing the centerpiece of Studio City's live entertainment offerings. The complex has a first-class premium seating level offering 16 private VIP suites, in addition to approximately 242 luxury club seats and a deluxe club lounge. Each VIP suite is spacious and elegantly designed, coming fully equipped with stylish furnishings and a flat-screen TV. Playing host to concerts, theatrical shows, sporting events, family shows, award ceremonies and more, the Studio City Entertainment Center is the next generation in versatile, innovative, premier and live entertainment venues.
- *RiverScape*—a jungle river-themed water ride that caters to families and is over 450 meters long, offers three routes of differing lengths and a children's pool with two slides that lead to separate splash pools.

Meetings, Incentives, Conventions and Exhibitions

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

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

Customers

We seek to cater to a broad range of customers with a focus on mass market players through the diverse gaming and non-gaming facilities and amenities at Studio City. The loyalty program at Studio City ensures that each customer segment is specifically recognized and incentivized in accordance with their revenue contribution. The loyalty program is segmented into several tiers. Members earn points for their gaming spending which may be redeemed for a range of retail gifts and complimentary vouchers to be used in our restaurants, bars, shows, hotel and Studio City Casino. Members also receive other benefits such as discounts, parking entitlement and invitations to member-only promotional events. Dedicated customer hosting programs provide personalized service to our most valuable customers and these customers enjoy exclusive access to private luxury gaming salons. In addition, we utilize sophisticated analytical programs and capabilities to track the behavior and spending patterns of our patrons. We believe these tools will help deepen our understanding of our customers to optimize yield and make continued improvements to our Studio City property.

Gaming Patrons

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

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

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

Non-Gaming Patrons

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

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

Gaming Promoters

Gaming promoters in Macau are independent third parties that include both individuals and corporate entities and are officially licensed by the DICJ and source junket players. VIP rolling chip players sourced by gaming promoters do not earn direct gaming related rebates from the Gaming Operator. The Gaming Operator pays a commission and provides other complimentary services to the gaming promoter. Gaming promoters also extend credit to their junket players and are responsible for collecting such credit from them.

The Gaming Operator has 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 the Gaming Operator associates meet suitability standards. The Gaming Operator typically enters into gaming promoter agreements for a one-year term that are automatically renewed for periods of up to one year unless otherwise terminated. The gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. Commission is calculated either by reference to revenue share or monthly rolling chip volume. The gaming promoters may receive complimentary allowances for food and beverage, hotel accommodation and transportation.

Advertising and Marketing

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

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

There is a public relations and advertising team dedicated to Studio City that cultivates media relationships, promotes Studio City's brands and directly liaises with customers within target Asian countries in order to explore media opportunities in various markets. Advertising activities at Studio City are rolled out through a variety of local and regional media platforms, including digital, social media, print, television, online, outdoor, on property (as permitted by Macau, PRC and any other applicable regional laws) as well as collateral and direct mail pieces. We also engage celebrities for marketing activities. We believe that these marketing and incentive programs will increase our brand awareness and drive further visitation to Studio City.

Awards

In recognition of Studio City's facilities, games, customer service, atmosphere, style and design, Studio City was awarded the International Five Star Standard, Best Large Hotel Macau, Best City Hotel Macau, Best Resort Hotel Macau and Best Convention Hotel Macau in the International Hotel Awards 2017-18. Studio City was the Global Winner in the "Luxury Casino Hotel" category and the Regional Winner (East Asia) in the "Luxury Family Hotel" category of the 2017 World Luxury Hotel Awards. The property was also awarded the "Casino/Integrated Resort of the Year" in the International Gaming Awards in 2016 and honored as "Asia's Leading New Resort" in World Travel Awards in 2016. Moreover, according to Forbes Travel Guide's official 2018 Star Rating List, Studio City's Star Tower received the prestigious 5-Star Forbes rating. Studio City's signature Cantonese restaurant, *Pearl Dragon*, celebrated its one-Michelin-starred establishment rank for the second consecutive year in the Michelin Guide Hong Kong Macau 2018. In addition, *Pearl Dragon* and *Bi Ying* were included in the list of Hong Kong Tatler's Best Restaurants guide in 2017.

Competition

Macau Gaming Market

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

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

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

Galaxy currently operates multiple casinos in Macau, including StarWorld, a hotel and casino resort in Macau's central business and tourism district. The Galaxy Macau Resort opened in Cotai in May 2011 and the opening of Phase 2 of the Galaxy Macau Resort took place in May 2015.

Galaxy has granted a subconcession to Venetian Macau Limited, a subsidiary of Las Vegas Sands Corporation and Sands China Limited, which are listed on the New York Stock Exchange and the Hong Kong Stock Exchange, respectively. Las Vegas Sands Corporation is the developer of Sands Macao, The Venetian Macau, Sands Cotai Central and Parisian Macao. Venetian Macau Limited, with a subconcession under Galaxy's concession, operates Sands Macao on the Macau peninsula, together with The Venetian Macau, the Plaza Casino

at The Four Seasons Hotel Macao and the Sands Cotai Central, which are located in Cotai. Sands China Ltd. opened the Parisian Macao in Cotai in September 2016 and has announced proposals for the re-branding and re-development of the Sands Cotai Central into The Londoner Macao.

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

The existing concessions and subconcessions do not place any limit on the number of gaming facilities that may be operated. 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 concessionaire was permitted to grant one subconcession. The Macau government is currently considering the process of renewal, extension or grant of gaming concessions or subconcessions expiring in 2020 and 2022. The Macau government further 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%. These restrictions are not legislated or enacted into laws or regulations and, as such, different policies, including the policy on the annual increase rate in the number of gaming tables, may be adopted at any time by the relevant Macau government authorities. According to the DICJ, the number of gaming tables operating in Macau as of March 31, 2018 was 6,586. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino or gaming area that was not previously authorized by the Macau government, or permit tables authorized for mass market gaming operations to be utilized for VIP gaming operations or authorize the expansion of existing casinos or gaming areas. However, the policies and laws of the Macau government may change and permit the Macau government to grant additional gaming concessions or subconcessions. Such change in policies may also result in a change of the number of gaming tables and casinos that the Macau government is prepared to authorize for operation.

Other Regional Markets

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

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

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

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

South Korea has allowed casinos for foreigners for some time including Seven Luck Casino and Paradise Walker Hill Casino in Seoul and Paradise Casinos in Busan and Incheon. Recently, Kangwon Land Casino opened in an old mining area of South Korea and began to accept Korean nationals.

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

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

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

Seasonality

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

Staff

There were 4,520, 4,517, 4,812 and 5,230 dedicated staff members as of March 31, 2018 and December 31, 2017, 2016 and 2015, respectively, performing services solely at Studio City. The Gaming Operator is responsible for the hiring, managing and training of the gaming staff and deducts such costs relating to such gaming staff from Studio City Casino's gross gaming revenue in accordance with the Services and Right to Use Arrangements. See "—Our Relationship with Melco Resorts—Services and Right to Use Arrangements with the Gaming Operator." Under the Management and Shared Services Arrangements, the Master Service Providers, recruit, place, allocate, train, manage and supervise the staff who are solely dedicated to our property to perform corporate and administrative functions and carry out other non-gaming activities, and the relevant personnel costs are charged back to us. In addition, we receive certain centralized corporate and management services from the senior management and other shared service staff of the Master Service Providers who devote a portion of their time under the arrangements. See "—Our Relationship with Melco Resorts—Management and Shared Services Arrangements with Melco Resorts." The property president and property chief financial officer are employed by us and oversee the operations of Studio City. Our property president has oversight over all non-gaming staff members solely dedicated to Studio City and exercises input over their performance, which enables us to effectively evaluate their performance and manage talent. Our property chief financial officer has oversight over our expenses (including shared service related items), receipts and disbursements, record-keeping and financial reporting to management and facilitates in the financial budgeting process. The following table indicates the distribution of these staff by function as of March 31, 2018:

Function	Number of Staff
Management, Administrative and Finance	40
Gaming	1,778
Hotel	725
Food and Beverage	980
Property Operations	537
Entertainment and Projects	135
Marketing	200
Others	125
Total	**4,520**

Through the Management and Shared Services Arrangements, we are able to leverage the resources and platform of the Master Service Providers to have qualified staff dedicated to working on our property. Our success depends on the ability of the Master Service Providers and us to attract, retain, motivate, and inspire qualified personnel. We believe that we maintain a good working relationship with the staff working at Studio City. As of the date of this prospectus, we have not experienced any significant labor disputes.

Land and Properties

Land Concession

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

The granted land is located in Cotai, Macau, with a total area of approximately 130,789 square meters. The gross construction area of our granted land is approximately 707,078 square meters. Currently, the gross floor area of Studio City is approximately 477,110 square meters.

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

Pursuant to our land concession contract, our granted land, including the remaining project, must be fully developed by July 24, 2021. See "Risk Factors—Risks Relating to Our Business—We are developing the remaining project for Studio City under the terms of a land concession contract which require us to fully develop the land on which Studio City is located by July 24, 2021. If we do not complete development by that time and the Macau government does not grant us a further extension of the development period, 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."

Development of Our Remaining Project

Our plan for the remaining project remains at an early stage, and is subject to various conditions. We may include in the remaining project a hotel and related amenities. To date, we have incurred approximately US$20.8 million of aggregate costs relating to the development of our remaining project, primarily related to the initial design and planning costs.

We are continually reviewing and developing our project plans of our remaining project which may be subject to further revision and change. See "Risk Factors—Risks Relating to Our Business—We are developing the remaining project for Studio City under the terms of a land concession contract which require us to fully develop the land on which Studio City is located by July 24, 2021. If we do not complete development by that time and the Macau government does not grant us a further extension of the development period, 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," "—Plans for our remaining project for Studio City are at an early stage. Future development of the remaining project is subject to significant risks and uncertainties," and "—We may not be able to obtain adequate financing on satisfactory terms for our existing business and/or remaining project, or at all."

Properties

Apart from the property site for Studio City, we do not own or lease any other properties as of the date of this prospectus.

Intellectual Property

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

Our trademarks and other intellectual property rights distinguish our services and products from those of our competitors and contribute to our ability to compete in our target markets. To protect our intellectual property, we rely on a combination of trademark, copyright and trade secret laws. To protect our intellectual property rights, we monitor any infringement or misappropriation of our intellectual property rights, and staff working at Studio City are generally subject to confidentiality obligations.

Insurance

We maintain and benefit from, and expect to continue to maintain and benefit from, insurance of the types and in amounts that are customary in the industry and which we believe will reasonably protect our interests. This includes commercial general liability (including product liability and accidental pollution liability), automobile liability, workers compensation, property damage and machinery breakdown and business

interruption insurances. We also require certain contractors who may perform work on Studio City, as well as other vendors, to maintain certain insurances. In each case, all such insurances are subject to various caps on liability, both on a per claim and aggregate basis, as well as certain deductibles and other terms and conditions. We do not maintain key-man life insurance. See "Risk Factors—Risks Relating to Our Business—We may not have sufficient insurance coverage."

Environmental Matters

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

Our Internal Control Policies

Studio City International, being a subsidiary of Melco Resorts, adheres to Melco Resort's governance policies and internal control measures in order to achieve operations in a professional manner in compliance with Melco Resorts' internal control requirements and applicable laws.

The Code of Business Conduct and Ethics, or the Code, and the Ethical Business Practices Program, or the EBPP, of Melco Resorts are applicable to all personnel assigned to operate Studio City.

The Foreign Corrupt Practices Act, or the FCPA, and Macau laws prohibit us and the staff and agents participating in the operations in Studio City from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any government official. The Code includes provisions relating to compliance of all applicable anti-corruption laws including FCPA and the relevant Macau laws. To further supplement the Code, Melco Resorts implemented the EBPP in 2013 which updated and expanded its FCPA Compliance Program implemented in 2007. The EBPP now covers corruption in both public and private sectors. It covers the activities of our shareholders, directors, officers and counterparties, and all personnel operating our hotel and gaming business.

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

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

Legal and Administrative Proceedings

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

REGULATION

This section sets forth a summary of the significant regulations or requirements in Macau, where we conduct our material business operations. The primary laws and regulations that affect the operation of Studio City and its gaming areas relate to gaming, gaming promoters, gaming credit, access to casinos and gaming areas, smoking, anti-money laundering and terrorism financing, responsible gaming, control of cross-border transportation of cash, prevention and suppression of corruption in external trade, asset freezing enforcement, foreign exchange, intellectual property rights, data privacy, labor quotas, land, distribution of profits, Foreign Corrupt Practices Act, Macau subconcession regime and taxation.

Gaming Regulations

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

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

- to collaborate in the definition of gaming policies;
- to supervise and monitor the activities of the concessionaires and subconcessionaires;
- to investigate and monitor the continuing suitability and financial capacity requirements of concessionaires, subconcessionaires and gaming promoters;
- to issue licenses to gaming promoters;
- to license and certify gaming equipment; and
- to issue directives and recommend practices with respect to the ordinary operation of casinos.

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

- If the Gaming Operator violates the Macau Gaming Law, the Gaming Operator's subconcession could be limited, conditioned, suspended, revoked, or subject to compliance with certain statutory and regulatory procedures. In addition, the Gaming Operator, and the persons involved, could be subject to substantial fines for each separate violation of the Macau Gaming Law or of the Subconcession Contract at the discretion of the Macau government. Further, if the Gaming Operator terminates or suspends the operation of all or a part of its gaming operations without permission for reasons not due to force majeure, or in the event of the insufficiency of the gaming facilities and equipment which may affect the normal operation of its gaming business, the Macau government would be entitled to replace the Gaming Operator during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, the Gaming Operator would bear the expenses required for maintaining the normal operation of the gaming business.
- The Macau government also has the power to supervise concessionaires and subconcessionaires in order to assure financial stability and capability. See "—The Gaming Operator's Subconcession—The Subconcession Contract" below for more details.
- Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau government may be found unsuitable. Any shareholder of a concessionaire or subconcessionaire holding shares equal to or in excess of 5% of such concessionaire's or subconcessionaire's share capital who is found unsuitable will be required to dispose of such shares by a certain time (the transfer itself

being subject to the Macau government's authorization). If a disposal has not taken place by the time so designated, such shares must be acquired by the concessionaire or subconcessionaire. The Gaming Operator will be subject to disciplinary action if, after it receives notice that a person is unsuitable to be a shareholder or to have any other relationship with it, the Gaming Operator:

- pays that person any dividend or interest upon its shares;
- allows that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
- pays remuneration in any form to that person for services rendered or otherwise; or
- fails to pursue all lawful efforts to require that unsuitable person to relinquish his or her shares.

- The Macau government also requires prior approval for the creation of a lien over the shares or property (comprised of a casino, gaming equipment and utensils) of a concession or subconcession holder.
- The Macau government must give its prior approval to changes in control through a merger, consolidation, shares acquisition, or any act or conduct by any person whereby such person obtains control of the Gaming Operator. Entities seeking to acquire control of a concessionaire or subconcessionaire must satisfy the Macau government with regards to a variety of stringent standards prior to assuming control. The Macau government may also require controlling shareholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated for suitability as part of the approval process of the transaction.

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

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

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 businesses by gaming promoters. Applications to the DICJ by those seeking to become licensed gaming promoters must be sponsored by a concessionaire or subconcessionaire. Such concessionaire or subconcessionaire must confirm that it may contract the applicant's services subject to the latter being licensed. Licenses are subject to annual renewal and a list of licensed gaming promoters is published every year in the Macau Official Gazette. The DICJ monitors each gaming promoter and its staff and collaborators. In October 2015, the DICJ issued specific accounting related instructions applicable to gaming promoters and their operations. Any failure by gaming promoters to comply with such instructions may impact their license and ability to operate in Macau.

In addition, concessionaires and subconcessionaires are jointly liable for the activities of their gaming promoters and collaborators within their casinos. In addition to the licensing and suitability assessment procedures performed by the DICJ, all of the Gaming Operator's gaming promoters undergo a thorough internal

vetting process. The Gaming Operator conducts background checks and also conducts periodic reviews of the activities of each gaming promoter, its employees and its collaborators for possible non-compliance with Macau legal and regulatory requirements. Such reviews generally include investigations into compliance with applicable anti-money laundering laws and regulations as well as tax withholding requirements.

Concessionaires and subconcessionaires are required to report periodically on commissions and other remunerations paid to their gaming promoters. A 5% tax must be withheld on commissions and other remunerations paid by a concessionaire or subconcessionaire to its gaming promoters. Under the Gaming Promoters Regulation and in accordance with the Secretary for Economy and Finance Dispatch no. 83/2009, effective as of September 11, 2009, a commission cap of 1.25% of net rolling has been in effect. Any bonuses, gifts, services or other advantages which are subject to monetary valuation and which are granted, directly or indirectly, inside or outside of Macau by any concessionaire or subconcessionaires or any company of their respective group to any gaming promoter shall be considered a commission. The commission cap regulations impose fines, ranging from MOP100,000 (US$12,479) up to MOP500,000 (US$62,395), on gaming operators that do not comply with the cap and other fines, ranging from MOP50,000 (US$6,240) up to MOP250,000 (US$31,198) on gaming operators that do not comply with their reporting obligations regarding commission payments. If breached, the legislation on commission caps has a sanction enabling the relevant government authority to make public a government decision imposing a fine on a concessionaire and subconcessionaire by publishing such decision on the DICJ website and in two Macau newspapers (in Chinese and Portuguese respectively). We believe the Gaming Operator has implemented the necessary internal control systems to ensure compliance with the commission cap and reporting obligations in accordance with applicable rules and regulations.

The Macau government is currently considering amending the Macau Administrative Regulation no. 6/2002. The Macau government is, among other things, proposing that the licensing requirements for gaming promoters be more stringent and restrictive, the imposition of new penalties and the increase of the amounts of current fines.

Gaming Credit Regulations

Law no. 5/2004 has legalized the extension of gaming credit to patrons or gaming promoters by concessionaires and subconcessionaires in Macau. 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 court.

Access to Casinos and Gaming Areas Regulations

Under Law no. 10/2012, 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. The Macau government is currently considering an amendment to Law no. 10/2012 to the effect that off-duty gaming employees may not access any casinos or gaming areas, except during the Chinese New Year festive season.

Smoking Regulations

Under the Smoking Prevention and Tobacco Control Law, smoking is not permitted in casino premises, except for an area of up to 50% of the casino area opened to the public as determined by Dispatch of the Chief Executive of Macau. Effective from October 2014, smoking in general access gaming areas is only permitted in segregated smoking lounges with no gaming activities. Smoking in limited access gaming areas would be subject to prior authorization from the Chief Executive of Macau.

In July 2017, Law no. 9/2017 amended the Smoking Prevention and Tobacco Control Law, with effect from January 1, 2018, under which smoking on casino premises shall only be permitted in segregated smoking lounges with no gaming activities, and such segregated smoking lounges are required to be set up within a transition period of one year subsequent to the effective date. During the transition period, existing smoking areas and smoking lounges can be maintained.

Anti-money Laundering Regulations and Terrorism Financing

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, govern compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at casinos and gaming areas in Macau. Under these laws and regulations, the Gaming Operator is required to:

- implement internal procedures and rules governing the prevention of anti-money laundering and terrorism financing crimes which are subject to prior approval from DICJ;
- identify and evaluate the money laundering and terrorism financing risk inherent to gaming activities;
- identify any customer who is in a stable business relationship with the Gaming Operator, who is a politically exposed person or any customer or transaction where there are signs of money laundering or financing of terrorism or which involves significant sums of money in the context of the transaction, even if any sign of money laundering is absent;
- refuse to deal with any customers who fail to provide any information requested by the Gaming Operator;
- keep records on the identification of a customer for a period of five years;
- establish a regime for electronic transfers;
- keep individual records of all transactions related to gaming which involve credit securities;
- keep records of all electronic transactions for amounts equal to or exceeding MOP8,000 (US$998) in cases of occasional transactions and MOP120,000 (US$14,975) in cases of transactions that arose in the context of a continuous business relationship;
- notify the Finance Information Bureau if there is any sign of money laundering or financing of terrorism;
- adopt a compliance function and appoint compliance officers; and
- cooperate with the Macau government by providing all required information and documentation requested in relation to anti-money laundering activities.

Under Article 2 of Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016, the Gaming Operator is required to track and report transactions and granting of credit that are MOP500,000 (US$62,395) or above. Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, the Gaming Operator may continue to deal with those customers that were reported to the DICJ and, in case of suspicious transactions, to the Finance Information Bureau.

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

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

Responsible Gaming Regulations

On October 18, 2012, the DICJ issued Instruction no. 2/2012, which came into effect on November 1, 2012, 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; 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 order of the Chief Executive of Macau at MOP120,000 (US$14,975) 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 order of the Chief Executive of Macau for declaration purposes, such fine being at least MOP1,000 (US$125) and not exceeding MOP500,000 (US$62,395)). In the event the relevant customs authorities find that the cash or negotiable instrument to the bearer carried by an individual while entering or exiting Macau may be associated with or result from any criminal activity, such incident shall be notified to the relevant criminal authorities and the relevant amounts shall be seized pending investigation.

Prevention and Suppression of Corruption in External Trade Regulations

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

Asset Freezing Enforcement Regulations

On August 29, 2016, Law no. 6/2016, with respect to the framework for the enforcement of asset freezing orders comprised of United Nations Security Council sanctions resolutions for the fight against terrorism and proliferation of weapons of mass destruction, was enacted. Under this law, the Chief Executive of Macau is the competent authority to enforce freezing orders and the Asset Freeze Coordination Commission must assist the Chief Executive of Macau in all technical aspects of such enforcement. Among other entities, gaming operators 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

Gaming operators 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 Services Bureau of the Macau government.

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

Personal Data Regulations

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

The legal framework requires 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 prior to processing personal data.

Labor Quotas Regulations

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

Pursuant to Macau social security laws, Macau employers must register their staff under a mandatory social security fund and make social security contributions for each of its resident staff 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 staff.

Land Regulations

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

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

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

Distribution of Profits Regulations

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

FCPA

The FCPA prohibits us and our staff and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any foreign official. The Code includes specific FCPA related provisions. To further supplement the Code, Melco Resorts implemented an FCPA Compliance Program in 2007, which was revised and expanded in scope in December 2013 as the EBPP. This covers the activities of our shareholders, directors, officers, staff, and counterparties. See "Business—Our Internal Control Policies."

The Gaming Operator's Subconcession

The Concession Regime

The Macau government conducted an international tender process for gaming concessions in Macau in 2001, and granted three gaming concessions to SJM, Galaxy and Wynn Resorts Macau, respectively. Upon authorization by the Macau government, each of SJM, Galaxy and Wynn Resorts Macau subsequently entered into subconcessions 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 subconcessions with SJM, Galaxy and Wynn Resorts Macau, are MGM Grand Paradise, Venetian Macau and the Gaming Operator, respectively. The Gaming Operator executed the Subconcession Contract with Wynn Resorts Macau on September 8, 2006. Wynn Resorts Macau will continue to develop and run hotel operations and casino projects independent of the Gaming Operator.

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

- MOP30 million (US$3.7 million) per annum fixed premium;
- MOP300,000 (US$37,437) per annum per VIP gaming table;

- MOP150,000 (US$18,719) per annum per mass market gaming table; and
- MOP1,000 (US$125) per annum per electric or mechanical gaming.

The Macau government has been considering the extension or renewal of the concessions and subconcessions or the granting of new concessions and subconcessions. As part of such efforts, in May 2016, the Macau government conducted a mid-term review to analyze the impact of the gaming industry on the local economy, business environment of small and medium enterprises, local population and gaming and non-gaming business sectors and the current status of the gaming promoters.

The Subconcession Contract

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

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

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

Summary of the Key Terms of the Subconcession Contract

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

Development of Gaming Projects/Financial Obligations

The Subconcession Contract requires the Gaming Operator to make a minimum investment in Macau of MOP4.0 billion (US$499.2 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, the Gaming Operator obtained confirmation from the Macau government that as of the date of the confirmation, the Gaming Operator had invested over MOP4.0 billion (US$499.2 million) in these projects in Macau.

Payments

Subconcession premiums and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the Macau government. The method for computing these fees and taxes may be

changed from time to time by the Macau government. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly or annually and are based upon either a percentage of the gross revenues or the number and type of gaming devices operated. In addition to special gaming taxes of 35% of gross gaming revenues, the Gaming Operator is also required to contribute to the Macau government an amount equivalent to 1.6% of the gross revenues of our gaming business. Such contribution must be delivered to a public foundation designated by the Macau government whose goal is to promote, develop or study culture, society, economy, education and science and engage in academic and charitable activities. Furthermore, the Gaming Operator is also obligated to contribute to Macau an amount equivalent to 2.4% of the gross revenues of the gaming business for urban development, tourism promotion and the social security of Macau. The Gaming Operator is required to collect and pay, through withholding, statutory taxes on commissions or other remunerations paid to gaming promoters.

Termination Rights

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

- the operation of gaming without permission or operation of business which does not fall within the business scope of the subconcession;
- abandonment of approved business or suspension of operations of our gaming business in Macau without reasonable grounds for more than seven consecutive days or more than fourteen non-consecutive days within one calendar year;
- transfer of all or part of the Gaming Operator's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval;
- failure to pay taxes, premiums, levies or other amounts payable to the Macau government;
- refusal or failure to resume operations following the temporary assumption of operations by the Macau government;
- repeated opposition to the supervision and inspection by the Macau government and failure to comply with decisions and recommendations of the Macau government, especially those of the DICJ;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;
- bankruptcy or insolvency of the Gaming Operator;
- fraudulent activity harming public interest;
- serious and repeated violation of the applicable rules for carrying out casino games of chance or games of other forms or damage to the fairness of casino games of chance or games of other forms;
- systematic non-compliance with the Macau Gaming Law's basic obligations;
- the grant to any other person of any managing power over the gaming business of the Gaming Operator or the grant of a subconcession or entering into any agreement to the same effect; or

- failure by a controlling shareholder in the Gaming Operator to dispose of its interest in the Gaming Operator, within ninety days from the date of the authorization given by the Macau government for such disposal, pursuant to written instructions received from the regulatory authority of a jurisdiction where the said shareholder is licensed to operate, which have had the effect that such controlling shareholder now wishes to dispose of the shares it owns in the Gaming Operator.

Ownership and Capitalization

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

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

Redemption

Under the Subconcession Contract, from 2017, the Macau government has the right to redeem the Subconcession Contract by providing the Gaming Operator with at least one year's prior notice. In the event the Macau government exercises this redemption right, the Gaming Operator would be entitled to compensation. The standards for the calculation of the amount of such compensation would be determined based on the gross revenues generated by City of Dreams during the tax year immediately prior to the redemption, multiplied by the remaining years of the term of the subconcession. The Gaming Operator or we would not receive any further compensation (including for consideration paid by the Gaming Operator to Wynn Resorts Macau for the subconcession).

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 "Risk Factors—Risks Relating to Operating in the Gaming Industry in Macau—The Subconcession Contract expires in 2022 and if the Gaming Operator is unable to secure an extension of its subconcession, or a new concession or subconcession, in 2022, or if the Macau government were to exercise its redemption right, the Gaming Operator would be unable to operate Studio City Casino."

Services and Right to Use Arrangements Regulatory Requirements

The entry into the Services and Right to Use Arrangements by the Gaming Operator and our subsidiary, Studio City Entertainment, pursuant to which the Studio City Casino is operated, was approved by the Macau

government in April 2007, and the supplement and amendments thereto were approved by the Macau government in May 2012. Set out below are the key terms of such approvals which remain in force:

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

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

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

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

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

Taxation

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of 12% on profits earned in or derived from their activities conducted in Macau.

In January 2015, the Macau government approved the application by our subsidiary, Studio City Entertainment, for a Macau complementary tax exemption through 2016 on profits generated from income received from the Gaming Operator, to the extent that such income results from gaming operations within Studio City Casino and have been subject to gaming tax. In January 2017, the Macau government granted an extension of this exemption for an additional five years from 2017 to 2021. Dividend distributions by such subsidiary continue to be subject to Macau complementary tax. We remain subject to Macau complementary tax on our non-gaming profits.

In September 2017, the Macau government granted Studio City Hotels the declaration of touristic utility purpose pursuant to which Studio City Hotels is entitled to a property tax holiday for a period of twelve years on the immovable property to which the touristic utility was granted, owned or operated by Studio City Hotels. Under such tax holiday, Studio City Hotels is allowed to double the maximum rates applicable to depreciation and reintegration for the purposes of assessment of the Macau complementary tax. Although the Studio City property is owned by Studio City Developments, we believe Studio City Hotels is entitled to such property tax holiday; however, there is no assurance that the Macau government will extend such benefit to Studio City Hotels.

MANAGEMENT

Directors and Executive Officers

The following table provides information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Lawrence Yau Lung Ho	41	Director
Evan Andrew Winkler	43	Director
Clarence Yuk Man Chung	55	Director*
Geoffrey Stuart Davis	50	Director*
Stephanie Cheung	55	Director*
Akiko Takahashi	64	Director*
David Anthony Reganato	38	Director
Timothy Paul Lavelle	33	Director*
Dominique Mielle	49	Independent Director Appointee*
Kevin F. Sullivan	65	Independent Director Appointee*
[●]	[●]	Independent Director Appointee*
Geoffry Philip Andres	51	Property President
Timothy Green Nauss	60	Property Chief Financial Officer

* Has accepted director appointment effective immediately upon completion of this offering.

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

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

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

As a socially responsible young entrepreneur in Hong Kong, Mr. Ho was selected as one of the "Ten Outstanding Young Persons Selection 2006," organized by Junior Chamber International Hong Kong. In 2007, he was elected as a finalist in the "Best Chairman" category in the "Stevie International Business Awards" and

one of the "100 Most Influential People across Asia Pacific" by Asiamoney magazine. In 2008, he was granted the "China Charity Award" by the Ministry of Civil Affairs of the People's Republic of China. In 2009, Mr. Ho was selected as one of the "China Top Ten Financial and Intelligent Persons" judged by a panel led by the Beijing Cultural Development Study Institute and Fortune Times and was named "Young Entrepreneur of the Year" at Hong Kong's first Asia Pacific Entrepreneurship Awards. Mr. Ho was selected by FinanceAsia magazine as one of the "Best CEOs in Hong Kong" for the fifth time in 2014 and was granted the "Leadership Gold Award" in the Business Awards of Macau in 2015. Mr. Ho has been honored as one of the recipients of the "Asian Corporate Director Recognition Awards" by Corporate Governance Asia magazine for six consecutive years since 2012 and was awarded "Asia's Best CEO" at the Asian Excellence Awards for the sixth time in 2017.

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

Mr. Evan Andrew Winkler has been a member of our board of directors since August 2016. Mr. Winkler was also appointed as a non-executive director of Melco Resorts on August 3, 2016. Mr. Winkler has served as the managing director and the president of Melco International since August 2016 and May 2018, respectively, and a director of various subsidiaries of Melco International. Before joining Melco International, Mr. Winkler served as a managing director at Moelis & Company, a global investment bank. Prior to that, he was a managing director and co-head of technology, media and telecommunications M&A at UBS Investment Bank. Mr. Winkler has extensive experience in providing senior level advisory services on mergers and acquisitions and other corporate finance initiatives, having spent nearly two decades working on Wall Street. He was named as one of the "Top 40 under 40" by Investment Dealers' Digest in 2010. He holds a bachelor's degree in Economics from the University of Chicago.

Mr. Clarence Yuk Man Chung will serve as our director immediately upon completion of this offering. Mr. Chung was appointed as a non-executive director of Melco Resorts on November 21, 2006. Mr. Chung has also been an executive director of Melco International since May 2006, which he joined in December 2003. In addition, Mr. Chung has been the chairman and president of Melco Resorts and Entertainment (Philippines) Corporation, a company listed on the Philippine Stock Exchange, or MRP, since December 2012 and has also been appointed as a director of certain subsidiaries of Melco International and Melco Resorts incorporated in various jurisdictions. Before joining Melco International, Mr. Chung had been in the financial industry in various capacities as a chief financial officer, an investment banker and a merger and acquisition specialist. He was named one of the "Asian Gaming 50" for multiple years (including 2017) by Inside Asian Gaming magazine. Mr. Chung is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales and obtained a master's degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology.

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

Ms. Stephanie Cheung will serve as our director immediately upon completion of this offering. Ms. Cheung is the executive vice president and chief legal officer of Melco Resorts and she was appointed to this role in

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

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

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

Mr. Timothy Paul Lavelle will serve as our director immediately upon completion of this offering. Mr. Lavelle is a senior investment analyst with Silver Point Capital, L.P., an investment advisor, which he joined in August 2008. Prior to Silver Point Capital, L.P., Mr. Lavelle worked in the investment banking division of Credit Suisse. Mr. Lavelle also serves on the boards of Codere S.A., Speedstar Holding, LLC, Dominion Homes, Inc. and Rotech Healthcare, Inc. Mr. Lavelle graduated with his B.B.A. in Finance and Psychology from the University of Notre Dame.

Ms. Dominique Mielle will serve as an independent director immediately upon the completion of this offering. Ms. Mielle was a partner at Canyon Capital Advisors, LLC, or Canyon, from August 1998 to December 2017 where she primarily focused on the transportation, technology, retail and consumer products sectors, specialized in corporate and municipal bond securitizations and was responsible for all aspects of Canyon's collateralized loan obligations business. Ms. Mielle has over 25 years of experience on Wall Street, investing in fixed income and leading capital structure optimizations and restructurings. She was named one of the "Top 50 Women in Hedge Funds" by Ernst & Young in 2017. Prior to joining Canyon in 1998, Ms. Mielle worked at Libra Investments, Inc. as an associate in the corporate finance department covering middle market companies. Prior to that, she worked at Lehman Brothers as an analyst in the Financial Institutions group, focusing on mergers and acquisitions. Ms. Mielle graduated with an M.B.A. (Finance) from Stanford University and a Master in Management degree from Ecole des Hautes Etudes Commerciales in France (HEC Paris).

Mr. Kevin F. Sullivan will serve as an independent director immediately upon the completion of this offering. He is a Managing Director at MidOcean Credit Partners, a private investment firm that specializes in

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

Mr. Geoffry Philip Andres has served as our property president since February 2018. Prior to Mr. Andres' current position, Mr. Andres served as property president / chief operating officer of Melco Resorts and Entertainment (Philippines) Corporation, a company listed on the Philippine Stock Exchange, from November 2015 to January 2018. Prior to joining Melco, Mr. Andres was the chief executive officer and executive director on the board of Aquis Entertainment Limited in Canberra, Australia, responsible for an existing casino and assisting with the development and acquisition of additional casinos. Prior to this position, from September 2011 until April 2015, Mr. Andres was senior vice president and general manager of Sands Macau, responsible for its overall operations, including a casino with 300 tables and 1,100 slot machines, six restaurants and a 289-room hotel. From December 2010 to September 2011, Mr. Andres was vice-president, slots, for all of Sands China Limited, including The Venetian Macao, Sands Macao and The Plaza Macao, totaling 3,490 slot machines. Mr. Andres began his career with Harrah's in 1988, and from June 2005 to December 2010, Mr. Andres was the vice president and general manager for Harrah's Ak-Chin Casino Resort in Arizona. Mr. Andres graduated from the University of Nevada with a bachelor of science degree in business administration and a master's degree in business administration.

Mr. Timothy Green Nauss is our property chief financial officer at Studio City and he was appointed to his current role in January 2015. Most recently, Mr. Nauss was the Executive Director, Finance for Wynn Palace, where he focused on the Cotai Strip development for the Finance division. Prior to this role, he was Director of Finance at Wynn Resorts Macau and was involved in opening of Encore Macau. Prior to joining Wynn Resorts Macau in 2009, Mr. Nauss was the Director of Finance, Cotai for Venetian Macau Limited, and served as Director of Finance in the pre-opening development, operational development and opening for Venetian Macau. He was VP of Finance with Wyndham International from 2000 to 2005. Mr. Nauss began his career in hospitality with Hilton Hotels Corporation where he served in a number of executive capacities in both Operations and Finance. Mr. Nauss graduated with his bachelor of arts and sciences degree from the University of South Carolina with a major in psychology and a minor in accounting.

Board of Directors

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

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

Committees of the Board of Directors

Upon the completion of this offering, we intend to establish an audit and risk committee, a compensation committee and a nominating and corporate governance committee under the board of directors. We intend to adopt a charter for each of the three committees upon the completion of this offering. Each committee's members and functions are described below.

Audit and Risk Committee

Our audit and risk committee will consist of , and , and will be chaired by . All of our audit and risk committee members satisfy the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual and meet the independence standards under Rule 10A-3 under the Exchange Act. Our audit and risk committee will consist solely of independent directors that satisfy the New York Stock Exchange and SEC requirements immediately upon completion of this offering. Our board of directors has also determined that qualifies as an "audit and risk committee financial expert" within the meaning of the SEC rules and possesses financial sophistication within the meaning of the New York Stock Exchange Listed Company Manual. The audit and risk committee will be responsible for assisting our board in overseeing and monitoring:

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

The other duties of the audit and risk committee include:

- reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor;
- approving the remuneration and terms of engagement of the independent auditor and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;

- at least annually, obtaining a written report from our independent auditor describing matters relating to its independence and quality control procedures;
- discussing with our independent auditor and our management, among other things, the audits of the financial statements, including whether any material information brought to their attention should be disclosed, issues regarding accounting and auditing principles and practices and the management's internal control report;
- reviewing and recommending the financial statements for inclusion within our quarterly earnings releases and to our board for inclusion in our annual reports;
- approving all material related party transactions as defined in Item 404 of Regulation S-K brought to its attention, without further approval of our board;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- approving the internal audit charter and annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- assessing senior management's policies and procedures to identify, accept, mitigate, allocate or otherwise manage various types of risks presented by management, and making recommendations with respect to our risk management process for the board's approval;
- reviewing our financial controls, internal control and risk management systems, and discussing with our management the system of internal control and ensuring that our management has discharged its duty to have an effective internal control system including the adequacy of resources, the qualifications and experience of our accounting and financial staff, and their training programs and budget;
- together with our board, evaluating the performance of the audit and risk committee on an annual basis;
- assessing the adequacy of the charter of the audit and risk committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Compensation Committee

Our compensation committee will consist of , and , and will be chaired by . satisfies the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual. Our compensation committee will assist the board in discharging the responsibilities of the board relating to compensation of our executives, including by designing (in consultation with management and our board), recommending to our board for approval and evaluating the executive and director compensation plans, policies and programs of our company. Members of this committee are not prohibited from direct involvement in determining their own compensation.

Our executive officers may not be present at any compensation committee meeting during which their compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- [overseeing the development and implementation of compensation programs in consultation with our management;
- at least annually, making recommendations to our board with respect to the compensation arrangements for our non-executive directors, and approving compensation arrangements for our executive officers;
- at least annually, reviewing and approving our general compensation scheme and equity-based 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 officers in connection with any loss or termination of their office or appointment;

- reviewing and recommending any benefits in kind received by any director or approving executive officer 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 on restrictions on compensation plans and loans to officers;
- together with the board, evaluating the performance of the compensation committee on an annual basis;
- assessing the adequacy of the charter of the compensation committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.]

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will consist of , and , and will be chaired by . satisfy the "independence" requirements of Section 303A of the New York Stock Exchange Listed Company Manual. The nominating and corporate governance committee will be responsible for, among other things, assisting our board in discharging its responsibilities regarding:

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

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

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

- assessing the adequacy of the charter of the nominating and corporate governance committee; and
- co-operating with the other board committees in any areas of overlapping responsibilities.]

Duties of Directors

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

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

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

Terms of Directors and Executive Officers

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

Employment Agreements

We have, through our subsidiary, entered into employment agreements with our executive officers. Each of our executive officers is employed for a continuous term, unless either we or the executive officer gives prior notice to terminate such employment. Whenever an executive officer is a non-resident worker, the term of the employment agreement is subject to the issuance and subsequent renewal of the appropriate working visa. We may terminate the employment for cause at any time by immediate notice and without remuneration for certain acts of the executive officer, including but not limited to the commitments of any serious breach, continued failure to perform his or her duties and responsibilities, any serious criminal offense or habitual neglect of his or her duties. An executive officer may terminate his or her employment at any time with a six-month prior written notice.

Each executive officer has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in confidence and not to use or disclose to any person, firm or corporation, any confidential

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

Interested Transactions

A director may, subject to any separate requirement for audit and risk committee approval under applicable law or the New York Stock Exchange Listed Company Manual, vote in respect of any contract or transaction in which he or she is interested, provided that the nature of the interest of any directors in such contract or transaction is disclosed by him or her at or prior to its consideration and any vote in that matter.

Compensation of Directors and Executive Officers

In 2017, we paid an aggregate of US$2.8 million in cash and benefits to our executive officers, and we did not pay any compensation to our directors during that period. We have not set aside or accrued any material amount to provide pension, retirement or other similar benefits to our executive officers and directors. We have no service contracts with any of our directors providing for benefits upon termination of their service on our board.

Share Incentive Plan

We currently do not have a share incentive plan, nor do we plan to adopt one after the completion of the offering. However, our directors, employees and consultants are eligible to participate in the 2011 share incentive plan of Melco Resorts, which is open to directors, employees and consultants of Melco Resorts and any parent or subsidiary of Melco Resorts.

The types of awards that may be granted under the 2011 share incentive plan include options, incentive share options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units. The compensation committee of Melco Resorts may, from time to time, select from among all eligible individuals, those to whom awards will be granted and determine the nature and amount of each award. The maximum aggregate number of shares which may be issued pursuant to the 2011 share incentive plan is 100,000,000 shares and the 2011 share incentive plan will expire in December 2021.

PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our SC Class A Shares and SC Class B Shares as of the date of this prospectus:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5% of our ordinary shares.

The calculations in the table below are based on [18,127.940] ordinary shares issued and outstanding as of the date of this prospectus and ordinary shares outstanding immediately after the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC.

	Shares Beneficially Owned Prior to this Offering					Shares Beneficially Owned After this Offering (1)			
	Shares of SC Class A Shares	% of SC Class A Shares Outstanding†	Shares of SC Class B Shares	% of SC Class B Shares Outstanding†	% of Combined Voting Power(2)*	Shares of SC Class A Shares	Shares of SC Class B Shares	% of Combined Voting Power Assuming the Underwriters' Option Is Not Exercised*	% of Combined Voting Power Assuming the Underwriters' Option Is Exercised in Full*
Directors and Executive Officers:(1)									
Lawrence Yau Lung Ho(2)	[10,876.764]	[100.0]	—	—	[60.0]				
Evan Andrew Winkler	—	—	—	—	—	—	—	—	—
Clarence Yuk Man Chung	—	—	—	—	—	—	—	—	—
Geoffrey Stuart Davis	—	—	—	—	—	—	—	—	—
Stephanie Cheung	—	—	—	—	—	—	—	—	—
Akiko Takahashi	—	—	—	—	—	—	—	—	—
David Anthony Reganato	—	—	—	—	—	—	—	—	—
Timothy Paul Lavelle	—	—	—	—	—	—	—	—	—
Dominique Mielle	—	—	—	—	—	—	—	—	—
Kevin F. Sullivan	—	—	—	—	—	—	—	—	—
[●]	—	—	—	—	—	—	—	—	—
Geoffry Philip Andres	—	—	—	—	—	—	—	—	—
Timothy Green Nauss	—	—	—	—	—	—	—	—	—
All directors and executive officers as a group	[10,876.764]	[100.0]	—	—	[60.0]				
Principal Shareholders:									
MCE Cotai(3)	[10,876.764]	[100.0]	—	—	[60.0]				
New Cotai(4)	—	—	[7,251.176]	[100.0]	[40.0]				

† For each person and group included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days after the date of this prospectus, by the sum of (i) [●] which is the total number of ordinary shares of that class outstanding as of the date of this prospectus, and (ii) the number of ordinary shares of that class that such person or group has the right to acquire beneficial ownership within 60 days after the date of this prospectus.

* Represents percentage of voting power of our SC Class A Shares and SC Class B Shares voting together as a single class. Each SC Class B Share has no economic rights. See "Corporate History and Organizational Structure—Organizational Transactions" and "Description of Share Capital."

(1) Unless otherwise indicated, the business address of our directors and executive officers is c/o [36/F, The Centrium, 60 Wyndham Street, Central, Hong Kong].

(2) Represents 10,876.764 SC Class A Shares directly held by MCE Cotai, which is wholly owned by Melco Resorts. Melco Resorts is 51.06% beneficially owned by Melco Leisure and Entertainment Group Limited, a BVI company wholly owned by Melco International, a Hong Kong company listed on the Hong Kong Stock Exchange. Mr. Ho holds 53.61% equity interest in Melco International, including beneficial interest, interest of his controlled corporations 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).

(3) Represents 10,876.764 SC Class A Shares directly held by MCE Cotai Investments Limited, which is an investment holding company incorporated in the Cayman Islands and a wholly owned subsidiary of Melco Resorts. The registered address of MCE Cotai Investments Limited is Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

(4) Represents 7,251.176 SC Class B Shares directly held by New Cotai, LLC, which is a Delaware limited liability company. Subject to the terms of the exchange arrangements described in "Corporate History and Organizational Structure," New Cotai, subject to certain conditions, may exchange its Participation Interest for SC Class A Shares. In connection with such exchange, the corresponding number of SC Class B Shares will be cancelled for no consideration. See "Corporate History and Organizational Structure—Participation Agreement." Pursuant to Rule 13d-3 under the Exchange Act, a person has beneficial ownership of a security as to which that person, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares voting power and/or investment power of such security and as to which that person has the right to acquire beneficial ownership of such security within 60 days. As a result, beneficial ownership of SC Class B Shares and Participation Interest is reflected as beneficial ownership of SC Class A Shares for which such shares may be exchanged. The registered address of New Cotai, LLC is 2 Greenwich Plaza, First Floor, Greenwich, CT 06830. Silver Point Capital, L.P. (collectively with its affiliates, "Silver Point"), through a series of intermediary entities, is the direct or indirect beneficial owner of all of the ordinary shares held by New Cotai, LLC. Silver Point Capital Management, LLC is the general partner of Silver Point Capital, L.P. and as a result may be deemed to be the beneficial owner of all the securities held by New Cotai. Edward A. Mulé and Robert J. O'Shea are each members of Silver Point Capital Management, LLC and as a result may be deemed to be the beneficial owners of all of the securities held by New Cotai. Silver Point, including but not limited to Silver Point Capital, L.P. and Silver Point Capital Management, LLC, and Edward A. Mulé and Robert J. O'Shea each disclaim beneficial ownership of the shares held by New Cotai, except to the extent of their pecuniary interest therein. The business address of Silver Point Capital Management, LLC is 2 Greenwich Plaza, First Floor, Greenwich, CT 06830.

As of the date of this prospectus, none of our shareholders has informed us that it is affiliated with a registered broker-dealer or is in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See "Description of Share Capital—History of Securities Issuances" for a description of issuances of our securities that have resulted in significant changes in ownership held by our major shareholders.

Upon the completion of this offering, Melco Resorts will remain our controlling shareholder.

RELATED PARTY TRANSACTIONS

Related Party Transactions Policy

Policy and Guidelines for Approval of Related Party Transactions

We intend to adopt a new policy and guidelines with respect to the review, approval and ratification of related party transactions, effective immediately upon the completion of this offering. Under this policy, our Audit and Risk Committee, acting under our board of directors' delegated authority, will be responsible for reviewing and approving related party transactions.

For the purposes of this policy, a "Related Party Transaction" is: (a) any transaction or presently proposed transaction which is material to us or our related party, or any transaction that is unusual in its nature or conditions, involving goods, services, or tangible or intangible assets, to which we or any of our parent companies or subsidiaries is a party and a related party is a counterparty; and (b) a loan (including a guarantee of any kind) made by us, any of our parent companies or any of our subsidiaries to or for the benefit of our related party. Only material related party transactions require the approval of our Audit and Risk Committee. Subject to certain exceptions, transactions with an aggregate value equal to or exceeding a pre-determined amount are deemed material as are transactions that we consider to be material regardless of the value of the transaction, including those involving the disposal of any of our assets or the assets of our consolidated subsidiaries.

In the course of its review and approval of related party transactions, our Audit and Risk Committee will consider the relevant facts and circumstances to determine whether to approve such transactions. In particular, our Audit and Risk Committee will consider the following factors, in addition to any other factors it deems appropriate, in determining whether to approve a related party transaction:

- whether or not the terms of the related party transaction are fair and reasonable to us and based on arm's length negotiations from a commercial perspective;
- whether or not the related party transaction is material to us and our subsidiaries as a whole;
- the role the related party has played in arranging the related party transaction;
- the structure of the related party transaction; and
- the interests of all related parties in the related party transaction.

Any material related party transaction will be consummated and will continue only if our Audit and Risk Committee has approved or ratified such transaction in accordance with the guidelines set forth in our related party transactions policy. Moreover, we have conflict of interest procedures in place that restrict or limit parties from participating in the approval of a related party transaction for which they are a related party.

Our Audit and Risk Committee may only approve those related party transactions that it deems to be beneficial, fair and reasonable to us and with terms it deems to have been determined at arm's length from a commercial perspective. Under the policy, all related party transactions required to be disclosed in our filings with the SEC shall be disclosed in accordance with applicable laws, rules and regulations. Moreover, our internal audit team will perform an annual internal audit on our related party transaction approval process and disclosures.

Organizational Transactions

In connection with the completion of this offering, we will effect certain organizational transactions, which include certain transactions with certain of our affiliates and our existing shareholders. See "Corporate History and Organizational Structure."

Private Placements

See "Description of Share Capital—History of Securities Issuances" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness and Capital Contributions."

Subscription Agreement

Pursuant to the Assured Entitlement Distribution, we will enter into a subscription agreement with Melco International, pursuant to which Melco International agrees to purchase from us US$[●] million of our SC Class A Shares at the public offering price per ADS divided by the number of SC Class A Shares represented by one ADS. [Melco International has agreed with the underwriters not to, directly or indirectly, sell, transfer or dispose of any SC Class A Shares acquired in the private placement for a period of 180 days after the date of this prospectus, except to effect the Assured Entitlement Distribution, and subject to certain other exceptions.]

Shareholders' Agreement

On July 27, 2011, Melco Resorts acquired a 60% equity investment in Studio City International from an affiliate of eSun Holdings Limited, an independent third party, for US$360 million. In connection with such acquisition, Melco Resorts, MCE Cotai, New Cotai and Studio City International entered into a shareholders' agreement which was amended in September 2012, May 2013, June 2014, and July 2014 (as amended, the "Shareholders' Agreement"). The Shareholders' Agreement contains a variety of provisions governing the relationship between MCE Cotai and New Cotai, as our shareholders, including but not limited to the composition of the board of directors, related party transactions, corporate governance, the development and operation of Studio City, future capital contributions, restrictions on transfer of our shares and other related matters.

Certain provisions under the Shareholders' Agreement will terminate upon the completion of this offering except for, among others, provisions with respect to shared vendors servicing Studio City and other properties of Melco Resorts. In addition, the right of MCE Cotai and New Cotai to appoint a certain number of directors based on maintaining ownership of a certain percentage of the number of shares they held immediately prior to this offering will also continue to survive following the completion of this offering. In connection with the Organizational Transactions, such rights and obligations will be incorporated into an amended and restated shareholders' agreement to take effect upon the completion of this offering.

Registration Rights Agreement

See "Description of Share Capital—Registration Rights."

Employment Agreements

See "Management—Employment Agreements."

Transactions with Affiliated Companies

In 2017, 2016 and 2015 and during the three months ended March 31, 2018 and 2017, we entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2017	2016	2015	Three Months Ended March 31, 2018	2017
Transactions with affiliated companies			(US$ thousands)			
Melco Resorts and its subsidiaries						
	Revenues (services provided by us):					
	Provision of gaming related services	295,638	151,597	21,427	98,401	59,225
	Rooms and food and beverage(1)	82,862	71,688	8,876	21,141	20,062
	Services fee(2)	39,971	51,842	7,968	9,651	10,767
	Entertainment and other(1)	1,328	5,465	546	395	187
	Costs and expenses (services provided to us):					
	Staff costs recharges(3)	98,622	111,327	74,130	25,736	27,641
	Corporate services(4)	33,453	34,131	5,567	8,588	8,365
	Pre-opening costs and other services	11,043	13,188	37,338	2,746	2,680
	Staff and related costs capitalized in property and equipment	1,504	3,183	15,577	607	295
	Purchase of goods and services	312	303	1,601	32	124
	Advertising and promotional expense	—	—	12,729	—	—
	Sale and purchase of assets:					
	Transfer-in of other long-term assets(5)	2,584	11,150	74,902	3,616	730
	Purchase of property and equipment(6)	282	457	4,272	—	—
	Sale of property and equipment and other long-term assets	1,667	7,752	22,898	1,867	288
A subsidiary of MECOM Power and Construction Limited(7)						
	Costs and expenses (services provided to us):					
	Consultancy fee	568	—	—	694	—
	Purchase of assets:					
	Renovation works performed and purchase of property and equipment	5,101	—	—	285	—

Notes:

(1) These revenues primarily represented the retail values (before the adoption of the New Revenue Standard) or standalone selling prices (upon the adoption of the New Revenue Standard) of the complimentary services (including rooms, food and beverage and entertainment services) provided to Studio City Casino's gaming patrons and charged to Melco Resorts Macau, the Gaming Operator.

(2) Services provided by us to Melco Resorts and its subsidiaries mainly include, but are not limited to, certain shared administrative services and shuttle bus transportation services provided to Studio City Casino.

(3) Staff costs are recharged by Melco Resorts and its subsidiaries for staff who are solely dedicated to Studio City to carry out activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities and staff costs for certain shared administrative services.

(4) Corporate services are provided to us by Melco Resorts and its subsidiaries. These services include, but are not limited to, general corporate services and senior executive management services for operational purposes.

(5) In 2015, certain software, hardware and fixed assets for the operation of the Studio City Casino recognized as other long-term assets with aggregate carrying amounts of US$67.2 million were transferred from an affiliated company to us at a total consideration of US$74.9 million, representing the agreed upon values. This transaction was recorded in additional paid-in capital in the consolidated statements of shareholders' equity and had no impact on our profits and losses.

(6) In 2016 and 2015, certain software, hardware and fixed assets with aggregate carrying amounts of nil and US$35,000, respectively, were purchased from an affiliated company at a total consideration of US$0.1 million and US$0.9 million, respectively, representing the agreed upon values. These transactions were recorded in additional paid-in capital in the consolidated statements of shareholders' equity and had no impact on our profits and losses.

(7) A company in which Mr. Lawrence Yau Lung Ho has shareholding of approximately 20% in MECOM.

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

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

In 2017, 2016 and 2015 and during the three months ended March 31, 2018 and 2017, total gaming tax and costs incurred in connection with the operation of Studio City Casino deducted by the Gaming Operator from gross gaming revenues were US$1,142.5 million, US$554.6 million, US$73.3 million, US$327.1 million and US$217.2 million, respectively. After the deduction by the Gaming Operator of gaming tax and the costs incurred in connection with its operation of Studio City Casino from gross gaming revenues, we recognized revenues from the provision of gaming related services of US$295.6 million, US$151.6 million, US$21.4 million, US$98.4 million and US$59.2 million in 2017, 2016 and 2015, and for the three months ended March 31, 2018 and 2017, respectively.

Amounts Due from Affiliated Companies

As of March 31, 2018, December 31, 2017 and 2016, we had amounts due from affiliated companies of US$47.2 million, US$37.8 million and US$1.6 million, respectively, which primarily reflected operating income or prepayment of operating expenses and were unsecured, non-interest bearing and repayable on demand.

Amounts Due to Affiliated Companies

As of March 31, 2018, December 31, 2017 and 2016, we had amounts due to affiliated companies of US$22.0 million, US$19.5 million and US$33.5 million, respectively, which were mainly arising from renovation works performed and operating expenses and were unsecured, non-interest bearing and repayable on demand.

Contributions from Our Shareholders for Subscription of Shares

See "Description of Share Capital—History of Securities Issuances."

Compensation of Our Directors and Key Management Personnel

See "Management—Compensation of Directors and Executive Officers."

Material Contracts with Affiliated Companies

We have entered into agreements and arrangements with Melco Resorts and its affiliates with respect to various ongoing relationships between us. These agreements include the Services and Right to Use Arrangements, Management and Shared Services Arrangements and Services and Right to Use Direct Agreement.

Services and Right to Use Arrangements

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

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

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

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

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

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

In November 2016, pursuant to a request we made under the Services and Right to Use Agreement, the Gaming Operator commenced the operation of VIP tables at Studio City Casino. On or after October 1, 2018, either we or the Gaming Operator may request the operations of the VIP tables at Studio City Casino to cease following a 12-month notice period. In addition, the Gaming Operator may unilaterally cease the operation of VIP tables at Studio City Casino if, among other things, Melco Resorts no longer, directly or indirectly, holds a majority of the voting power of certain of our subsidiaries, including Studio City Developments and Studio City Entertainment, or Studio City Entertainment fails to pay its debts as they fall due. There is no assurance that the operation of such VIP tables at the Studio City Casino will continue after October 1, 2019.

Management and Shared Services Arrangements

Master Services Agreement

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

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

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

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

In the event the Management and Shared Services Arrangements are terminated, all accrued unpaid fees for relevant services will be due and payable immediately. Between the notice of termination or six months prior to

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

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

Work Agreements

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

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

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

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

DESCRIPTION OF INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. We recommend that you refer to the actual agreements for further details, copies of which are filed as exhibits to the registration statement of which this prospectus is a part. For further information regarding our existing indebtedness, see related notes to our consolidated financial statements included in this prospectus as well as "Risk Factors," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

2016 Credit Facility

On January 28, 2013, Studio City Company, entered into an agreement for a senior secured project facility for a total sum of HK$10,855,880,000 (approximately US$1,400 million), comprising a five-year HK$10,080,460,000 (approximately US$1,300 million) term loan facility and a HK$775,420,000 (approximately US$100 million) revolving credit facility (the "2013 Project Facility").

On November 18, 2015, Studio City Company completed an amendment to the 2013 Project Facility, which included changing the Studio City project opening date condition from 400 to 250 tables, consequential adjustments to the financial covenants and rescheduling the commencement of financial covenant testing to March 31, 2017.

On November 23, 2016, Studio City Company and certain of its subsidiaries and affiliates specified as guarantors (the "2016 Borrowing Group") entered into the 2016 Credit Facility with, among others, Bank of China Limited, Macau Branch, which amended, restated and extended the 2013 Project Facility (the balance of which was repaid as described below) to provide for a HK$233 million revolving credit facility (the "Revolving Credit Facility") and a HK$1 million term loan facility (the "Term Loan Facility"). The 2016 Credit Facility is guaranteed by the same entities that guarantee the 2016 Notes and secured by substantially the same collateral as those securing the 2016 Notes with priority over the 2016 Notes with respect to any proceeds received upon any enforcement action against the common collateral.

On November 30, 2016, Studio City Company issued the 2016 Notes, and repaid the 2013 Project Facility (other than the HK$1.0 million rolled over into the Term Loan Facility), as funded by the net proceeds from the offering of the 2016 Notes and cash on hand.

Term Loan Facility

The Term Loan Facility matures on November 30, 2021, and is collateralized by cash collateral equal to HK$1,012,500 (representing the principal amount plus expected interest expense for one financial quarter). The Term Loan Facility comprises a loan of HK$1.0 million rolled over from the 2013 Project Facility and was fully drawn prior to November 23, 2016.

Revolving Credit Facility

The Revolving Credit Facility matures on November 30, 2021, unless otherwise prepaid and canceled in accordance with its terms. The Revolving Credit Facility has been available for borrowing and re-borrowing since January 1, 2017 and is available to and including the date falling one month prior to the maturity of the Revolving Credit Facility.

Repayment

The Term Loan Facility will be repaid at maturity and will not be subject to any amortization payments. The 2016 Credit Facility and the Intercreditor Agreement include restrictions on the lender of the Term Loan

Facility's right to prepayment of the Term Loan Facility unless certain conditions have been triggered including, but not limited to, (i) the discharge in full of all other senior Secured Debt (as defined below); (ii) the application of all other recoveries under the Intercreditor Agreement; (iii) the release of certain Macau law security agreements; (iv) consent having been obtained from certain other Secured Creditors (as defined below); (v) Studio City Company being required to prepay the Term Loan Facility in accordance with the prepayment on illegality provisions of the 2016 Credit Facility; or (vi) the Majority Super Senior Creditors (as defined below) being entitled to take control of enforcement in accordance with the Intercreditor Agreement. The lender of the Term Loan Facility would also not be entitled to prepayment upon certain mandatory prepayment events unless the other Senior Secured Creditors exercise their rights to mandatory prepayment or redemption (as appropriate). See also "—Intercreditor Agreement—Restrictions on the Term Loan Facility."

Each drawing of loans under the Revolving Credit Facility must be repaid on the last day of its interest period (with a rollover of an existing drawing of loans under the Revolving Credit Facility being deemed to be a repayment when rolled over). During the availability period of the Revolving Credit Facility, amounts repaid and not canceled may be re-borrowed. No amount may be outstanding after maturity of the Revolving Credit Facility.

Interest and Fees

All amounts outstanding under the 2016 Credit Facility shall bear interest at the Hong Kong Interbank Offered Rate plus a margin of 4% per annum.

Studio City Company is obligated to pay a commitment fee of 35% of the margin on the unused portions of the 2016 Credit Facility during the availability period applicable to the Revolving Credit Facility.

Security

The 2016 Credit Facility is secured by substantially the same collateral as the 2016 Notes, other than the 2016 5.875% Notes Interest Accrual Account (as defined below) and the 2016 7.250% Notes Interest Accrual Account (as defined below).

The Term Loan Facility also additionally benefits from cash collateral in the amount of HK$1,012,500 (representing an amount equal to the principal amount of the Term Loan Facility plus interest expense in respect of the Term Loan Facility for one financial quarter) (the "Term Loan Facility Cash Collateral Account").

Covenants

The 2016 Credit Facility contains certain of the restrictive covenants and related definitions (with certain adjustments) that are set forth in the 2016 Notes (see below). The Revolving Credit Facility also benefits from a "notes purchase condition" covenant that prohibits Studio City Company from making a voluntary legally binding commitment or offer for a notes repurchase while an Event of Default (as defined in the 2016 Credit Facility) is outstanding and may, in other circumstances, require a certain pro rata cancelation of the Revolving Credit Facility.

The restrictive covenants include covenants relating to:

- maintenance of permits;
- compliance with laws;
- environmental compliance;
- further assurances in relation to guarantees and security;
- maintenance of insurance;

- payment of taxes;
- access;
- intellectual property;
- hedging and treasury transactions;
- amendments and certain other requirements in connection with the 2012 Notes (as defined below) documents;
- changes to the general nature of the business of the group;
- holding company activities;
- sanctions and anti-corruption laws;
- all subordinated sponsor debt being required to be lent into Studio City Investments; and
- maintenance of at least pari passu ranking of the 2016 Credit Facility against unsecured and unsubordinated debts.

The 2016 Credit Facility also contains information covenants under which, among other things, Studio City Company is required to deliver annual financial statements and quarterly financial statements.

Events of Default

The 2016 Credit Facility contains customary events of default, including events of default relating to the amended land concession or gaming subconcession being terminated or rescinded without further judicial or administrative appeal being permitted or the Macau government taking any formal measure seeking termination of the amended land concession or gaming subconcession.

2012 Notes and 2016 Notes

On November 26, 2012, Studio City Finance issued US$825 million 8.500% senior notes due 2020 (the “2012 Notes”).

On November 30, 2016, Studio City Company issued US$350 million 5.875% senior secured notes due 2019 (the “2016 5.875% Notes”) and US$850 million 7.250% senior secured notes due 2021 (the “2016 7.250% Notes”, together with the 2016 5.875% Notes, the “2016 Notes”, and together with the 2012 Notes, the “Existing Notes”).

The Existing Notes are listed on the Singapore Exchange. As of March 31, 2018, the Existing Notes with an aggregate principal amount of US$2,025 million remain outstanding.

Guarantee

2012 Notes

The 2012 Notes are guaranteed by all of the existing subsidiaries of Studio City Finance. The indenture governing the 2012 Notes also provides that any other future restricted subsidiaries of Studio City Finance that provide guarantees of certain specified indebtedness, including under the 2016 Credit Facility, will be required to guarantee the 2012 Notes.

2016 Notes

The 2016 Notes are guaranteed by all of the existing subsidiaries of Studio City Investments (other than Studio City Company). The indenture governing the 2016 Notes also provides that any other future restricted subsidiaries of Studio City Investments that provide guarantees of certain specified indebtedness (including under the 2016 Credit Facility) will be required to guarantee the 2016 Notes.

Guarantee Release

Upon an enforcement action by Industrial and Commercial Bank of China (Macau) Limited or its successors (the "Security Agent") under any Secured Debt (as defined below) resulting in the sale or disposal, directly or indirectly, of more than 50% of the voting power of the shares of any of Studio City Entertainment Limited, Studio City Developments Limited and Studio City Hotels Limited (each, a "Designated Subsidiary Guarantor"), the guarantees of the 2012 Notes provided by the applicable Designated Subsidiary Guarantor (and the guarantees of the 2012 Notes provided by the direct parent company or companies of such Designated Subsidiary Guarantor, to the extent such disposal is of the shares of such parent company or companies, as well as the guarantees of the 2012 Notes provided by any restricted subsidiary of such Designated Subsidiary Guarantor) will be released upon the written instruction of the Instructing Group (as defined below) with no further action or consent provided by or required from the other Secured Creditors (as defined below) or trustee or holders of the 2012 Notes if such sale or disposal is conducted:

(i) in accordance with all applicable laws and for a consideration all or substantially all of which is in the form of cash or cash equivalents;

(ii) other than where the purchase right is exercised, pursuant to a Best Price Auction (defined below) or a fair value opinion obtained from an internationally recognized investment bank or accounting firm selected by the Instructing Group that the amount received in connection with such enforcement action is fair from a financial point of view; and

(iii) such that immediately prior to or concurrently with the completion of such sale or disposal of the shares of the relevant Designated Subsidiary Guarantors, all obligations of the relevant Designated Subsidiary Guarantor, any direct parent company or companies thereof or any Subsidiary of such Designated Subsidiary Guarantor under the Secured Debt (as defined below) are discharged or released.

For this purpose:

"Best Price Auction" means an auction intended to achieve the best price for an asset, provided that, if the only bidder in such auction is a representative of the Secured Creditors, the auction will not constitute a Best Price Auction (and subject to, where applicable, the rules and regulations for any such auction set forth under Macau law or by the Macau government).

Interest

The 2012 Notes will bear interest at a rate of 8.500% per annum, payable semi-annually in arrears on June 1 and December 1 of each year. The 2016 5.875% Notes and the 2016 7.250% Notes will bear interest at a rate of 5.875% and 7.250% per annum, payable semi-annually in arrears on May 30 and November 30 of each year, respectively.

Note Interest Accrual Accounts

2012 Note Interest Accrual Account

Studio City Finance will, at the end of each month, deposit an amount that is not less than one-sixth of the aggregate amount of interest due on the next interest payment date into a note interest accrual account (together with any subaccounts or related accounts, including for term deposits, established in connection therewith, the "2012 Note Interest Accrual Account") established by, and in the name of, Studio City Finance so that at such interest payment date, the amount standing to the credit of the 2012 Notes Interest Accrual Account is at least equal to the amount of interest due on such interest payment date (and such aggregate amount will be applied in making such payment). The 2012 Notes are secured by, among others, the 2012 Note Interest Accrual Account.

2016 5.875% Note Interest Accrual Account

Studio City Company will, on the 30th of each month (or the last day of February), deposit an amount that is not less than one-sixth of the aggregate amount of interest due on the 2016 5.875% Note on the next interest payment date into a U.S. dollar-denominated note interest accrual account (together with any subaccounts or related accounts, including for term deposits, established in connection therewith, the "2016 5.875% Note Interest Accrual Account") established by, and in the name of, Studio City Company with the Account Bank so that at such interest payment date, the amount standing to the credit of the 2016 5.875% Note Interest Accrual Account is at least equal to the amount of interest due on the 2016 5.875% Note on such interest payment date (and such aggregate amount will be applied in making such payment). The Security Agent will have a perfected security interest in the 2016 5.875% Note Interest Accrual Account and all dividends, instruments, cash and cash equivalents and other property, as applicable, on deposit in such account on an exclusive basis for the benefit of the 2016 5.875% Notes trustee and the holders of the 2016 5.875% Notes. The Security Agent of the 2016 5.875% Notes will not have a lien on the 2016 5.875% Note Interest Accrual Account and the cash and cash equivalents on deposit in such account for the benefit of the 2016 7.250% Notes trustee, the holders of the 2016 7.250% Notes or the 2016 Credit Facilities finance parties.

2016 7.250% Note Interest Accrual Account

Studio City Company will, on the 30th of each month (or the last day of February), deposit an amount that is not less than one-sixth of the aggregate amount of interest due on the 2016 7.250% Notes on the next interest payment date into a U.S. dollar-denominated note interest accrual account (together with any subaccounts or related accounts, including for term deposits, established in connection therewith, the "2016 7.250% Note Interest Accrual Account," together with the 2016 5.875% Note Interest Accrual Account and the 2012 Note Interest Accrual Account, the "Note Interest Accrual Accounts," and each, a "Note Interest Accrual Account") established by, and in the name of, Studio City Company with the Account Bank so that at such interest payment date, the amount standing to the credit of the 2016 7.250% Note Interest Accrual Account is at least equal to the amount of interest due on the 2016 7.250% Notes on such interest payment date (and such aggregate amount will be applied in making such payment). The Security Agent will have a perfected security interest in the 2016 7.250% Note Interest Accrual Account and all dividends, instruments, cash and cash equivalents and other property, as applicable, on deposit in such account on an exclusive basis for the benefit of the 2016 7.250% Notes trustee and the holders of the 2016 7.250% Notes. The Security Agent will not have a lien on the 2016 7.250% Note Interest Accrual Account and the cash and cash equivalents on deposit in such account for the benefit of the 2016 5.875% Notes trustee, the holders of the 2016 5.875% Notes or the 2016 Credit Facilities finance parties.

Covenants

The indentures governing the Existing Notes include certain limitations on the ability of Studio City Finance, Studio City Company and their respective restricted subsidiaries to, among other things:

- incur or guarantee additional indebtedness;
- make specified restricted payments;
- issue or sell capital stock;
- sell assets;
- create liens;
- enter into agreements that restrict its restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

Events of Default

The indentures governing the Existing Notes contain certain customary events of default, including default in the payment of principal, or of any premium, on the Existing Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the indentures governing the Existing Notes, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under an indenture governing one of the Existing Notes (the "Relevant Existing Notes"), the trustee under the indenture governing the Relevant Existing Notes or the holders of at least 25% of the then outstanding Relevant Existing Notes may declare the principal of the Relevant Existing Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Change of Control

Upon the occurrence of a Change of Control event, including, among others, a sale, transfer or other disposal of all or substantially all of the properties or assets of certain of our subsidiaries, each holder of the Existing Notes will have the right to require Studio City Finance, if a holder of the 2012 Notes, or Studio City Company, if a holder of the 2016 Notes, to repurchase all or any part of such holder's Existing Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, 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 Studio City Finance or Studio City Company has previously or concurrently elected to redeem the Existing Notes.

Maturity and Redemption

2012 Notes

The maturity of the 2012 Notes is December 1, 2020. Prior to December 1, 2015, Studio City Finance at its option may redeem the 2012 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2012 Notes plus the applicable "make-whole" premium specified in the indenture governing the 2012 Notes plus accrued and unpaid interest and additional amounts, if any, to the redemption date. At any time on or after December 1, 2015, Studio City Finance at its option may redeem the 2012 Notes, in whole or in part, at the redemption prices plus accrued and unpaid interest and additional amounts, if any, to the redemption date. At any time prior to December 1, 2015, Studio City Finance may redeem up to 35% of the principal amount of the 2012 Notes, with the net cash proceeds of one or more Equity Offerings at a redemption price of 108.5% of the principal amount of the 2012 Notes, plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

2016 5.875% Notes

The maturity of the 2016 5.875% Notes is November 30, 2019. At any time prior to November 30, 2019, Studio City Company may redeem all or a part of the 2016 5.875% Notes at a redemption price equal to 100% of the principal amount of 2016 5.875% Notes redeemed plus the applicable premium specified in the indenture governing the 2016 5.875% Notes as of, and accrued and unpaid interest to, the date of redemption. At any time prior to November 30, 2019, Studio City Company may redeem up to 35% of the aggregate principal amount of the 2016 5.875% Notes, with the net cash proceeds of one or more equity offerings at a redemption price of 105.875% of the principal amount of the 2016 5.875% Notes, plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

2016 7.250% Notes

The maturity of the 2016 7.250% Notes is November 30, 2021. At any time prior to November 30, 2018, Studio City Company may also redeem all or a part of the 2016 7.250% Notes at a redemption price equal to

100% of the principal amount of 2016 7.250% Notes redeemed plus the applicable premium specified in the indenture governing the 2016 7.250% Notes as of, and accrued and unpaid interest to, the date of redemption.

On or after November 30, 2018, Studio City Company may redeem all or a part of the 2016 7.250% Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices plus accrued and unpaid interest, if any, on the 2016 7.250% Notes redeemed, to the applicable redemption date. At any time prior to November 30, 2018, Studio City Company may redeem up to 35% of the aggregate principal amount of the 2016 7.250% Notes, with the net cash proceeds of one or more equity offerings at a redemption price of 107.250% of the principal amount of the 2016 7.250% Notes, plus accrued and unpaid interest and additional amounts, if any, to the redemption date.

Intercreditor Agreement

On December 1, 2016, Studio City Company, each guarantor of the 2016 Notes, each trustee of the 2016 Notes, the lenders for the 2016 Credit Facility, the Security Agent and DB Trustees (Hong Kong) Limited or its successors, as the intercreditor agent (the "Intercreditor Agent"), among others, entered into an intercreditor agreement (the "Intercreditor Agreement"). The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain debt of the debtors under the 2016 Credit Facility and the 2016 Notes, when payments can be made in respect of the debt of such debtor, when enforcement action can be taken in respect of such debt, the terms pursuant to which certain of such debt will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

Ranking and Priority

Liabilities under the 2016 Credit Facility, the 2016 Notes, certain pari passu indebtedness and certain hedging debt (together the "Secured Debt" and the creditors of the Secured Debt, the "Secured Creditors") shall rank first (pro rata and pari passu amongst themselves) in right and priority of payment.

The loans of proceeds of the issuance of the 2012 Notes, the guarantees and the additional guarantees in relation to the 2012 Notes are unsecured and unsubordinated. Each of the sponsor group loans and subordinated intra-group debt is postponed and subordinated to the liabilities owed by the debtors to the Secured Creditors.

The transaction security (the "Common Collateral") and guarantees shall, subject to agreed security principles, rank and secure the liabilities in respect of the Secured Debt first (pro rata and pari passu amongst themselves, although any liabilities in respect of obligations under the 2016 Credit Facility that are secured by the Common Collateral will have priority over the 2016 Notes with respect to any proceeds received upon any enforcement action of such Common Collateral) (but only to the extent such transaction security and/or guarantee is expressed to secure those liabilities and subject to the proceeds of any recoveries from enforcement of such transaction security and/or guarantee being distributed as set out below). In addition, the cash collateral in respect of the Term Loan Facility shall benefit the creditors of the Term Loan Facility only and the note interest accrual accounts in respect of the 2016 Notes shall benefit the creditors of the respective series of the 2016 Notes only and each shall be subject to separate control and recovery waterfall arrangements.

Permitted Payments

Until an Acceleration

The Intercreditor Agreement permits, among other things, payments to be made in respect of the Secured Debt at any time in accordance with the terms of such Secured Debt; provided that payments in respect of the Term Loan Facility will be subject to certain restrictions under the Intercreditor Agreement. See "—Restriction on the Term Loan Facility" below.

After an Acceleration

The Intercreditor Agreement will require, among other things, that certain amounts received by a Secured Creditor are (to the extent not otherwise permitted to be received and retained) to be held on trust and turned over to the Security Agent for application in accordance with the priority set out below under the section on "—Application of Proceeds."

Limitations on Enforcement

Enforcement of the Common Collateral by the Security Agent may be directed by the Instructing Group. The "Instructing Group" for the Common Collateral will be each of (i) the Majority Super Senior Creditors and (ii) the Majority Pari Passu Creditors (each as defined below).

The "Majority Super Senior Creditors" mean the super senior creditors (including relevant hedge counterparties in respect of any designated super senior hedging liabilities (subject to caps to be agreed)) (the "Super Senior Creditors") holding more than 50% of super senior credit participations (on customary formulations) at the relevant time.

The "Majority Pari Passu Creditors" mean the creditors (other than the Super Senior Creditors) (the "Pari Passu Creditors") holding more than 50% of all of the debt (including commitments) which is to rank pari passu with the 2016 Notes ("Pari Passu Debt").

Any Instructing Group may deliver enforcement instructions with respect to the Common Collateral to the Intercreditor Agent, following which a consultation period of up to 30 days shall apply between the Secured Parties (subject to customary exceptions following insolvency events, as described below). The Intercreditor Agent shall direct the Security Agent to follow the instructions delivered by the Majority Pari Passu Creditors (provided that such instructions are consistent with the security enforcement principles set forth in the Intercreditor Agreement) unless and until, either:

(i) six months have elapsed and the Super Senior Discharge Date or the Term Loan Facility Discharge Date (each as defined below) has not occurred;

(ii) three months have elapsed and the Majority Pari Passu Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Intercreditor Agent of that determination in writing) or appointed a financial adviser to assist them in making such a determination; or

(iii) the Majority Pari Passu Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Intercreditor Agent of that determination in writing) or appointed a financial adviser to assist them in making such a determination and the Majority Super Senior Creditors (a) determine in good faith that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realization proceeds of any enforcement and (b) deliver enforcement instructions in respect of the Common Collateral which they reasonably believe to be consistent with the enforcement principles set forth in the Intercreditor Agreement to the Intercreditor Agent before the Intercreditor Agent has received any enforcement instructions from the Majority Pari Passu Creditors,

in which cases, the Intercreditor Agent shall instruct the Security Agent to follow the enforcement instructions delivered by the Majority Super Senior Creditors (provided that such instructions are consistent with the security enforcement principles).

In addition, if any specified 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 a 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 Collateral (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 Security Agent the enforcement instructions in respect of the Common Collateral received from the Majority Super Senior Creditors.

"Term Loan Facility Discharge Date" means the first date on which all liabilities in respect of the Term Loan Facility have been fully and finally discharged to the satisfaction of the agent for the 2016 Credit Facility, whether or not as the result of an enforcement.

"Super Senior Discharge Date" means the first date on which all super senior liabilities (including liabilities under the 2016 Credit Facility and relevant super senior hedging in an agreed amount, but other than in respect of the principal amount of the term loan facility under the 2016 Credit Facility) have been fully and finally discharged to the satisfaction of the agent for the 2016 Credit Facility (in the case of liabilities under such facilities) and each applicable hedging counterparty (in the case of 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 documents governing the Secured Debt.

No agent of the creditors represented in the Instructing Group shall be obliged to consult in accordance with the fourth paragraph under "—Limitation on Enforcement" above, and the Instructing Group shall be entitled to give any instructions to the Security Agent (through the Intercreditor Agent) to enforce the security or take any other enforcement action prior to the end of the applicable consultation period if:

(i) any specified 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 Creditors, a representative acting on behalf of any Secured Creditor(s) (such Secured Creditor(s) having made a determination acting reasonably and in good faith) notifies the Intercreditor Agent that:

- to enter into or continue such consultations and thereby delay the commencement of enforcement of the Common Collateral could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realization proceeds of any enforcement; or
- the circumstances described in clauses (i), (ii) or (iii) of the fourth paragraph under "—Limitations on Enforcement" above have occurred; or

(iii) the representatives of each other group of Secured Creditors agree on the proposed enforcement instructions and that no consultation is required.

Turnover

The Intercreditor Agreement includes customary provisions for turnover of payments or amounts recovered or received by creditors from the proceeds of enforcement of transaction security or any distressed disposals or the proceeds of any guarantees, with customary exceptions.

Application of Proceeds

The Intercreditor Agreement provides that any amounts received or recovered as a result of enforcement of the Common Collateral or any distressed disposal or recovered from another creditor as a result to be applied in the following order:

- First: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the

2016 7.250% Notes Interest Accrual Account) *pro rata* and *pari passu*, the costs and expenses of the Security Agent and any receiver each for its own account and which are payable to it for acting in its role as such under the relevant finance documents;

- Second: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the 2016 7.250% Notes Interest Accrual Account) in payment or reimbursement of certain payment or funding obligations under the terms of the Services and Right to Use Direct Agreement;
- Third: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the 2016 7.250% Notes Interest Accrual Account) *pro rata* and *pari passu*, the costs and expenses of each trustee, notes trustee and/or loan agent in respect of certain secured *pari passu* indebtedness, the agent in respect to the 2016 Credit Facility, the Intercreditor Agent and the power of attorney agent each for its own account and which are payable to it for acting in its role as such under the relevant finance documents;
- Fourth: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the 2016 7.250% Notes Interest Accrual Account) *pro rata* and *pari passu*, the costs and expenses incurred by any Secured Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent or the Intercreditor Agent under the Intercreditor Agreement;
- Fifth: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the 2016 7.250% Notes Interest Accrual Account) *pro rata* and *pari passu*, amounts owed to the creditors under the Revolving Credit Facility under the 2016 Credit Facility, the liabilities (other than in relation to principal) in respect of the Term Loan Facility under the 2016 Credit Facility and certain designated super senior hedging obligations;
- Sixth: (other than recoveries from credit specific security over credit specific accounts, including the Term Loan Facility Cash Collateral Account, the 2016 5.875% Notes Interest Accrual Account and the 2016 7.250% Notes Interest Accrual Account) *pro rata* and *pari passu*, amounts owed to the Secured Creditors (other than the liabilities in respect of the Term Loan Facility under 2016 Credit Facility);
- Seventh: in the case of recoveries from certain credit specific security over credit specific accounts (other than the Term Loan Facility Cash Collateral Account), towards the relevant Secured Creditors benefitting from such credit specific security;
- Eighth: towards the discharge of the principal amount of the Term Loan Facility under the 2016 Credit Facility;
- Ninth: in the case of recoveries from the Term Loan Facility Cash Collateral Account, if permitted in accordance with the other terms of the Intercreditor Agreement, towards the discharge of the principal amount of the Term Loan Facility under the 2016 Credit Facility; and
- Tenth: to the debtor or any other person entitled to it.

Release of Security and Guarantees

The Intercreditor Agreement includes customary provisions for the release of transaction security and/or guarantees (including guarantees and/or security from third party security providers and/or any other claims relating to the finance documents for Secured Debt) in respect of (i) distressed disposals; and (ii) disposals of assets not prohibited by the terms of the financing documentation; (iii) a reorganization that is not prohibited by the terms of the financing documentation; (iv) a cessation of any business, undertaking or establishment and

which cessation would not cause a default; (v) any amendments to the financing documentation and related documents pursuant to which such release is required; and (vi) any release in accordance with the terms of the financing documentation (and which releases, for the avoidance of doubt, shall not require the consent of any Secured Creditor), as well as an obligation on the Security Agent and other Secured Creditors to promptly release (or procure that any other relevant person releases) such transaction security, guarantees and/or other claims and execute any related documents in connection with such releases on the request of Studio City Investments.

Restrictions on the Term Loan Facility

The Intercreditor Agreement sets forth some restrictions with regard to the Term Loan Facility, including limitations on (i) repayments (other than at maturity) or set-off of the principal amount of the Term Loan Facility except under limited circumstances; (ii) any withdrawal from the cash collateral securing the Term Loan Facility; (iii) the parties who may purchase any interest in the Term Loan Facility; (iv) certain amendments relating to the repayment or prepayment of the Term Loan Facility; and (v) the ability of the lender of the Term Loan Facility to take any enforcement action except for under limited circumstances.

Amendment

Terms of the sponsor group loans and documents under the 2016 Notes evidencing those terms may only be amended or waived if that amendment or waiver is of a minor or administrative nature and is not prejudicial to any of the Secured Creditors and are not prohibited by the Intercreditor Agreement or any other finance document or otherwise if the prior written consents of the required Super Senior Creditors and required Pari Passu Creditors are obtained.

Each creditor may amend or waive the terms of their own finance document under and in accordance with the terms of those respective documents so long as the amendment does not breach a term of the Intercreditor Agreement.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the relevant finance documents to the contrary.

Other Financing

To the extent permitted by the definitive agreement in respect of the 2016 Credit Facility and the indentures governing the Existing Notes, we may obtain financing in the form of, among other things, additional equity or debt, including additional bank loans or high yield, mezzanine or other debt, or rely on our operating cash flow to fund further project development.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company and our affairs are governed by our amended and restated memorandum and articles of association and the Companies Law (as amended) of the Cayman Islands, or Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital consists of US$200,000 divided into (i) [200,000] ordinary shares with a par value of US$[1.00] each. As of the date of this prospectus, [18,127.94] ordinary shares are issued and outstanding. All of our issued and outstanding ordinary shares are fully paid.

Assuming that we obtain the requisite shareholder approval, we will adopt an amended and restated memorandum and articles of association, or post-IPO memorandum and articles of association, which will become effective and replace our current memorandum and articles of association in its entirety immediately prior to the completion of this offering. Our authorized share capital upon completion of the offering will be US$200,000 divided into 2,000,000,000 shares comprising of (i) 1,927,488,240 SC Class A Shares of a par value of US$0.0001 each and (ii) 72,511,760 SC Class B Shares of a par value of US$0.0001 each.

Upon completion of this offering, the investors in this offering will collectively own ADSs, representing SC Class A Shares. As described under “Use of Proceeds,” we will contribute the net proceeds from this offering to MSC Cotai, in exchange for ordinary shares of MSC Cotai, or MSC Cotai Shares. MCE Cotai Investments Limited, or MCE Cotai, will own SC Class A Shares, representing a % economic interest in Studio City International. New Cotai will own SC Class B Shares, representing a % voting, non-economic interest in our company. New Cotai will also have a Participation Interest, which will entitle New Cotai to receive from MSC Cotai an amount equal to % of the amount of any distribution, dividend or other consideration paid by MSC Cotai to us, subject to adjustments, exceptions and conditions.

The following are summaries of material provisions of our post-IPO memorandum and articles of association and the Companies Law as they relate to the material terms of our ordinary shares that we expect will become effective immediately upon the completion of this offering.

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.

Dividends

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

Voting Rights

Each of our SC Class A Shares and SC Class B Shares entitles its holder to one vote on all matters to be voted on by shareholders generally. Holders of our SC Class A and SC Class B Shares vote together as a single class on all matters presented to our shareholders for their vote or approval, except as otherwise required by applicable law or our memorandum of association and articles of association. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by our chairman or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 20% of the paid up voting share capital of our company.

A quorum required for a meeting of shareholders consists of one or more shareholders who hold at least 50 percent of our ordinary shares at the meeting present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Shareholders' meetings are held at least annually and may be convened by our board on its own initiative or, failing a request by our board, upon a request to the directors by shareholders holding in aggregate at least 20 percent of our ordinary shares. Advance notice of at least seven clear days is required for the convening of our annual general meeting and other shareholders meetings.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires the affirmative vote of not less than two-thirds of the votes cast attaching to the ordinary shares. A special resolution will be required for important matters such as changing our name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Subject to the restrictions in our post-IPO memorandum and articles of association and the Participation Agreement, as applicable, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required; or
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

Our board of directors is required to refuse to register any purported transfer of SC class B shares made otherwise than in compliance with the Participation Agreement.

If our directors refuse to register a transfer they must, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

Exchange Right of New Cotai

Following the expiration of the lock-up period and subject to certain conditions, New Cotai and its permitted transferees thereof may exchange their Participation Interest in MSC Cotai for a number of SC Class A Shares. See "Corporate History and Organizational Structure—Participation Agreement." If New Cotai exchanges all or a portion of the Participation Interest for SC Class A Shares, it will also be deemed to have surrendered an equal number of SC Class B Shares, and any SC Class B Shares so surrendered will be cancelled for no consideration. See "Corporate History and Organizational Structure—Participation Agreement."

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of SC Class A Shares will be distributed

among the holders of the SC Class A Shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. Holders of our SC Class B Shares do not have any right to receive a distribution upon a liquidation or winding up of Studio City International.

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.

Redemption of Ordinary Shares

Subject to the provisions of the Companies Law, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as the directors may determine.

Prohibitions on the Receipt of Dividends, the Exercise of Voting or Other Rights or the Receipt of Other Remuneration

Our memorandum and articles of association prohibit anyone who is an unsuitable person or an affiliate of an unsuitable person from:

- receiving dividends or interest with regard to our shares;
- exercising voting or other rights conferred by our shares; and
- receiving any remuneration in any form from us or an affiliated company for services rendered or otherwise.

Such unsuitable person or its affiliate must sell all of the shares, or allow us to redeem or repurchase the shares on such terms and manner as the directors may determine and agree with the shareholders, within such period of time as specified by a gaming authority.

These prohibitions commence on the date that a gaming authority serves notice of a determination of unsuitability or our board determines that a person or its affiliate is unsuitable and continue until the securities are owned or controlled by persons found suitable by a gaming authority or our board, as applicable, to own them. An “unsuitable person” is any person who is determined by a gaming authority to be unsuitable to own or control any of our shares or who causes us or any affiliated company to lose or to be threatened with the loss of any gaming license, or who, in the sole discretion of our board, is deemed likely to jeopardize our or any of our affiliates’ application for, receipt of approval for right to the use of, or entitlement to, any gaming license.

The terms “affiliated companies,” “gaming authority” and “person” have the meanings set forth in our articles of association.

Redemption of Securities Owned or Controlled by an Unsuitable Person or an Affiliate

Our memorandum and articles of association provide that shares owned or controlled by an unsuitable person or an affiliate of an unsuitable person are redeemable by us, out of funds legally available for that redemption, by appropriate action of our board to the extent required by the gaming authorities making the determination of unsuitability or to the extent deemed necessary or advisable by our board having regard to relevant gaming laws. From and after the redemption date, the securities will not be considered outstanding and

all rights of the unsuitable person or affiliate will cease, other than the right to receive the redemption price and the right to receive any dividends declared prior to any receipt of any written notice from a gaming authority declaring the suitable person to be an unsuitable person but not yet paid. The redemption price will be the price, if any, required to be paid by the gaming authority making the finding of unsuitability or, if the gaming authority does not require a price to be paid, the sum deemed to be the fair value of the securities by our board. The price for the shares will not exceed the closing price per share of the shares on the principal national securities exchange on which the shares are then listed on the trading date on the day before the redemption notice is given. If the shares are not then listed, the redemption price will not exceed the closing sales price of the shares as quoted on an automated quotation system, or if the closing price is not then reported, the mean between the bid and asked prices, as quoted by any other generally recognized reporting system. Our right of redemption is not exclusive of any other rights that we may have or later acquire under any agreement, its bylaws or otherwise. The redemption price may be paid in cash, by promissory note, or both, as required by the applicable gaming authority and, if not, as we elect.

Our memorandum and articles of association require any unsuitable person and any affiliate of an unsuitable person to indemnify us and our affiliated companies for any and all losses, costs and expenses, including legal fees, incurred by us and our affiliates as a result of, or arising out of, the unsuitable person's or affiliate's continuing ownership or control of shares, the neglect, refusal or other failure to comply with the provisions of our memorandum and articles of association relating to unsuitable persons, or failure to promptly divest itself of any shares in us when required by the relevant gaming laws or our memorandum and articles of association.

Variations of Rights of Shares

All or any of the rights attached to any class of shares may, subject to the provisions of our memorandum and articles of association and the Companies Law, be varied or abrogated either with the written consent of the holders of at least a majority of the issued shares of that class or with the approval of the holders of at least a majority of the shares of that class present in person or by proxy at a separate general meeting of the holders of the shares of that class.

Changes in Capital

We may from time to time by ordinary resolution (but subject to other provisions of our memorandum and of articles of association):

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution may prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- convert all or any of our paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
- sub-divide our existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

We may by special resolution (subject to our memorandum and articles) reduce our share capital and any capital redemption reserve in any manner authorized by law.

Accounts and Audit

No shareholder (other than a director) has any right to inspect any of our accounting record or book or document except as conferred by law or authorized by our board or our company by ordinary resolution of the shareholders.

Subject to compliance with all applicable laws, we may send to every person entitled to receive notices of our general meetings under the provisions of the articles of association a summary financial statement derived from our annual accounts and our board's report.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the articles of association. The remuneration of the auditors shall be fixed by our board.

Our financial statements shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the shareholders in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

Exempted Company

We are an exempted company incorporated with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except for the exemptions and privileges listed below:

- annual reporting requirements are minimal and consist mainly of a statement that the company has conducted its operations mainly outside of the Cayman Islands and has complied with the provisions of the Companies Law;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with or without par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Differences in Corporate Law

The Companies Law is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Law 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 Law applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements

The Companies Law 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 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 Law.

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 power with respect to electing such director.

As permitted under Cayman Islands law, our memorandum and articles of association do not provide for cumulative voting.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Under our memorandum and articles of association, subject to the Shareholders' Agreement, directors can be removed by special resolution of the shareholders.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions entered into must be bona fide in the best interests of the company, for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under our memorandum and articles of association, if our company is wound up, the liquidator of our company may distribute the assets with the sanction of an ordinary resolution of the shareholders and any other sanction required by law.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise.

Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may 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 to inspect or obtain copies of our register of members or our corporate records (other than the memorandum and articles of association). However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-takeover Provisions in our Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

Such shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue these preference shares, the price of our ordinary shares may fall and the voting and other rights of the holders of our ordinary shares may be materially adversely affected.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no

provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

The following is a summary of our securities issued since January 1, 2014.

Ordinary Shares

On March 25, 2014, we issued 4,282.896 and 2,855.264 ordinary shares of US$1 par value per share to MCE Cotai and New Cotai, respectively, based on their respective percentage shareholdings in us, in an aggregate of 7,138.16 ordinary shares for a consideration of US$1,050.0 million.

On October 3, 2014, the company issued 593.868 and 395.912 ordinary shares of US$1 par value per share to MCE Cotai and New Cotai, respectively, based on their respective percentage shareholdings in us, in an aggregate of 989.78 ordinary shares for a consideration of US$230.0 million.

As of March 31, 2018, 18,127.94 ordinary shares were issued and fully paid.

Prior to the completion of this offering, as part of the Organizational Transactions, all of our ordinary shares issued and outstanding will be reclassified into SC Class A Shares. In addition, the Registrant will issue [72,511,760] shares of SC Class B Shares to New Cotai in exchange for such SC Class A Shares held by New Cotai after the reclassification. See “Corporate History and Organizational Structure.”

The Existing Notes

We issued the 2012 Notes and the 2016 Notes that are outstanding as of the date of this prospectus. See “Description of Indebtedness.”

Shareholders’ Rights

See “Related Party Transactions—Shareholders’ Agreement.”

Registration Rights

Under the Registration Rights Agreement between New Cotai and us dated July 27, 2011 (as amended and restated, the “Registration Rights Agreement”), we have granted certain registration rights to New Cotai, holder of our registrable securities, which include: (i) any SC Class A Shares, (ii) any other stock or securities that the holder of SC Class A Shares may be entitled to receive, or have received, (iii) any securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (i) or (ii) by way of conversion, substitution or exchange thereof or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization. Set forth below is a description of the registration rights.

Demand Registration Rights

At any time following this offering, holders holding in aggregate at least 10% of the outstanding registrable securities have the right to request in writing that we effect the registration of all or any part of the registrable securities held by such holders. We will not be required to effect such a registration unless the minimum aggregate value of the registrable securities that are proposed to be sold in such registration by such holders will be at least US$50,000,000.

We will not be obligated to effect more than five registrations, provided that a request for registration will not count for the purposes of this limitation if (i) the holders of a majority of registrable securities covered by a particular registration determine in good faith to withdraw (prior to the effective date of the registration statement relating to such request) the proposed registration, (ii) the registration statement relating to such request is not declared effective within 120 days of the date such registration statement is first filed with the Securities and

Exchange Commission, (iii) if, after such registration statement becomes effective, such registration statement becomes subject to any stop order, injunction or other order or requirement of the Securities and Exchange Commission or other governmental agency or count for any reason, (iv) the holders are not able to register and sell at least 80% of the registrable securities requested to be included in such registration, other than by reason of such holders withdrawing their request or terminating the offering, (v) the conditions to closing specified in the underwriting agreement or purchase agreement entered into in connection with the registration relating to such request are not satisfied (other than as a result of a material default or material breach thereunder by the holders), or (vi) if the registration statement relating to such request has not remained effective until the earlier of the time when all the registrable securities requested to be included in such registration are sold and the end of a period as described in the Registration Rights Agreement. We shall not be required to file and cause to become effective more than one registration statement in any six month period.

Shelf Registration Rights

At any time following this offering, New Cotai may request in writing that we effect any registration described above on Form F-3 (a "Shelf Registration Statement") (provided that we are eligible to use such form) for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act of 1933 and to use reasonable best efforts to cause such registration statement to become effective and to maintain the effectiveness of such shelf registration statement with respect to such registrable securities of New Cotai participating in the registration for a period as described in the Registration Rights Agreement (a "Shelf Demand Registration"). To the extent we are a well-known seasoned issuer (a "WKSI") (as defined in Rule 405 under the Securities Act) at the time New Cotai makes a Shelf Demand Registration, we will be required to file a Shelf Registration Statement under procedures applicable to WKSIs. We are not obligated to file more than one Shelf Demand Registration in any twelve-month period.

Piggyback Registration Rights

If we propose to register any of our shares under the Securities Act for purposes of effecting a public offering of our securities (including, but not limited to, registration statements relating to secondary offerings of our securities, but excluding a registration on Form S-4, Form S-8 or a comparable form, or a registration of securities relating solely to an offering and sale to employees pursuant to any employee share plan or other employee benefit plan arrangement), we must afford New Cotai an opportunity to include in the registration all or any part of the registrable securities then held by New Cotai.

Expenses of Registration

Generally, all expenses incidental to our performance of or compliance with the Registration Rights Agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, word processing, duplicating and printing expenses, messenger and delivery expenses, listing application fees, transfer agent's and registrar's fees, costs of distributing the prospectus in preliminary and final form as well as any supplements thereto, and fees and disbursements of counsel for us and all independent certified public accountants, underwriters and other persons retained by the us (all such expenses, "Registration Expenses"), will be borne by us, and we will also pay our internal expenses (including, without limitation, all salaries and expenses of our officers and employees performing legal or accounting duties), the expenses of any annual audit or quarterly review, the expenses of any liability insurance and the expenses and fees for listing the securities on the New York Stock Exchange. All selling expenses will be borne by the holders of the securities so registered *pro rata* on the basis of the number of their shares so registered.

In connection with each registration initiated hereunder, we shall reimburse the holders covered by such registration or sale for the reasonable fees and disbursements of one law firm (and one local counsel) chosen by holders holding a majority of the registrable securities to be included in the applicable registration. The amount of such reimbursement is limited to US$800,000 in the aggregate for all registrations initiated under the Registration Rights Agreement.

Our obligation to bear the expenses and to reimburse the holders for the expenses above shall apply irrespective of whether any sales of registrable securities ultimately take place.

No Registration Rights to Third Parties

We covenant and agree that, without the prior written consent of the holders of at least a majority of the registrable securities, we will not grant to any holder or prospective holder of our securities registration rights with respect to such securities which are senior or *pari passu* to the rights granted under the Registration Rights Agreement.

Termination of Our Obligations on the Registration Rights

The Registration Rights Agreement will terminate upon the earliest of (i) the termination of the Registration Rights Agreement pursuant to the Implementation Agreement, (ii) with respect to each holder of registrable securities, the termination of the Registration Rights Agreement by the consent of us and such holder, (iii) the date on which no registrable securities remain outstanding, or (iv) following the completion of this offering, our dissolution, liquidation or winding up.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

Deutsche Bank Trust Company Americas, as depositary, will register and deliver the American Depositary Shares, also referred to as ADSs. Each ADS will represent ownership of SC Class A Shares (or a right to receive SC Class A Shares), deposited with Deutsche Bank AG, Hong Kong Branch, as custodian for the depositary. Each ADS will also represent ownership of any other securities, cash or other property which may be held by the depositary. The depositary's corporate trust office at which the ADSs will be administered is located at 60 Wall Street, New York, NY 10005, USA. The principal executive office of the depositary is located at 60 Wall Street, New York, NY 10005, USA.

The Direct Registration System, or DRS, is a system administered by The Depository Trust Company, or DTC, pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto.

We will not treat ADS holders as our shareholders and accordingly, you, as an ADS holder, will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the SC Class A Shares underlying your ADSs. As a holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary and you, as an ADS holder, and the beneficial owners of ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. The laws of the State of New York govern the deposit agreement and the ADSs. See "— Jurisdiction and Arbitration."

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of American Depositary Receipt. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Holding the ADSs

How will you hold your ADSs?

You may hold ADSs either (1) directly (a) by having an American Depositary Receipt, or ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (b) by holding ADSs in DRS, or (2) indirectly through your broker or other financial institution. If you hold ADSs directly, you are an ADS holder. This description assumes you hold your ADSs directly. ADSs will be issued through DRS, unless you specifically request certificated ADRs. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay to you the cash dividends or other distributions it or the custodian receives on SC Class A Shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of SC Class A Shares your ADSs represent as of the record date (which will be as close as practicable to the record date for our SC Class A Shares) set by the depositary with respect to the ADSs.

- ***Cash.*** The depositary will convert or cause to be converted any cash dividend or other cash distribution we pay on the SC Class A Shares or any net proceeds from the sale of any SC Class A Shares, rights, securities or other entitlements under the terms of the deposit agreement into U.S. dollars if it can do so on a practicable basis, and can transfer the U.S. dollars to the United States and will distribute promptly

the amount thus received. If the depositary shall determine in its judgment that such conversions or transfers are not practical or lawful or if any government approval or license is needed and cannot be obtained at a reasonable cost within a reasonable period or otherwise sought, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold or cause the custodian to hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid and such funds will be held for the respective accounts of the ADS holders. It will not invest the foreign currency and it will not be liable for any interest for the respective accounts of the ADS holders.

- Before making a distribution, any taxes or other governmental charges, together with fees and expenses of the depositary, that must be paid, will be deducted. See "Taxation." It will distribute only whole U.S. dollars and cents and will round down fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.

- ***Shares.*** For any SC Class A Shares we distribute as a dividend or free distribution, either (1) the depositary will distribute additional ADSs representing such SC Class A Shares or (2) existing ADSs as of the applicable record date will represent rights and interests in the additional SC Class A Shares distributed, to the extent reasonably practicable and permissible under law, in either case, net of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The depositary will only distribute whole ADSs. It will try to sell SC Class A Shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. The depositary may sell a portion of the distributed SC Class A Shares sufficient to pay its fees and expenses, and any taxes and governmental charges, in connection with that distribution.

- ***Elective Distributions in Cash or Shares.*** If we offer holders of our SC Class A Shares the option to receive dividends in either cash or shares, the depositary, after consultation with us and having received timely notice as described in the deposit agreement of such elective distribution by us, has discretion to determine to what extent such elective distribution will be made available to you as a holder of the ADSs. We must timely first instruct the depositary to make such elective distribution available to you and furnish it with satisfactory evidence that it is legal to do so. The depositary could decide it is not legal or reasonably practicable to make such elective distribution available to you. In such case, the depositary shall, on the basis of the same determination as is made in respect of the SC Class A Shares for which no election is made, distribute either cash in the same way as it does in a cash distribution, or additional ADSs representing SC Class A Shares in the same way as it does in a share distribution. The depositary is not obligated to make available to you a method to receive the elective dividend in shares rather than in ADSs. There can be no assurance that you will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of SC Class A Shares.

- ***Rights to Purchase Additional Shares.*** If we offer holders of our SC Class A Shares any rights to subscribe for additional shares, the depositary shall having received timely notice as described in the deposit agreement of such distribution by us, consult with us, and we must determine whether it is lawful and reasonably practicable to make these rights available to you. We must first instruct the depositary to make such rights available to you and furnish the depositary with satisfactory evidence that it is legal to do so. If the depositary decides it is not legal or reasonably practicable to make the rights available but that it is lawful and reasonably practicable to sell the rights, the depositary will endeavor to sell the rights and in a riskless principal capacity or otherwise, at such place and upon such terms (including public or private sale) as it may deem proper, distribute the net proceeds in the same way as it does with cash. The depositary will allow rights that are not distributed or sold to lapse. In that case, you will receive no value for them.

  If the depositary makes rights available to you, it will establish procedures to distribute such rights and enable you to exercise the rights upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. The depositary shall not be obliged to

make available to you a method to exercise such rights to subscribe for SC Class A Shares (rather than ADSs).

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by shares purchased upon exercise of rights. For example, you may not be able to trade these ADSs freely in the United States. In this case, the depositary may deliver restricted depositary shares that have the same terms as the ADSs described in this section except for changes needed to put the necessary restrictions in place.

There can be no assurance that you will be given the opportunity to exercise rights on the same terms and conditions as the holders of SC Class A Shares or be able to exercise such rights.

- ***Other Distributions.*** Subject to receipt of timely notice, as described in the deposit agreement, from us with the request to make any such distribution available to you, and provided the depositary has determined such distribution is lawful and reasonably practicable and feasible and in accordance with the terms of the deposit agreement, the depositary will distribute to you anything else we distribute on deposited securities by any means it may deem practicable, upon your payment of applicable fees, charges and expenses incurred by the depositary and taxes and/or other governmental charges. If any of the conditions above are not met, the depositary will endeavor to sell, or cause to be sold, what we distributed and distribute the net proceeds in the same way as it does with cash; or, if it is unable to sell such property, the depositary may dispose of such property in any way it deems reasonably practicable under the circumstances for nominal or no consideration, such that you may have no rights to or arising from such property.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. Except for our obligations under the Registration Rights Agreement, we have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on our shares or any value for them if we and/or the depositary determines that it is illegal or not practicable for us or the depositary to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposit SC Class A Shares or evidence of rights to receive SC Class A Shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons entitled thereto.

Except for SC Class A Shares deposited by us in connection with this offering, no shares will be accepted for deposit during a period of 180 days after the date of this prospectus. The 180 day lock up period is subject to adjustment under certain circumstances as described in the section entitled “Shares Eligible for Future Sales—Lock-up Agreements.”

How do ADS holders cancel an American Depositary Share?

You may turn in your ADSs at the depositary’s corporate trust office or by providing appropriate instructions to your broker. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the SC Class A Shares and any other deposited securities underlying the ADSs to you or a person you designate at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its corporate trust office, to the extent permitted by law.

How do ADS holders interchange between Certificated ADSs and Uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send you a statement confirming that you are the owner of uncertificated ADSs. Alternatively, upon receipt by the depositary of a proper instruction from a holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to you an ADR evidencing those ADSs.

Voting Rights

How do you vote?

You may instruct the depositary to vote the SC Class A Shares or other deposited securities underlying your ADSs at any meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities. Otherwise, you could exercise your right to vote directly if you withdraw the SC Class A Shares. However, you may not know about the meeting sufficiently enough in advance to withdraw the SC Class A Shares.

If we ask for your instructions and upon timely notice from us by regular, ordinary mail delivery, or by electronic transmission, as described in the deposit agreement, the depositary will notify you of the upcoming meeting at which you are entitled to vote pursuant to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, and arrange to deliver our voting materials to you. The materials will include or reproduce (a) such notice of meeting or solicitation of consents or proxies; (b) a statement that the ADS holders at the close of business on the ADS record date will be entitled, subject to any applicable law, the provisions of our memorandum and articles of association, and the provisions of or governing the deposited securities, to instruct the depositary as to the exercise of the voting rights, if any, pertaining to the SC Class A Shares or other deposited securities represented by such holder's ADSs; and (c) a brief statement as to the manner in which such instructions may be given to the depositary or deemed given in accordance with the second to last sentence of this paragraph if no instruction is received to the depositary to give a discretionary proxy to a person designated by us. Voting instructions may be given only in respect of a number of ADSs representing an integral number of SC Class A Shares or other deposited securities. For instructions to be valid, the depositary must receive them in writing on or before the date specified. The depositary will try, as far as practical, subject to applicable law and the provisions of our memorandum and articles of association, to vote or to have its agents vote the SC Class A Shares or other deposited securities (in person or by proxy) as you instruct. The depositary will only vote or attempt to vote as you instruct. If we timely requested the depositary to solicit your instructions but no instructions are received by the depositary from an owner with respect to any of the deposited securities represented by the ADSs of that owner on or before the date established by the depositary for such purpose, the depositary shall deem that owner to have instructed the depositary to give a discretionary proxy to a person designated by us with respect to such deposited securities, and the depositary shall give a discretionary proxy to a person designated by us to vote such deposited securities. However, no such instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter if we inform the depositary we do not wish such proxy given, substantial opposition exists or the matter materially and adversely affects the rights of holders of the SC Class A Shares.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the SC Class A Shares underlying your ADSs. In addition, there can be no assurance that ADS holders and beneficial owners generally, or any holder or beneficial owner in particular, will be given the opportunity to vote or cause the custodian to vote on the same terms and conditions as the holders of our SC Class A Shares.

The depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and you may have no recourse if the SC Class A Shares underlying your ADSs are not voted as you requested.

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the depositary to act, we will give the depositary notice of any such meeting and details concerning the matters to be voted at least 30 business days in advance of the meeting date.

Compliance with Regulations

Information Requests

Each ADS holder and beneficial owner shall (a) provide such information as we or the depositary may request pursuant to law, including, without limitation, relevant Cayman Islands law, any applicable law of the United States of America, our memorandum and articles of association, any resolutions of our board of directors adopted pursuant to such memorandum and articles of association, the requirements of any markets or exchanges upon which the SC Class A Shares, ADSs or ADRs are listed or traded, or to any requirements of any electronic book-entry system by which the ADSs or ADRs may be transferred, regarding the capacity in which they own or owned ADRs, the identity of any other persons then or previously interested in such ADRs and the nature of such interest, and any other applicable matters, and (b) be bound by and subject to applicable provisions of the laws of the Cayman Islands, our memorandum and articles of association, and the requirements of any markets or exchanges upon which the ADSs, ADRs or SC Class A Shares are listed or traded, or pursuant to any requirements of any electronic book-entry system by which the ADSs, ADRs or SC Class A Shares may be transferred, to the same extent as if such ADS holder or beneficial owner held SC Class A Shares directly, in each case irrespective of whether or not they are ADS holders or beneficial owners at the time such request is made.

Disclosure of Interests

Each ADS holder and beneficial owner shall comply with our requests pursuant to Cayman Islands law, the rules and requirements of the New York Stock Exchange and any other stock exchange on which the SC Class A Shares are, or will be, registered, traded or listed or our memorandum and articles of association, which requests are made to provide information, inter alia, as to the capacity in which such ADS holder or beneficial owner owns ADS and regarding the identity of any other person interested in such ADS and the nature of such interest and various other matters, whether or not they are ADS holders or beneficial owners at the time of such requests.

Fees and Expenses

As an ADS holder, you will be required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs):

Service	Fees
• To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US$0.05 per ADS issued
• Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US$0.05 per ADS cancelled
• Distribution of cash dividends	Up to US$0.05 per ADS held
• Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights.	Up to US$0.05 per ADS held

Service	Fees
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US$0.05 per ADS held
• Depositary services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you will also be responsible to pay certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of SC Class A Shares charged by the registrar and transfer agent for the SC Class A Shares in the Cayman Islands (i.e., upon deposit and withdrawal of SC Class A Shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.
- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when SC Class A Shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of SC Class A Shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to SC Class A Shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we:	Then:
Change the nominal or par value of our SC Class A Shares	The cash, shares or other securities received by the depositary will become deposited securities.
Reclassify, split up or consolidate any of the deposited securities	Each ADS will automatically represent its equal share of the new deposited securities.
Distribute securities on the SC Class A Shares that are not distributed to you, or recapitalize, reorganize, merge, liquidate, sell all or substantially all of our assets, or take any similar action	The depositary may distribute some or all of the cash, shares or other securities it received. It may also deliver new ADSs or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the form of ADR without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, including expenses incurred in connection with foreign exchange control regulations and other charges specifically payable by ADS holders under the deposit agreement, or materially prejudices a substantial existing right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended. If any new laws are adopted which would require the deposit agreement to be amended in order to comply therewith, we and the depositary may amend the deposit agreement in accordance with such laws and such amendment may become effective before notice thereof is given to ADS holders.

How may the deposit agreement be terminated?

The depositary will terminate the deposit agreement if we ask it to do so, in which case the depositary will give notice to you at least 90 days prior to termination. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign, or if we have removed the depositary, and in either case we have not appointed a new depositary within 90 days. In either such case, the depositary must notify you at least 30 days before termination.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: collect distributions on the deposited securities, sell rights and other property and deliver SC Class A Shares and other deposited securities upon cancellation of ADSs after payment of any fees, charges, taxes or other governmental charges. Six months or more after the date of termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. After such sale, the depositary's only obligations will be to account for the money and other cash. After termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary thereunder.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the Company, the ADRs and the deposit agreement.

The depositary will maintain facilities in the Borough of Manhattan, The City of New York to record and process the issuance, cancellation, combination, split-up and transfer of ADRs.

These facilities may be closed at any time or from time to time when such action is deemed necessary or advisable by the depositary in connection with the performance of its duties under the deposit agreement or at our reasonable written request.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary and the Custodian; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary and the custodian. It also limits our liability and the liability of the depositary. The depositary and the custodian:

- are only obligated to take the actions specifically set forth in the deposit agreement without gross negligence or willful misconduct;
- are not liable if any of us or our respective controlling persons or agents are prevented or forbidden from, or subjected to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement and any ADR, by reason of any provision of any present or future law or regulation of the United States or any state thereof, the Cayman Islands or any other country, or of any other governmental authority or regulatory authority or stock exchange, or on account of the possible criminal or civil penalties or restraint, or by reason of any provision, present or future, of our memorandum and articles of association or any provision of or governing any deposited securities, or by reason of any act of God or war or other circumstances beyond its control (including, without limitation, nationalization, expropriation, currency restrictions, work stoppage, strikes, civil unrest, revolutions, rebellions, explosions and computer failure);
- are not liable by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or provisions of or governing deposited securities;
- are not liable for any action or inaction of the depositary, the custodian or us or their or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, any person presenting SC Class A Shares for deposit or any other person believed by it in good faith to be competent to give such advice or information;

- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement;
- are not liable for any special, consequential, indirect or punitive damages for any breach of the terms of the deposit agreement, or otherwise;
- may rely upon any documents we believe in good faith to be genuine and to have been signed or presented by the proper party;
- disclaim any liability for any action or inaction or inaction of any of us or our respective controlling persons or agents in reliance upon the advice of or information from legal counsel, accountants, any person presenting SC Class A Shares for deposit, holders and beneficial owners (or authorized representatives) of ADSs, or any person believed in good faith to be competent to give such advice or information; and
- disclaim any liability for inability of any holder to benefit from any distribution, offering, right or other benefit made available to holders of deposited securities but not made available to holders of ADS.

The depositary and any of its agents also disclaim any liability (i) for any failure to carry out any instructions to vote, the manner in which any vote is cast or the effect of any vote or failure to determine that any distribution or action may be lawful or reasonably practicable or for allowing any rights to lapse in accordance with the provisions of the deposit agreement, (ii) the failure or timeliness of any notice from us, the content of any information submitted to it by us for distribution to you or for any inaccuracy of any translation thereof, (iii) any investment risk associated with the acquisition of an interest in the deposited securities, the validity or worth of the deposited securities, the credit-worthiness of any third party, (iv) for any tax consequences that may result from ownership of ADSs, SC Class A Shares or deposited securities, or (v) for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without gross negligence or willful misconduct while it acted as depositary.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Jurisdiction and Arbitration

The laws of the State of New York govern the deposit agreement and the ADSs and we have agreed with the depositary that the federal or state courts in the City of New York shall have exclusive jurisdiction to hear and determine any dispute arising from or in connection with the deposit agreement and that the depositary will have the right to refer any claim or dispute arising from the relationship created by the deposit agreement to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

In addition, the deposit agreement provides that each party to the deposit agreement (including each holder, beneficial owner and holder of interests in the ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any lawsuit or proceeding against the depositary or our company related to our shares, the ADSs or the deposit agreement.

Requirements for Depositary Actions

Before the depositary will issue, deliver or register a transfer of an ADS, split-up, subdivide or combine ADSs, make a distribution on an ADS, or permit withdrawal of SC Class A Shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any SC Class A Shares or other deposited securities and payment of the applicable fees, expenses and charges of the depositary;

- satisfactory proof of the identity and genuineness of any signature or any other matters contemplated in the deposit agreement; and
- compliance with (A) any laws or governmental regulations relating to the execution and delivery of ADRs or ADSs or to the withdrawal or delivery of deposited securities and (B) such reasonable regulations and procedures as the depositary may establish, from time to time, consistent with the deposit agreement and applicable laws, including presentation of transfer documents.

The depositary may refuse to issue and deliver ADSs or register transfers of ADSs generally when the register of the depositary or our transfer books are closed or at any time if the depositary or we determine that it is necessary or advisable to do so.

Your Right to Receive the Shares Underlying Your ADSs

You have the right to cancel your ADSs and withdraw the underlying SC Class A Shares at any time except:

- when temporary delays arise because: (1) the depositary has closed its transfer books or we have closed our transfer books; (2) the transfer of SC Class A Shares is blocked to permit voting at a shareholders' meeting; or (3) we are paying a dividend on our SC Class A Shares;
- when you owe money to pay fees, taxes and similar charges;
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of SC Class A Shares or other deposited securities, or
- other circumstances specifically contemplated by Section I.A.(l) of the General Instructions to Form F-6 (as such General Instructions may be amended from time to time); or
- for any other reason if the depositary or we determine, in good faith, that it is necessary or advisable to prohibit withdrawals.

The depositary shall not knowingly accept for deposit under the deposit agreement any SC Class A Shares or other deposited securities required to be registered under the provisions of the Securities Act, unless a registration statement is in effect as to such SC Class A Shares.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the DRS and Profile Modification System, or Profile, will apply to uncertificated ADSs upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC pursuant to which the depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depositary to the ADS holders entitled thereto. Profile is a required feature of DRS which allows a DTC participant, claiming to act on behalf of an ADS holder, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register such transfer.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have ADSs outstanding, representing SC Class A Shares, or approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs (or approximately % of our outstanding ordinary shares, if the underwriters exercise their option to purchase additional ADSs in full). All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of ADSs in the public market could adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and while the ADSs have been approved for listing on the New York Stock Exchange, we cannot assure you that a regular trading market for our ADSs may develop in the ADSs. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-up Agreements

[We have agreed that we will not offer, sell, contract to sell, pledge, grant any option, right or warrant to purchase, sell any option or contract to purchase, purchase any option or contract to sell, lend, make any short sale or otherwise transfer or dispose of (including entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of ownership interests), directly or indirectly, any of the ADSs or ordinary shares or any securities that are convertible into or exchangeable for, or that represent the right to receive, the ADSs or ordinary shares or any substantially similar securities, without the prior written consent of the representatives on behalf of the underwriters for a period ending 180 days after the date of this prospectus, subject to certain exceptions.

Our existing shareholders have agreed with the underwriters, subject to certain exceptions and except to effect the Assured Entitlement Distribution, not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares or ADSs, for a period ending 180 days after the date of this prospectus.]

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only under an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been our affiliate at any time during the three months preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for more than six months would be entitled to sell an unlimited number of those shares, subject only to the availability of current public information about us. A non-affiliate who has beneficially owned restricted securities for at least one year from the later of the date these shares were acquired from us or from our affiliate would be entitled to freely sell those shares.

Our affiliates who have beneficially owned "restricted securities" for at least six months would be entitled to sell within any three-month period a number of restricted shares that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, including shares represented by ADSs, which will equal approximately SC Class A Shares immediately after this offering, assuming the underwriters do not exercise their option to purchase additional ADSs, (or SC Class A Shares if the underwriters exercise their option to purchase additional ADSs in full); or

- the average weekly trading volume of our ordinary shares of the same class, including SC Class A Shares represented by ADSs on the New York Stock Exchange during the four calendar weeks preceding the date on which notice of the sale on Form 144 is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, in each case, shares held by our affiliates would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Rule 701

Beginning 90 days after the date of this prospectus, persons other than affiliates who purchased ordinary shares under a written compensatory plan or other written agreement executed prior to the completion of this offering may be entitled to sell such shares in the United States in reliance on Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 subject only to its manner-of-sale requirements. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Registration Rights

Upon the completion of this offering, New Cotai, holder of our registrable securities will be entitled to request that we register its shares under the Securities Act, following the expiration of the lock-up agreements described above. See “Description of Share Capital—Registration Rights.”

TAXATION

The following summary of Cayman Islands and U.S. federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws, or tax laws of jurisdictions other than the Cayman Islands and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers, our counsel as to Cayman Islands law.

Cayman Islands Tax Considerations

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.

Certain United States Federal Income Tax Considerations

The following discussion describes the material United States federal income tax consequences to a United States Holder (as defined below), under current law, of an investment in our ADSs in the offering. This discussion is based on the federal income tax laws of the United States as of the date of this prospectus, including the United States Internal Revenue Code of 1986, as amended, or the Code, existing and proposed Treasury Regulations promulgated thereunder, judicial authority, published administrative positions of the IRS, and other applicable authorities, all as of the date of this prospectus. All of the foregoing authorities are subject to change, which change could apply retroactively and could significantly affect the tax consequences described below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following discussion and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This discussion applies only to a United States Holder (as defined below) that holds ADSs as capital assets for United States federal income tax purposes (generally, property held for investment). The discussion neither addresses the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations, such as:

- banks and certain other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- brokers or dealers in stocks and securities, or currencies;

- persons who use or are required to use a mark-to-market method of accounting;
- certain former citizens or residents of the United States subject to Section 877 of the Code;
- entities subject to the United States anti-inversion rules;
- tax-exempt organizations and entities;
- persons subject to the alternative minimum tax provisions of the Code;
- persons whose functional currency is other than the United States dollar;
- persons holding ADSs as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock or 10% or more of the total value of shares of all classes of our stock;
- persons who acquired ADSs pursuant to the exercise of an employee stock option or otherwise as compensation;
- partnerships or other pass-through entities, or persons holding ADSs through such entities; or
- persons that held, directly, indirectly or by attribution, ADSs or other ownership interests in us prior to these Offerings.

Except as described below under "—Information with Respect to Foreign Financial Assets," this discussion does not address any reporting obligations that may be applicable to persons holding ADSs through a bank, financial institution or other entity, or a branch thereof, located, organized or resident outside the United States.

If a partnership (including an entity or arrangement treated as a partnership for United States federal income tax purposes) holds the ADSs, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership or partner in a partnership holding ADSs should consult its own tax advisors regarding the tax consequences of investing in and holding the ADSs.

THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE FEDERAL ESTATE OR GIFT TAX LAWS OR THE LAWS OF ANY STATE, LOCAL OR NON-UNITED STATES TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of the discussion below, a "United States Holder" is a beneficial owner of the ADSs that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) in the case of a trust that was treated as a domestic trust under the law in effect before 1997, a valid election is in place under applicable Treasury Regulations to treat such trust as a domestic trust.

The discussion below assumes that the representations contained in the deposit agreement and any related agreement are true and that the obligations in such agreements will be complied with in accordance with their terms.

ADSs

If you own our ADSs, then you should be treated as the owner of the underlying SC Class A Shares represented by those ADSs for United States federal income tax purposes. Accordingly, deposits or withdrawals of SC Class A Shares for ADSs should not be subject to United States federal income tax.

The United States Treasury Department and the IRS have expressed concerns that United States holders of American depositary shares may be claiming foreign tax credits in situations where an intermediary in the chain of ownership between the holder of an American depositary share and the issuer of the security underlying the American depositary share has taken actions that are inconsistent with the ownership of the underlying security by the person claiming the credit. Such actions (for example, a pre-release of an ADS by a depositary) also may be inconsistent with the claiming of the reduced rate of tax applicable to certain dividends received by non-corporate United States holders of ADSs, including individual United States holders. Accordingly, the availability of foreign tax credits or the reduced tax rate for dividends received by non-corporate United States Holders, each discussed below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our company.

Dividends and Other Distributions on the ADSs

Subject to the PFIC rules discussed below, the gross amount of any distribution that we make to you with respect to the ADSs will be taxable as a dividend, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) will be includable in your gross income on the day actually or constructively received by the depositary if you own ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid generally will be reported as a “dividend” for United States federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to qualifying corporations under the Code.

Dividends received by a non-corporate United States Holder may qualify for the lower rates of tax applicable to “qualified dividend income,” if the dividends are paid by a “qualified foreign corporation” and other conditions discussed below are met. A non-United States corporation is treated as a qualified foreign corporation with respect to dividends paid by that corporation on shares (or American depositary shares backed by such shares) that are readily tradable on an established securities market in the United States. However, a non-United States corporation will not be treated as a qualified foreign corporation if it is a PFIC in the taxable year in which the dividend is paid or the preceding taxable year.

Under a published IRS Notice, common or ordinary shares, or American depositary shares representing such shares, are considered to be readily tradable on an established securities market in the United States if they are listed on the New York Stock Exchange, as our ADSs are expected to be. Based on existing guidance, it is unclear whether the ordinary shares will be considered to be readily tradable on an established securities market in the United States, because only the ADSs, and not the underlying ordinary shares, will be listed on a securities market in the United States. Subject to the limitations described in the following paragraph, we believe that dividends we pay on the SC Class A Shares that are represented by ADSs will be eligible for the reduced rates of taxation.

Even if dividends were treated as paid by a qualified foreign corporation, a non-corporate United States Holder would not be eligible for reduced rates of taxation if either (i) it does not hold our ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date or (ii) the United States Holder

elects to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code. In addition, the rate reduction will not apply to dividends of a qualified foreign corporation if the non-corporate United States Holder receiving the dividend is obligated to make related payments with respect to positions in substantially similar or related property.

You should consult your own tax advisors regarding the availability of the lower tax rates applicable to qualified dividend income for any dividends that we pay with respect to the ADSs, as well as the effect of any change in applicable law after the date of this prospectus.

For purposes of calculating your foreign tax credit limitation, dividends paid to you with respect to the ADSs will be treated as income from sources outside the United States and generally will constitute passive category income. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisors regarding the availability of a foreign tax credit in your particular circumstances.

Disposition of the ADSs

You will recognize gain or loss on a sale or exchange of the ADSs in an amount equal to the difference between the amount realized on the sale or exchange and your tax basis in the ADSs. Subject to the discussion under "—Passive Foreign Investment Company" below, such gain or loss generally will be capital gain or loss. Capital gains of a non-corporate United States Holder, including an individual, that has held the ADS for more than one year currently are eligible for reduced tax rates. The deductibility of capital losses is subject to limitations.

Any gain or loss that you recognize on a disposition of the ADSs generally will be treated as United States-source income or loss for foreign tax credit limitation purposes.

Passive Foreign Investment Company

Based on the current and anticipated value of our assets and the composition of our income and assets, we do not expect to be a PFIC for our current taxable year ending December 31, 2018, or in the foreseeable future. However, the determination of PFIC status is based on an annual determination that cannot be made until the close of a taxable year, involves extensive factual investigation, including ascertaining the fair market value of all of our assets on a quarterly basis and the character of each item of income that we earn, and is subject to uncertainty in several respects. Changes in the composition of our income or assets or the value of our assets may cause us to become a PFIC. The determination of the value of our assets may depend in part upon the value of our goodwill not reflected on our balance sheet (which may depend upon the market value of the ADSs from time to time, which may be volatile). Accordingly, we cannot assure you that we will not be a PFIC for our current taxable year ending December 31, 2018, or for any future taxable year. Kirkland & Ellis LLP, our United States tax counsel, therefore expresses no opinion with respect to our PFIC status for any taxable year or our beliefs and expectations relating to such status set forth in this discussion.

A non-United States corporation such as ourselves will be treated as a PFIC for United States federal income tax purposes for any taxable year if, applying applicable look-through rules, either:

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

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than certain royalties and rents derived in the active conduct of a trade or business and not derived from a related person). We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% by value of the stock.

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

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

If we were a PFIC for any taxable year during which you hold ADSs and any of our non-United States subsidiaries or other corporate entities in which we own equity interests is also a PFIC, you would be treated as owning a proportionate amount (by value) of the shares of each such non-United States entity classified as a PFIC (each such entity, a lower tier PFIC) for purposes of the application of these rules. You should consult your own tax advisor regarding the application of the PFIC rules to any of our lower tier PFICs.

If we were a PFIC for any taxable year during which you hold ADSs, then in lieu of being subject to the tax and interest-charge rules discussed above, you may make an election to include gain on our ADSs as ordinary income under a mark-to-market method, provided that our ADSs constitute "marketable stock." Marketable stock is stock that is regularly traded on a qualified exchange or other market, as defined in applicable Treasury regulations. We expect that our ADSs, but not our ordinary shares, will be listed on the New York Stock Exchange, which is a qualified exchange or other market for these purposes.

Consequently, if the ADSs are listed on the New York Stock Exchange and are regularly traded, and you are a holder of ADSs, we expect that the mark-to-market election would be available to you if we were to become a PFIC, but no assurances are given in this regard.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, if we were a PFIC for any taxable year, a United States Holder that makes the mark-to-market election may continue to be subject to the tax and interest charges under the general PFIC rules with respect to such United States Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

In certain circumstances, a shareholder in a PFIC may avoid the adverse tax and interest-charge regime described above by making a "qualified electing fund" election to include in income its share of the corporation's income on a current basis. However, you may make a qualified electing fund election with respect to the ADSs only if we agree to furnish you annually with a PFIC annual information statement as specified in the applicable Treasury regulations. There is no assurance that we will provide such information that would enable you to make a qualified electing fund election.

A United States Holder that holds the ADSs in any year in which we were a PFIC would be required to file an annual report containing such information as the United States Treasury Department may require.

You should consult your own tax advisor regarding the application of the PFIC rules to your ownership and disposition of the ADSs and the availability, application and consequences of the elections discussed above.

Information Reporting and Backup Withholding

Information reporting to the IRS and backup withholding generally will apply to dividends in respect of our ADSs, and the proceeds from the sale or exchange of our ADSs, that are paid to you within the United States (and in certain cases, outside the United States), unless you furnish a correct taxpayer identification number and make any other required certification, generally on IRS Form W-9 or you otherwise establish an exemption from information reporting and backup withholding. Backup withholding is not an additional tax. Amounts withheld as backup withholding generally are allowed as a credit against your United States federal income tax liability, and you may be entitled to obtain a refund of any excess amounts withheld under the backup withholding rules if you file an appropriate claim for refund with the IRS and furnish any required information in a timely manner.

United States Holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules.

Information with Respect to Foreign Financial Assets

United States Holders who are individuals (and certain entities closely held by individuals) generally will be required to report our name, address and such information relating to an interest in the ADSs as is necessary to identify the class or issue of which the ADSs are a part. These requirements are subject to exceptions, including an exception for ADSs held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all “specified foreign financial assets” (as defined in the Code) does not exceed $50,000.

United States Holders should consult their tax advisors regarding the application of these information reporting rules.

Medicare Tax

Certain United States Holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividend and gains from the sale or other disposition of capital assets for taxable years beginning after December 31, 2012. United States Holders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of the ADSs.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , we have agreed to sell to the underwriters named below the following respective numbers of ADSs:

Underwriter	Number of ADSs
Deutsche Bank Securities Inc.	
Credit Suisse Securities (USA) LLC	
Morgan Stanley & Co. International plc	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all ADSs in the offering if any are purchased, other than those ADSs covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional ADSs from us at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of ADSs.

The underwriters propose to offer ADSs initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of US$ per ADS. The underwriters and selling group members may allow a discount of US$ per ADS on sales to other broker/ dealers. After the initial public offering the underwriters may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses we will pay:

	Per ADS		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$

[We have agreed that we will not offer, sell, contract to sell, pledge, grant any option, right or warrant to purchase, sell any option or contract to purchase, purchase any option or contract to sell, lend, make any short sale or otherwise transfer or dispose of (including entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequence of ownership interests), directly or indirectly, any of the ADSs or ordinary shares or any securities that are convertible into or exchangeable for, or that represent the right to receive, the ADSs or ordinary shares or any substantially similar securities, without the prior written consent of the representatives on behalf of the underwriters for a period ending [●] days after the date of this prospectus, subject to certain exceptions.

Our existing shareholders have agreed with the underwriters, subject to certain exceptions and except to effect the Assured Entitlement Distribution, not to sell, transfer or otherwise dispose of any ADSs, ordinary

shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares or ADSs, for a period ending 180 days after the date of this prospectus.]

We have applied to list our ADSs on the New York Stock Exchange. Prior to this offering, there has been no public market for the ADSs. The initial public offering price was determined by negotiations among us and the underwriters and will not necessarily reflect the market price of the ADSs following this offering. The principal factors that were considered in determining the initial public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of, and prospects for, the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development, results of operations and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot assure you that the initial public offering price will correspond to the price at which the ADSs will trade in the public market subsequent to this offering or that an active trading market for the ADSs will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, penalty bids [and passive market making] in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of ADSs in excess of the number of ADSs the underwriters are obligated to purchase, which creates a syndicate short position. [The short position may be either a covered short position or a naked short position. In a covered short position, the number of ADSs over-allotted by the underwriters is not greater than the number of ADSs that they may purchase in the over-allotment option. In a naked short position, the number of ADSs involved is greater than the number of ADSs in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing ADSs in the open market.]
- Syndicate covering transactions involve purchases of ADSs in the open market after the distribution has been completed in order to cover syndicate short positions. [In determining the source of ADSs to close out the short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the over-allotment option. If the underwriters sell more ADSs than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering.]
- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

- [In passive market making, market makers in the ADSs who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our ADSs until the time, if any, at which a stabilizing bid is made.]

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of the ADSs. As a result the price of our ADSs may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The underwriters may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. These investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Any offer in Australia of the ADSs may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act. The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions. This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain

any ADSs recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

Resale Restrictions

The distribution of ADSs in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the ADSs in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the ADSs.

Representations of Canadian Purchasers

By purchasing ADSs in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the ADSs without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—Prospectus Exemptions,
- the purchaser is a "permitted client" as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under Resale Restrictions.

Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—Underwriting Conflicts from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of ADSs should consult their own legal and tax advisors with respect to the tax consequences of an investment in the ADSs in their particular circumstances and about the eligibility of the ADSs for investment by the purchaser under relevant Canadian legislation.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

Dubai International Financial Center

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs which are the subject of the offering contemplated by this document may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial advisor.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of ADSs which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriters for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

France

Neither this prospectus nor any other offering material relating to the ADSs described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority

of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The ADSs have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the ADSs has been or will be:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the ADSs to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1° -or-2° -or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The ADSs may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

Germany

This prospectus does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and does therefore not allow any public offering in the Federal Republic of Germany, or Germany, or any other Relevant Member State pursuant to § 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in Germany that would permit a public offering of the ADSs, or distribution of a prospectus or any other offering material relating to the ADSs. In particular, no securities prospectus (Wertpapierprospekt) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany, has been or will be published within Germany, nor has this prospectus been filed with or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for publication within Germany.

Each underwriter will represent, agree and undertake, (i) that it has not offered, sold or delivered and will not offer, sell or deliver the ADSs within Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in Germany governing the issue, sale and offering of ADSs, and (ii) that it will distribute in Germany any offering material relating to the ADSs only under circumstances that will result in compliance with the applicable rules and regulations of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Israel

This prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters purchasing for their own account, venture capital funds, entities with equity in excess of NIS 50 million and qualified individuals, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors may be required to submit written confirmation that they meet the criteria for one of the categories of investors set forth in the prospectus.

Italy

The offering of ADSs has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no ADSs may be offered, sold or delivered, nor copies of this prospectus or any other documents relating to the ADSs may not be distributed in Italy except:

- to "qualified investors," as referred to in Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended, or the Decree No. 58, and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("Regulation No. 16190") pursuant to Article 34-ter, paragraph 1, letter. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); or
- in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the ADSs or distribution of copies of this prospectus or any other documents relating to the ADSs in the Republic of Italy must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, as amended, or the Banking Law, Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;
- in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and
- in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the ADSs on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Furthermore, ADSs which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Failure to comply with such rules may result in the sale of the ADSs being declared null and void and in the liability of the intermediary transferring the ADSs for any damages suffered by such non-qualified investors.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Macau

No ADSs can be offered or sold to the public in Macau.

PRC

This prospectus has not been and will not be circulated or distributed in the PRC, and the ADSs may not be offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC or to persons for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, the PRC does not include Taiwan and the Special Administrative Regions of Hong Kong and Macao.

Qatar

The ADSs have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar ("Qatar") in a manner that would constitute a public offering. This prospectus has not been reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange or the Qatar Financial Markets Authority. This prospectus is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than

- to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA,

- to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.
- Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:
- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

  (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

  (ii) where no consideration is or will be given for the transfer;

  (iii) where the transfer is by operation of law;

  (iv) as specified in Section 276(7) of the SFA; or

  (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the ADSs described herein. The ADSs may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the ADSs may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, nor the company nor the ADSs have been or will be filed with or approved by any Swiss regulatory authority. The ADSs are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the ADSs will not benefit from protection or supervision by such authority.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates (Excluding the Dubai International Financial Center)

The ADSs have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates, or U.A.E., other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Center should have regard to the specific selling restrictions on prospective investors in the Dubai International Financial Center set out below.

The information contained in this prospectus does not constitute a public offer of ADSs in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority, or DFSA. If you do not understand the contents of this prospectus, you should consult an authorized financial adviser. This prospectus is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

United Kingdom

Each of the underwriters severally represents warrants and agrees as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21 of the FSMA does not apply to us; and
- it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that are expected to be incurred in connection with the offer and sale of the ADSs by us. With the exception of the SEC registration fee, the New York Stock Exchange listing fee and the Financial Industry Regulatory Authority filing fee, all amounts are estimates.

SEC registration fee	US$
Financial Industry Regulatory Authority filing fee	
New York Stock Exchange listing fee	
Printing and engraving expenses	
Accounting fees and expenses	
Legal fees and expenses	
Miscellaneous	
Total	US$

These expenses will be borne by us, except for underwriting discounts and commissions, which will be borne by us in proportion to the numbers of ADSs sold in the offering by us.

LEGAL MATTERS

Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for us by Kirkland & Ellis International LLP. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP. The validity of the SC Class A Shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Walkers. Legal matters as to Macau law will be passed upon for us by Manuela António - Lawyers and Notaries and for the underwriters by Henrique Saldanha Advogados e Notários. Kirkland & Ellis International LLP may rely upon Walkers with respect to matters governed by Cayman Islands law and Manuela António - Lawyers and Notaries with respect to matters governed by Macau law. Davis Polk & Wardwell LLP may rely upon Henrique Saldanha Advogados e Notários with respect to matters governed by Macau law.

EXPERTS

The consolidated financial statements and the related financial statement schedule of Studio City International Holdings Limited at December 31, 2017 and 2016, and for each of the three years in the period ended December 31, 2017, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The offices of Ernst & Young are located at 22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits, under the Securities Act with respect to the underlying SC Class A Shares represented by the ADSs to be sold in this offering. We have also filed with the SEC a related registration statement on Form F-6 to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and the ADSs.

Immediately upon the effectiveness of the registration statement to which this prospectus is a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing, among other things, the furnishing and content of proxy statements to shareholders, and Section 16 short swing profit reporting for our executive officers and directors and for holders of more than 10% of our ordinary shares.

All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 or visit the SEC website for further information on the operation of the public reference rooms.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	March 31, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 293,800	$ 348,399
Bank deposits with original maturities over three months	4,987	9,884
Restricted cash	72,479	34,400
Accounts receivable, net	2,008	2,345
Amounts due from affiliated companies	47,197	37,826
Inventories	10,058	10,143
Prepaid expenses and other current assets	16,550	17,930
Total current assets	447,079	460,927
PROPERTY AND EQUIPMENT, NET	2,249,032	2,280,116
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	60,191	60,722
RESTRICTED CASH	130	130
LAND USE RIGHT, NET	124,841	125,672
TOTAL ASSETS	$2,881,273	$2,927,567
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 4,630	$ 2,722
Accrued expenses and other current liabilities	103,013	155,840
Amounts due to affiliated companies	22,024	19,508
Total current liabilities	129,667	178,070
LONG-TERM DEBT, NET	2,001,255	1,999,354
OTHER LONG-TERM LIABILITIES	4,210	9,512
DEFERRED TAX LIABILITIES	581	588
COMMITMENTS AND CONTINGENCIES (Note 9)		
SHAREHOLDERS' EQUITY		
Ordinary shares, par value $1; 200,000 shares authorized; 18,127.94 shares issued and outstanding	18	18
Additional paid-in capital	1,512,705	1,512,705
Accumulated other comprehensive income	488	488
Accumulated losses	(767,651)	(773,168)
Total shareholders' equity	745,560	740,043
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,881,273	$2,927,567

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended March 31,	
	2018	2017
OPERATING REVENUES		
Provision of gaming related services from related parties	$ 98,401	$ 59,225
Rooms (including revenues from related parties of $13,045 and $13,298 for the three months ended March 31, 2018 and 2017, respectively)	21,833	21,822
Food and beverage (including revenues from related parties of $8,096 and $6,764 for the three months ended March 31, 2018 and 2017, respectively)	16,053	14,818
Entertainment (including revenues from related parties of $395 and $187 for the three months ended March 31, 2018 and 2017, respectively)	3,655	4,863
Services fee from related parties	9,651	10,767
Mall	6,434	8,202
Retail and other	872	1,696
Total revenues	156,899	121,393
OPERATING COSTS AND EXPENSES		
Provision of gaming related services (including costs to related parties of $4,951 and $5,181 for the three months ended March 31, 2018 and 2017, respectively)	(5,495)	(6,070)
Rooms (including costs to related parties of $3,168 and $3,363 for the three months ended March 31, 2018 and 2017, respectively)	(5,421)	(5,437)
Food and beverage (including costs to related parties of $6,927 and $7,797 for the three months ended March 31, 2018 and 2017, respectively)	(13,905)	(13,425)
Entertainment (including costs to related parties of $1,281 and $2,054 for the three months ended March 31, 2018 and 2017, respectively)	(3,341)	(4,138)
Mall (including costs to related parties of $525 and $653 for the three months ended March 31, 2018 and 2017, respectively)	(3,134)	(2,575)
Retail and other (including costs to related parties of $630 and $893 for the three months ended March 31, 2018 and 2017, respectively)	(653)	(910)
General and administrative (including expenses to related parties of $20,305 and $18,854 for the three months ended March 31, 2018 and 2017, respectively)	(31,942)	(32,065)
Pre-opening costs (including expenses to related parties of $9 and $15 for the three months ended March 31, 2018 and 2017, respectively)	(42)	19
Amortization of land use right	(831)	(831)
Depreciation and amortization	(41,648)	(43,119)
Property charges and other	(2,363)	—
Total operating costs and expenses	(108,775)	(108,551)
OPERATING INCOME	48,124	12,842
NON-OPERATING INCOME (EXPENSES)		
Interest income	743	245
Interest expenses	(38,080)	(38,079)
Amortization of deferred financing costs	(2,002)	(1,857)
Loan commitment fees	(103)	(103)
Foreign exchange gains, net	148	290
Other income, net	66	144
Total non-operating expenses, net	(39,228)	(39,360)
INCOME (LOSS) BEFORE INCOME TAX	8,896	(26,518)
INCOME TAX (EXPENSE) CREDIT	(47)	5
NET INCOME (LOSS)	$ 8,849	$ (26,513)

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended March 31,	
	2018	2017
EARNINGS (LOSS) PER SHARE:		
Basic and diluted	$ 488	$ (1,463)
WEIGHTED AVERAGE SHARES OUTSTANDING USED IN EARNINGS (LOSS) PER SHARE CALCULATION:		
Basic and diluted	18,127.94	18,127.94

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands of U.S. dollars)

	Three Months Ended March 31,	
	2018	2017
Net income (loss)	$ 8,849	$ (26,513)
Other comprehensive income	—	—
Total comprehensive income (loss)	$ 8,849	$ (26,513)

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Three Months Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	$ 77,862	$ 31,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of property and equipment	(97,324)	(8,839)
Placement of bank deposit with original maturity over three months	(4,987)	—
Funds to an affiliated company	(2,991)	(457)
Deposits for acquisition of property and equipment	(933)	(3)
Proceeds from sale of property and equipment and other long-term assets	1,969	176
Withdrawal of bank deposits with original maturities over three months	9,884	—
Net cash used in investing activities	(94,382)	(9,123)
CASH FLOW FROM A FINANCING ACTIVITY		
Payments of deferred financing costs	—	(1,189)
Cash used in a financing activity	—	(1,189)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(16,520)	20,964
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	382,929	371,246
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	$ 366,409	$ 392,210
NON-CASH INVESTING ACTIVITIES		
Change in accrued expenses and other current liabilities related to acquisition of property and equipment	$ 3,307	$ 1,743
Change in amounts due from/to affiliated companies related to acquisition of property and equipment and other long-term assets	3,580	839

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2018	December 31, 2017
Cash and cash equivalents	$293,800	$ 348,399
Current portion of restricted cash	72,479	34,400
Non-current portion of restricted cash	130	130
Total cash, cash equivalents and restricted cash	$366,409	$ 382,929

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data)

1. COMPANY INFORMATION

Studio City International Holdings Limited (the "Company") was incorporated in the British Virgin Islands ("BVI"). As of March 31, 2018 and December 31, 2017, the Company was 60% held directly by MCE Cotai Investments Limited, a subsidiary of Melco Resorts & Entertainment Limited ("Melco") and 40% held directly by New Cotai, LLC ("New Cotai"). Melco's American depositary shares are listed on the NASDAQ Global Select Market in the United States of America. New Cotai is a private company organized in the United States of America.

As of March 31, 2018 and December 31, 2017, Melco International Development Limited ("Melco International"), a company incorporated and listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

The Company conducts its principal activities through its subsidiaries, which are primarily located in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Company together with its subsidiaries (collectively referred to as the "Group") currently operates the non-gaming operations of Studio City, a cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau, which commenced operations on October 27, 2015, and provides gaming related services to Melco Resorts (Macau) Limited ("Melco Resorts Macau"), a subsidiary of Melco which holds the gaming subconcession in Macau, for the operations of the gaming area at Studio City ("Studio City Casino").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

On May 11, 2007, one of the Company's subsidiaries and Melco Resorts Macau entered into a services and right to use agreement, as amended on June 15, 2012, together with related agreements (together, the "Services and Right to Use Arrangements"). Under these arrangements, Melco Resorts Macau deducts gaming tax and the costs of operation of Studio City Casino. The Group receives the residual gross gaming revenues and recognizes these amounts as revenues from provision of gaming related services.

In December 2015, certain of the Company's subsidiaries entered into a master services agreement and related work agreements (collectively, the "Management and Shared Services Arrangements") with certain of Melco's subsidiaries with respect to services provided to and from Studio City.

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

The Group believes the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the unaudited condensed consolidated financial statements reflect the Group's cost of doing business. However, such allocations may not be indicative of the actual expenses the Group would have incurred had it operated as an independent company for the periods presented. Details of the services and related charges are disclosed in Note 10.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

The unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles for interim financial reporting. The results of operations for the three months ended March 31, 2018 and 2017 are not necessarily indicative of the results for the full year. The financial information as of December 31, 2017 presented in the unaudited condensed consolidated financial statements is derived from the Group's audited consolidated financial statements as of December 31, 2017.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Group's audited consolidated financial statements for the year ended December 31, 2017. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting only of normal recurring adjustments, which are necessary for a fair presentation of financial results of such periods.

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared using the same accounting policies as used in the preparation of the Group's audited consolidated financial statements for the year ended December 31, 2017, except as otherwise disclosed in Note 2(c).

Effective January 1, 2018, the Group adopted the accounting standards update on the classification and presentation of restricted cash in the statement of cash flows, using a retrospective method and the updated disclosures are reflected for the periods presented in the unaudited condensed consolidated statements of cash flows. Details of the adoption of this guidance are disclosed in Note 2(e).

(b) Accounts Receivable and Credit Risk

Accounts receivable, including hotel and other receivables, are typically non-interest bearing and are initially recorded at 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 doubtful debts is maintained to reduce the Group's receivables to their carrying amounts, which approximate fair values. The allowance is estimated based on specific reviews of customer accounts as well as management's experience with collection trends in the industry and current economic and business conditions. Management believes that as of March 31, 2018 and December 31, 2017, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(c) Revenue Recognition

On January 1, 2018, the Group adopted Accounting Standards Codification 606, *Revenues from Contracts with Customers*, using the modified retrospective method. The Group's revenue from contracts with customers consists of provision of gaming related services, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Revenues from provision of gaming related services represent revenues arising from the provision of facilities for the operations of Studio City Casino and services related thereto pursuant to the Services and Right to Use Arrangements, under which Melco Resorts Macau operates the Studio City Casino. Melco Resorts Macau deducts gaming tax and the costs incurred in connection with the operations of Studio City Casino pursuant to the Services and Right to Use Arrangements, including the standalone selling prices of complimentary services within Studio City provided to the Studio City gaming patrons, from the Studio City Casino gross gaming revenues. The Group recognizes the residual amount as revenues from provision of gaming related services. The

Group has concluded that it is not the controlling entity to the arrangements and recognizes the revenues from provision of gaming related services on a net basis.

Non-gaming revenues include services provided for cash consideration and services provided on a complimentary basis to the gaming patrons at Studio City. The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from the customer for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service tax and other applicable taxes collected by the Group 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 Group are allocated to each good or service based on its relative standalone selling price.

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

Contract and Contract-Related Liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenue, resulting in a contract or contract-related liability. The Group's primary type of liabilities related to contracts with customers is advance deposits on rooms and advance ticket sales which represent cash received in advance for goods or services to be provided in the future. These amounts are included in accrued expenses and other current liabilities on the unaudited condensed consolidated balance sheets and will be recognized as revenues when the goods or services are provided or the events are held. Decreases in this balance generally represent the recognition of revenues and increases in the balance represent additional deposits made by customers. The deposits are expected to primarily be recognized as revenue within one year. Advance deposits of $3,874 as of March 31, 2018 decreased by $535 from the balance of $4,409 as of December 31, 2017.

The major changes from the previous basis, as a result of the adoption of the new revenue standard are summarized in Note 2(e).

(d) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share is calculated by dividing the net income (loss) available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period adjusted to include the number of additional ordinary shares that would have been outstanding if the potential dilutive securities had been issued. During the three months ended March 31, 2018 and 2017, there were no potentially dilutive securities issued or outstanding.

(e) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncements:

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standards update (as subsequently amended) which outlines a single comprehensive model for entities to use in accounting for

(In thousands of U.S. dollars, except share and per share data)

revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance ("New Revenue Standard"). The core principle of this new revenue recognition model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services. This update also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

On January 1, 2018, the Group adopted the New Revenue Standard using the modified retrospective method applying to those contracts not yet completed as of January 1, 2018. The Group recognized the cumulated effect of initially applying the New Revenue Standard as an adjustment to the opening balance of accumulated losses. Amounts for the period beginning after January 1, 2018 are presented under the New Revenue Standard, while prior period amounts are not adjusted and continue to be reported in accordance with the previous basis. The major changes as a result of the adoption of the New Revenue Standard are as follows:

(1) Complimentary services provided to Studio City Casino's gaming patrons are deducted from the gross gaming revenues, measured based on stand-alone selling prices under the New Revenue Standard, replacing the previously used retail values, if different. The amounts of non-gaming revenues associated with the provision of these complimentary services by the Group are measured on the same basis. This change impacts the amount of revenues from the provision of gaming related services received by the Group with corresponding changes to the non-gaming revenues.

(2) The New Revenue Standard changes the measurement basis for the non-discretionary incentives (including the loyalty program) provided to Studio City Casino's gaming patrons, as administered by Melco Resorts Macau, from previously used estimated costs to standalone selling prices. Such amount of non-discretionary incentives is deducted from the gross gaming revenues by Melco Resorts Macau and impacts the amount of revenues from provision of gaming related services received by the Group. Similarly, upon redemptions of the non-discretionary incentives for non-gaming services provided by the Group, the associated non-gaming revenues are measured on the same basis. At the adoption date, the Group recognized an increase in opening balance of accumulated losses of $3,332 with a corresponding decrease in amounts due from affiliated companies.

The amounts of affected financial statement line items for the current period before and after the adoption of the New Revenue Standard are as follows:

	Three Months Ended March 31, 2018		
Statement of Operations	**Balances under New Revenue Standard (As reported)**	**Balances under previous basis**	**Effect of change higher/ (lower)**
Operating Revenues			
Provision of gaming related services	$ 98,401	$98,500	$ (99)
Rooms	21,833	21,719	114
Food and beverage	16,053	15,992	61
Entertainment	3,655	3,830	(175)
Net income	8,849	8,948	(99)
Basic and diluted earnings per share	488	494	(6)

(In thousands of U.S. dollars, except share and per share data)

	As at March 31, 2018		
Balance Sheet	Balances under New Revenue Standard (As reported)	Balances under previous basis	Effect of change higher/ (lower)
Current Assets			
Amounts due from affiliated companies	$ 47,197	$ 50,628	$(3,431)
Shareholders' Equity			
Accumulated losses	$ (767,651)	$(764,220)	$(3,431)

In August 2016, the FASB issued an accounting standards update which amends the guidance on the classification of certain cash receipts and payments in the statement of cash flows. The guidance was effective as of January 1, 2018 and the Group adopted this new guidance on a retrospective basis. The adoption of this guidance did not have a material impact on the Group's unaudited condensed consolidated financial statements.

In November 2016, the FASB issued an accounting standards update which amends and clarifies the guidance on the classification and presentation of restricted cash in the statement of cash flows. The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, restricted cash and restricted cash equivalents. Accordingly, restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The guidance was effective as of January 1, 2018 and the Group adopted this new guidance on a retrospective basis. The adoption of this guidance impacted the presentation and classification of restricted cash in the statements of cash flows. For the three months ended March 31, 2017, the change in restricted cash of $38,079 was previously reported within net cash used in investing activities in the unaudited condensed consolidated statements of cash flows.

3. PROPERTY AND EQUIPMENT, NET

	March 31, 2018	December 31, 2017
Cost	$2,612,903	$2,607,593
Less: accumulated depreciation and amortization	(363,871)	(327,477)
Property and equipment, net	$2,249,032	$2,280,116

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	March 31, 2018	December 31, 2017
Property and equipment payables	$ 14,924	$ 103,503
Operating expense and other accruals and liabilities	84,215	47,928
Customer deposits and ticket sales	3,874	4,409
	$103,013	$ 155,840

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

5. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	March 31, 2018	December 31, 2017
2012 Studio City Notes (net of unamortized deferred financing costs of $6,920 and $7,493, respectively)	$ 818,080	$ 817,507
2016 Studio City Credit Facilities(1)	129	129
2016 5.875% SC Secured Notes (net of unamortized deferred financing costs of $4,012 and $4,580, respectively)	345,988	345,420
2016 7.250% SC Secured Notes (net of unamortized deferred financing costs of $12,942 and $13,702, respectively)	837,058	836,298
	$2,001,255	$1,999,354

Note

(1) Unamortized deferred financing costs of $1,585 and $1,686 as of March 31, 2018 and December 31, 2017, respectively, related to the 2016 SC Revolving Credit Facility of 2016 Studio City Credit Facilities are included in long-term prepayments, deposits and other assets in the accompanying unaudited condensed consolidated balance sheets.

During the three months ended March 31, 2018, there is no significant change to the long-term debt as disclosed in the Group's audited consolidated financial statements as of December 31, 2017.

6. FAIR VALUE MEASUREMENTS

The carrying values of cash and cash equivalents, bank deposits with original maturities over three months and restricted cash approximated fair value and were classified as level 1 in the fair value hierarchy. The carrying values of long-term deposits and other long-term liabilities approximated fair value and were classified as level 2 in the fair value hierarchy. The estimated fair value of long-term debt as of March 31, 2018 and December 31, 2017, which included the 2016 Studio City Secured Notes, the 2016 Studio City Credit Facilities, and the 2012 Studio City Notes, were approximately $2,094,989 and $2,108,138, respectively, as compared to its carrying value, excluding unamortized deferred financing costs, of $2,025,129 and $2,025,129, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2016 Studio City Secured Notes and the 2012 Studio City Notes. Fair value for the 2016 Studio City Credit Facilities approximated the carrying value as the instrument carried variable interest rates approximated the market rates and was classified as level 2 in the fair value hierarchy.

As of March 31, 2018, the Group did not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the unaudited condensed consolidated financial statements.

7. CAPITAL STRUCTURE

As of March 31, 2018 and December 31, 2017, the Company's authorized share capital was 200,000 shares of $1 par value per share and 18,127.94 ordinary shares were issued and fully paid.

(In thousands of U.S. dollars, except share and per share data)

8. INCOME TAXES

The income tax expense (credit) consisted of:

	Three Months Ended March 31,	
	2018	2017
Under provision of income tax in prior years:		
Macau Complementary Tax	$ 54	$ —
Income tax credit—deferred:		
Macau Complementary Tax	(7)	(5)
Total income tax expense (credit)	$ 47	$ (5)

The effective tax rates for the three months ended March 31, 2018 and 2017 were 0.53% and 0.02%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of profits exempted from Macau Complementary Tax, the effect of expenses for which no income tax benefits are receivable and the effect of changes in valuation allowances for the three months ended March 31, 2018 and 2017.

As of March 31, 2018 and December 31, 2017, valuation allowances of $64,679 and $59,493 were provided, respectively, as management believes that it is more likely than not that these deferred tax assets will not be realized.

As of March 31, 2018, other than the above, there is no significant change to the tax exposures as disclosed in the Group's audited consolidated financial statements as of December 31, 2017.

9. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of March 31, 2018, the Group had capital commitments contracted for but not incurred for the construction and acquisition of property and equipment for Studio City totaling $19,222.

(b) Lease Commitments

As Grantor of Operating Leases

The Group entered into non-cancellable operating leases agreements mainly for mall spaces in Studio City with various retailers that expire at various dates through October 2025. Certain of the operating leases agreements include minimum base fees with escalated contingent fee clauses. During the three months ended March 31, 2018 and 2017, the Group earned contingent fees of $2,927 and $2,931, respectively.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

As of March 31, 2018, future minimum fees to be received under non-cancellable operating leases agreements were as follows:

Nine months ending December 31, 2018	$13,901
Year ending December 31, 2019	18,113
Year ending December 31, 2020	12,055
Year ending December 31, 2021	2,779
Year ending December 31, 2022	—
	$46,848

The total future minimum fees do not include the escalated contingent fee clauses.

(c) Other Commitment

Land Concession Contract

As of March 31, 2018, the Group's total commitment for government land use fees for the Studio City site to be paid during the initial term of the land concession contract which expires in October 2026 was $8,972.

(d) Guarantee

As of March 31, 2018, there is no significant change to the guarantee as disclosed in the Group's audited consolidated financial statements as of December 31, 2017.

(e) Litigation

As of March 31, 2018, the Group is a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcome of such proceedings would have no material impacts on the Group's unaudited condensed consolidated financial statements as a whole.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

10. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2018 and 2017, the Group entered into the following significant related party transactions:

Related companies	Nature of transactions	Three Months Ended March 31, 2018	2017
Transactions with affiliated companies			
Melco and its subsidiaries	**Revenues (services provided by the Group):**		
	Provision of gaming related services	$ 98,401	$ 59,225
	Rooms and food and beverage(1)	21,141	20,062
	Services fee(2)	9,651	10,767
	Entertainment(1)	395	187
	Costs and expenses (services provided to the Group):		
	Staff costs recharges(3)	25,736	27,641
	Corporate services(4)	8,588	8,365
	Other services	2,746	2,680
	Staff and related costs capitalized in property and equipment	607	295
	Purchase of goods and services	32	124
	Sale and purchase of assets:		
	Transfer-in of other long-term assets	3,616	730
	Sale of property and equipment and other long-term assets	1,867	288
A subsidiary of MECOM Power and Construction Limited ("MECOM")(5)	**Costs and expenses (services provided to the Group):**		
	Consultancy fee	694	—
	Purchase of assets:		
	Renovation works performed and purchase of property and equipment	285	—

Notes

(1) These revenues primarily represented the retail values (before the adoption of the New Revenue Standard) or standalone selling prices (upon the adoption of the New Revenue Standard) of the complimentary services (including rooms, food and beverage and entertainment services) provided to Studio City Casino's gaming patrons and charged to Melco Resorts Macau.

(2) Services provided by the Group to Melco and its subsidiaries mainly include, but are not limited to, certain shared administrative services and shuttle bus transportation services provided to Studio City Casino.

(3) Staff costs are recharged by Melco and its subsidiaries for staff who are solely dedicated to Studio City to carry out activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities and staff costs for certain shared administrative services.

(4) Corporate services are provided to the Group by Melco and its subsidiaries. These services include, but are not limited to, general corporate services and senior executive management services for operational purposes.

(In thousands of U.S. dollars, except share and per share data)

(5) A company in which Mr. Lawrence Yau Lung Ho, Melco's Chief Executive Officer, has shareholding of approximately 20% in MECOM.

(a) Amounts Due from Affiliated Companies

The outstanding balances represent amounts due from Melco's subsidiaries of $47,197 and $37,826, respectively, as of March 31, 2018 and December 31, 2017 mainly arising from operating income or prepayment of operating expenses, are unsecured, non-interest bearing and repayable on demand.

(b) Amounts Due to Affiliated Companies

The outstanding balances as of March 31, 2018 and December 31, 2017 mainly arising from renovation works performed and operating expenses, are unsecured, non-interest bearing and repayable on demand with details as follows:

	March 31, 2018	December 31, 2017
Melco and its subsidiaries	$ 20,597	$ 17,168
A subsidiary of MECOM	1,427	2,302
Others	—	38
	$ 22,024	$ 19,508

11. SEGMENT INFORMATION

The Group's principal operating activities are engaged in the hospitality business and provision of gaming related services in Macau. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Studio City as one operating segment. Accordingly, the Group does not present separate segment information. As of March 31, 2018 and December 31, 2017, the Group operated in one geographical area, Macau, where it derives its revenue and its long-lived assets are located.

12. SUBSEQUENT EVENT

In preparing the unaudited condensed consolidated financial statements, the Group has evaluated events and transactions for potential recognition and disclosure through July 17, 2018, the date the unaudited condensed consolidated financial statements were available to be issued.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Studio City International Holdings Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Studio City International Holdings Limited (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, 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, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2(a) to the consolidated financial statements, the accompanying consolidated statements of cash flows and the condensed statements of cash flows included in Schedule 1 for each of the three years in the period ended December 31, 2017 have been adjusted for the retrospective application of the authoritative guidance on the presentation and classification of restricted cash which was adopted by the Company on January 1, 2018.

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 Public Company Accounting Oversight Board (United States) (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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

/s/ Ernst & Young

We have served as the Company's auditor since 2017.

Hong Kong

March 23, 2018

except for Notes 2(a) and 16, as to which the dates are
June 13, 2018 and July 17, 2018, respectively

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 348,399	$ 336,783
Bank deposits with original maturities over three months	9,884	—
Restricted cash	34,400	34,333
Accounts receivable, net	2,345	2,820
Amounts due from affiliated companies	37,826	1,578
Inventories	10,143	9,484
Prepaid expenses and other current assets	17,930	12,220
Total current assets	460,927	397,218
PROPERTY AND EQUIPMENT, NET	2,280,116	2,419,410
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	60,722	76,246
RESTRICTED CASH	130	130
LAND USE RIGHT, NET	125,672	128,995
TOTAL ASSETS	$2,927,567	$3,021,999
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 2,722	$ 3,482
Accrued expenses and other current liabilities	155,840	156,495
Amounts due to affiliated companies	19,508	33,462
Total current liabilities	178,070	193,439
LONG-TERM DEBT, NET	1,999,354	1,992,123
OTHER LONG-TERM LIABILITIES	9,512	19,130
DEFERRED TAX LIABILITIES	588	827
COMMITMENTS AND CONTINGENCIES (Note 13)		
SHAREHOLDERS' EQUITY		
Ordinary shares, par value $1; 200,000 shares authorized; 18,127.94 shares issued and outstanding	18	18
Additional paid-in capital	1,512,705	1,512,705
Accumulated other comprehensive income	488	488
Accumulated losses	(773,168)	(696,731)
Total shareholders' equity	740,043	816,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,927,567	$3,021,999

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2017	2016	2015
OPERATING REVENUES			
Provision of gaming related services from related parties	$ 295,638	$ 151,597	$ 21,427
Rooms (including revenues from related parties of $53,945, $48,917 and $6,479 for the years ended December 31, 2017, 2016 and 2015, respectively)	88,699	84,643	14,417
Food and beverage (including revenues from related parties of $28,917, $22,771 and $2,397 for the years ended December 31, 2017, 2016 and 2015, respectively)	60,705	61,536	9,457
Entertainment (including revenues from related parties of $1,328, $5,465 and $533 for the years ended December 31, 2017, 2016 and 2015, respectively)	18,534	35,155	6,730
Services fee from related parties	39,971	51,842	7,968
Mall	29,498	34,020	6,999
Retail and other	6,769	5,738	2,336
Total revenues	539,814	424,531	69,334
OPERATING COSTS AND EXPENSES			
Provision of gaming related services (including costs to related parties of $20,386, $23,478 and $170 for the years ended December 31, 2017, 2016 and 2015, respectively)	(24,019)	(25,332)	(462)
Rooms (including costs to related parties of $12,926, $14,462 and $2,785 for the years ended December 31, 2017, 2016 and 2015, respectively)	(21,750)	(22,752)	(4,113)
Food and beverage (including costs to related parties of $28,954, $34,436 and $6,976 for the years ended December 31, 2017, 2016 and 2015, respectively)	(54,266)	(62,200)	(12,549)
Entertainment (including costs to related parties of $6,884, $11,446 and $2,169 for the years ended December 31, 2017, 2016 and 2015, respectively)	(16,364)	(41,432)	(7,404)
Mall (including costs to related parties of $2,181, $2,201 and $365 for the years ended December 31, 2017, 2016 and 2015, respectively)	(9,098)	(11,083)	(3,653)
Retail and other (including costs to related parties of $3,523, $3,475 and $384 for the years ended December 31, 2017, 2016 and 2015, respectively)	(4,750)	(3,696)	(579)
General and administrative (including expenses to related parties of $69,043, $65,942 and $16,128 for the years ended December 31, 2017, 2016 and 2015, respectively)	(130,465)	(135,071)	(34,245)
Pre-opening costs (including expenses to related parties of $101, $3,509 and $102,388 for the years ended December 31, 2017, 2016 and 2015, respectively)	(116)	(4,044)	(153,515)
Amortization of land use right	(3,323)	(3,323)	(9,909)
Depreciation and amortization	(173,003)	(168,539)	(31,056)
Property charges and other	(22,210)	(1,825)	(1,126)
Total operating costs and expenses	(459,364)	(479,297)	(258,611)
OPERATING INCOME (LOSS)	$ 80,450	$ (54,766)	$(189,277)

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2017	2016	2015
NON-OPERATING INCOME (EXPENSES)			
Interest income	$ 2,171	$ 1,152	$ 4,641
Interest expenses, net of capitalized interest	(152,318)	(133,610)	(23,285)
Amortization of deferred financing costs	(7,600)	(25,626)	(16,295)
Loan commitment fees	(419)	(1,647)	(1,794)
Foreign exchange gains (losses), net	466	(3,445)	435
Other income, net	574	1,163	379
Loss on extinguishment of debt	—	(17,435)	—
Costs associated with debt modification	—	(8,101)	(7,011)
Total non-operating expenses, net	(157,126)	(187,549)	(42,930)
LOSS BEFORE INCOME TAX	(76,676)	(242,315)	(232,207)
INCOME TAX CREDIT (EXPENSE)	239	(474)	(353)
NET LOSS	$ (76,437)	$ (242,789)	$ (232,560)
LOSS PER SHARE:			
Basic and diluted	$ (4,217)	$ (13,393)	$ (12,829)
WEIGHTED AVERAGE SHARES OUTSTANDING USED IN LOSS PER SHARE CALCULATION:			
Basic and diluted	18,127.94	18,127.94	18,127.94

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2017	2016	2015
Net loss	$(76,437)	$(242,789)	$(232,560)
Other comprehensive income (loss):			
Changes in fair values of interest rate swap agreements, before and after tax	—	61	(42)
Other comprehensive income (loss)	—	61	(42)
Total comprehensive loss	$(76,437)	$(242,728)	$(232,602)

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Losses	Total Shareholders' Equity
	Shares	Amount				
BALANCE AT JANUARY 1, 2015	18,127.94	$ 18	$1,521,426	$ 469	$ (221,382)	$ 1,300,531
Net loss for the year	—	—	—	—	(232,560)	(232,560)
Change in fair value of interest rate swap agreements	—	—	—	(42)	—	(42)
Loss on purchase of property and equipment from affiliated companies	—	—	(842)	—	—	(842)
Loss on transfer of other long-term assets from an affiliated company	—	—	(7,740)	—	—	(7,740)
BALANCE AT DECEMBER 31, 2015	18,127.94	18	1,512,844	427	(453,942)	1,059,347
Net loss for the year	—	—	—	—	(242,789)	(242,789)
Change in fair value of interest rate swap agreements	—	—	—	61	—	61
Loss on purchase of property and equipment from an affiliated company	—	—	(139)	—	—	(139)
BALANCE AT DECEMBER 31, 2016	18,127.94	18	1,512,705	488	(696,731)	816,480
Net loss for the year	—	—	—	—	(76,437)	(76,437)
BALANCE AT DECEMBER 31, 2017	18,127.94	$ 18	$1,512,705	$ 488	$ (773,168)	$ 740,043

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (76,437)	$(242,789)	$ (232,560)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	176,326	171,862	40,965
Amortization of deferred financing costs	7,600	25,626	16,295
Loss (gain) on disposal of property and equipment and other long-term assets	489	(444)	—
Impairment loss recognized on property and equipment	19,645	—	—
Provision for doubtful debts	887	588	—
Loss on extinguishment of debt	—	17,435	—
Costs associated with debt modification	—	8,101	7,011
Changes in operating assets and liabilities:			
Accounts receivable	442	2,837	(6,245)
Amounts due from affiliated companies	(38,269)	34,204	12,573
Inventories and prepaid expenses and other	(7,223)	6,125	(20,638)
Long-term prepayments, deposits and other assets	(854)	(5,094)	(12,974)
Accounts payable and accrued expenses and other	5,817	(4,255)	33,223
Amounts due to affiliated companies	(13,054)	3,989	28,533
Other long-term liabilities	(7,056)	(3,606)	20,763
Net cash provided by (used in) operating activities	68,313	14,579	(113,054)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property and equipment	(42,370)	(111,396)	(827,781)
Placement of bank deposits with original maturities over three months	(9,884)	—	—
Funds to an affiliated company	(2,839)	(8,492)	(47,033)
Advance payments and deposits for acquisition of property and equipment	(1,427)	(335)	(18,915)
Insurance proceeds received for damaged property and equipment and other long- term assets	108	—	—
Proceeds from sale of property and equipment and other long-term assets	1,067	13,513	20,481
Payments for transfer of other long-term assets from an affiliated company	—	—	(74,902)
Payment for land use right	—	—	(24,376)
Net cash used in investing activities	(55,345)	(106,710)	(972,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of deferred financing costs	(1,285)	(27,226)	(2,887)
Principal payments on long-term debt	—	(95,560)	—
Cash used in financing activities	(1,285)	(122,786)	(2,887)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	11,683	(214,917)	(1,088,467)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	371,246	586,163	1,674,630
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 382,929	$ 371,246	$ 586,163
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS			
Cash paid for interest, net of amounts capitalized	$(152,318)	$(127,098)	$ (22,948)
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment	18,817	23,690	84,463
Change in amounts due from/to affiliated companies related to acquisition of property and equipment and other long-term assets	4,696	11,286	5,293
Amounts due from affiliated companies offsetting with amounts due to affiliated companies	2,950	—	—
Change in amounts due from/to affiliated companies related to sale of property and equipment and other long-term assets	600	153	2,417
Deferred financing costs included in accrued expenses and other current liabilities	—	3,180	7,669

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(In thousands of U.S. dollars)

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
Cash and cash equivalents	$ 348,399	$ 336,783
Current portion of restricted cash	34,400	34,333
Non-current portion of restricted cash	130	130
Total cash, cash equivalents and restricted cash	$ 382,929	$ 371,246

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data)

1. COMPANY INFORMATION

Studio City International Holdings Limited (the "Company") was incorporated in the British Virgin Islands ("BVI"). As of December 31, 2017 and 2016, the Company was 60% held directly by MCE Cotai Investments Limited ("MCE Cotai"), a subsidiary of Melco Resorts & Entertainment Limited ("Melco") and 40% held directly by New Cotai, LLC ("New Cotai"). Melco's American depositary shares are listed on the NASDAQ Global Select Market in the United States of America. New Cotai is a private company organized in the United States of America.

As of December 31, 2015, the major shareholders of Melco were 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"), and Crown Resorts Limited ("Crown"), an Australian-listed corporation. As of December 31, 2017 and 2016, Melco International is the single largest shareholder of Melco due to the completion of the share repurchase by Melco from a subsidiary of Crown followed by the cancellation of such shares with certain changes in the composition of the board of directors of Melco in May 2016.

The Company conducts its principal activities through its subsidiaries, which are primarily located in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Company together with its subsidiaries (collectively referred to as the "Group") currently operates the non-gaming operations of Studio City, a cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau which commenced operations on October 27, 2015, and provides gaming related services to Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited) ("Melco Resorts Macau"), a subsidiary of Melco which holds the gaming subconcession in Macau, for the operations of the gaming area at Studio City ("Studio City Casino").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

On May 11, 2007, one of the Company's subsidiaries and Melco Resorts Macau entered into a services and right to use agreement, as amended on June 15, 2012, together with related agreements (together, the "Services and Right to Use Arrangements"). Under these arrangements, Melco Resorts Macau deducts gaming tax and the costs of operation of Studio City Casino. The Group receives the residual gross gaming revenues and recognizes these amounts as revenues from provision of gaming related services.

In December 2015, certain of the Company's subsidiaries entered into a master services agreement and related work agreements (collectively, the "Management and Shared Services Arrangements") with certain of Melco's subsidiaries with respect to services provided to and from Studio City.

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

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

The Group believes the costs incurred under the Services and Right to Use Arrangements and the allocation methods under the Management and Shared Services Arrangements are reasonable and the consolidated financial statements reflect the Group's cost of doing business. However, such allocations may not be indicative of the actual expenses the Group would have incurred had it operated as an independent company for the periods presented. Details of the services and related charges are disclosed in Note 14.

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

Effective January 1, 2018, the Group adopted the accounting standards update on the classification and presentation of restricted cash in the statement of cash flows, using a retrospective method and the updated disclosures are reflected for the periods presented in the statements of cash flows. Details of the adoption of this guidance are disclosed in Note 2(v)(iv).

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

(b) Use of Estimates

The preparation of 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 Group and on various other assumptions that the Group believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

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

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

Cash equivalents are placed with financial institutions with high-credit ratings and quality.

(e) Restricted Cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Group expects those 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 those funds that will not be released or utilized within the next twelve months. Restricted cash mainly consists of i) bank accounts that are restricted for withdrawal and for payment of project costs or debt servicing associated with borrowings under respective senior notes, a senior secured credit facility and other associated agreements; and ii) collateral bank accounts associated with borrowings under credit facilities.

(f) Accounts Receivable and Credit Risk

Accounts receivable, including hotel and other receivables, are typically non-interest bearing and are initially recorded at 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 doubtful debts is maintained to reduce the Group's receivables to their carrying amounts, which approximate fair values. The allowance is estimated based on specific reviews of customer accounts as well as management's experience with collection trends in the industry and current economic and business conditions. Management believes that as of December 31, 2017 and 2016, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) Inventories

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

(h) 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 consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of Studio City, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest and 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 suspended for more than a brief period.

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

Property and equipment are depreciated and amortized on a straight-line basis over the asset's estimated useful life. Estimated useful lives are as follows:

Buildings	4 to 40 years
Furniture, fixtures and equipment	2 to 15 years
Leasehold improvements	4 to 10 years or over the lease term, whichever is shorter
Motor vehicles	5 years

(i) Other Long-term Assets

Other long-term assets, represent the payments for the future economic benefits of certain plant and equipment for the operations of the Studio City Casino transferred from Melco Resorts Macau to the Group

pursuant to the Services and Right to Use Arrangements (the "Studio City Gaming Assets"), are stated at cost, net of accumulated amortization, and impairment losses, if any. The legal ownerships of the Studio City Gaming Assets are retained by Melco Resorts Macau. An item of the Studio City Gaming Assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of an item of the Studio City Gaming Assets. Any gain or loss arising on the disposal or retirement of an item of the Studio City Gaming Assets is determined as the difference between the sale proceeds and the carrying amount of an item of the Studio City Gaming Assets and is recognized in the consolidated statements of operations.

Amortization is recognized so as to write off the cost of the Studio City Gaming Assets using straight-line method over the respective estimated useful lives of the Studio City Gaming Assets, ranging from 2 to 10 years.

(j) Capitalized Interest and Amortization of Deferred Financing Costs

Interest and amortization of deferred financing costs associated with major development and construction projects are capitalized and included in the cost of the project. The capitalization of interest and amortization of deferred financing costs cease when the project is substantially completed or the development activity is suspended for more than a brief period. The amount to be capitalized is determined by applying the weighted average interest rate of the Group'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 $152,318, $133,610 and $131,716, of which nil, nil and $108,431 were capitalized during the years ended December 31, 2017, 2016 and 2015, respectively. Amortization of deferred financing costs of $7,600, $25,626 and $24,881, net of amortization capitalized of nil, nil and $8,586, were recorded during the years ended December 31, 2017, 2016 and 2015, respectively.

(k) Impairment of Long-lived Assets

The Group evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Group then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. 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, typically measured using a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs.

During the year ended December 31, 2017, impairment loss of $19,645 was recognized mainly due to reconfigurations and renovations at Studio City and included in the consolidated statements of operations. No impairment loss was recognized during the years ended December 31, 2016 and 2015.

(l) 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 over the terms of the related debt agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of the revolving credit facilities are included in long-term prepayments, deposits and other assets in the consolidated balance sheets. All other deferred financing costs are presented as a direct reduction of long-term debt in the consolidated balance sheets.

(m) Land Use Right

Land use right is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated term of the land use right.

The land concession contract in Macau has an initial term of 25 years and is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The land use right was originally amortized over the initial term of 25 years, in which the expiry date of the land use right of Studio City is October 2026. The estimated term of the land use right is periodically reviewed. For the review of such estimated term of the land use right under the land concession contract, the Group considered factors such as the business and operating environment of the gaming industry in Macau, laws and regulations in Macau and the Group's development plans. As a result, effective from October 1, 2015, the estimated term of the land use right under the land concession contract for Studio City, in accordance with the relevant accounting standards, has been extended to October 2055 which aligned with the estimated useful lives of certain buildings assets of 40 years as disclosed in Note 2(h). The change in estimated term of the land use right under the land concession contract has resulted in a reduction in amortization of land use right and net loss of $2,195 and a reduction in basic and diluted loss per share of $121 for the year ended December 31, 2015.

(n) Revenue Recognition

The Group recognizes revenue at the time persuasive evidence of an arrangement exists, the service is provided or the retail goods are sold, prices are fixed or determinable and collection is reasonably assured. Revenues are recognized net of sales discounts which are required to be recorded as reductions of revenue.

Revenues from provision of gaming related services represent revenues arising from the provision of facilities for the operations of Studio City Casino and services related thereto pursuant to the Services and Right to Use Arrangements, under which Melco Resorts Macau operates the Studio City Casino. Melco Resorts Macau deducts gaming tax and the costs incurred in connection with the operations of Studio City Casino pursuant to the Services and Right to Use Arrangements, including the retail values of complimentary services within Studio City provided to the gaming patrons, from Studio City Casino's gross gaming revenues. The Group recognizes the residual amount as revenues from provision of gaming related services.

Rooms, food and beverage, entertainment, services fee, mall, retail and other revenues are recognized when services are provided or the retail goods are sold. Non-gaming revenues include services provided for cash consideration and services provided on a complimentary basis to the gaming patrons at Studio City Casino. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customer. Minimum operating and right to use fees, adjusted for contractual base fees and operating fees escalations, are included in mall revenues and are recognized on a straight-line basis over the terms of the related agreements.

(o) 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, 2017, 2016 and 2015, the Group incurred pre-opening costs in connection with the development and other one-off activities related to the marketing of new facilities and operations of Studio City.

(p) Advertising and Promotional Costs

The Group 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 $23,854, $20,989 and $39,722 for the years ended December 31, 2017, 2016 and 2015, respectively.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

(q) Foreign Currency Transactions and Translations

All transactions in currencies other than functional currencies of the Company 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 consolidated statements of operations.

The functional currencies of the Company and its major subsidiaries are the United States dollar ("$" or "US$"), the Hong Kong dollar ("HK$") or the Macau Pataca, respectively. 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 subsidiaries' financial statements are recorded as a component of comprehensive loss.

(r) Income Tax

The Group is subject to income taxes in Macau and Hong Kong where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the 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 Group's income tax returns are subject to examination by tax authorities in the jurisdictions where it operates. The Group 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 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.

(s) Loss Per Share

Basic loss per share is calculated by dividing the net loss available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted to include the number of additional ordinary shares that would have been outstanding if the potential dilutive securities had been issued. During the years ended December 31, 2017, 2016 and 2015, there were no potentially dilutive securities issued or outstanding.

(t) Accounting for Derivative Instruments and Hedging Activities

The Group uses derivative financial instruments such as floating-for-fixed interest rate swap agreements to manage its risks associated with interest rate fluctuations in accordance with lenders' requirements under the

Group's Studio City Project Facility (as defined in Note 7). All derivative instruments are recognized in the consolidated financial statements at fair value at the balance sheet date. Any changes in fair value are recorded in the consolidated statements of operations or comprehensive loss, depending on whether the derivative is designated and qualifies for hedge accounting, the type of hedge transaction and the effectiveness of the hedge. The estimated fair values of interest rate swap agreements are based on a standard valuation model that projects future cash flows and discounts those future cash flows to a present value using market-based observable inputs such as interest rate yields. All outstanding interest rate swap agreements expired during the year ended December 31, 2016. Further information on the Group's interest rate swap agreements is included in Note 7.

(u) Comprehensive Loss and Accumulated Other Comprehensive Income

Comprehensive loss includes net loss and changes in fair values of interest rate swap agreements and is reported in the consolidated statements of comprehensive loss.

As of December 31, 2017 and 2016, the Group's accumulated other comprehensive income consisted solely of foreign currency translation adjustment.

(v) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncements:

(i) In July 2015, the Financial Accounting Standards Board ("FASB") issued an accounting standards update, which changes the measurement principle for inventories that is measured using other than last-in, first-out or the retail inventory method from the lower of cost or market to the lower of cost and net realizable value. Net realizable value is defined by FASB as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The guidance was effective as of January 1, 2017 and the Group adopted this new guidance on a prospective basis. The adoption of this guidance did not have a material impact on the Group's financial statements.

(ii) In November 2015, the FASB issued an accounting standards update which simplifies balance sheet classification of deferred taxes. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as non-current. The guidance was effective as of January 1, 2017 and the Group adopted this new guidance on a prospective basis, which impacts the classification of deferred tax assets and liabilities on any balance sheet that reports the Group's consolidated financial position for any date after December 31, 2016. Consolidated balance sheets for prior periods have not been adjusted. The adoption of this new guidance did not have any impact on the Group's results of operations or cash flows.

(iii) In August 2016, the FASB issued an accounting standards update which amends the guidance on the classification of certain cash receipts and payments in the statement of cash flows. The guidance was effective as of January 1, 2018 and the Group adopted this new guidance on a retrospective basis. The adoption of this guidance did not have any impact on the Group's consolidated financial statements.

(iv) In November 2016, the FASB issued an accounting standards update which amends and clarifies the guidance on the classification and presentation of restricted cash in the statement of cash flows. The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, restricted cash and restricted cash equivalents. Accordingly, restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total

amounts shown on the statement of cash flows. The guidance was effective as of January 1, 2018 and the Group adopted this new guidance on a retrospective basis. The adoption of this guidance impacted the presentation and classification of restricted cash in the statements of cash flows. For the years ended December 31, 2017, 2016 and 2015, substantially all of the changes in restricted cash of $67, $266,633 and $1,370,373, respectively, were previously reported within net cash used in investing activities in the consolidated statements of cash flows. For the years ended December 31, 2017, 2016 and 2015, substantially all of the changes in restricted cash of $64, $2,082 and $229,293, respectively, were previously reported within net cash used in investing activities in the condensed statements of cash flows included in Schedule 1.

Recent Accounting Pronouncements Not Yet Adopted:

(v) In May 2014, the FASB issued an accounting standards update which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principal of this new revenue recognition model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services. This update also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In August 2015, the FASB issued an accounting standard update which defers the effective date of the new revenue recognition accounting guidance by one year, to interim and annual periods beginning after December 15, 2017 for public business entities, and early adoption is permitted for interim and annual periods beginning after December 15, 2016. From March 2016 through December 2016, the FASB issued accounting standard updates which amend and further clarify the new revenue guidance such as reporting revenue as a principal versus agent, identifying performance obligations, accounting for intellectual property licenses, assessing collectibility and presentation of sales taxes. These accounting standard updates are collectively referred to herein as the "New Revenue Standards".

The Group adopted the New Revenue Standards using the modified retrospective method, recognizing the cumulative effect of initially applying the guidance at the date of initial application, January 1, 2018.

The Group's assessment of the impact of the New Revenue Standards includes a detailed review of all material revenue arrangements and a comparison of its historical accounting policies and practices to the New Revenue Standards.

The Group evaluated the impact of the New Revenue Standards on the principal versus agent consideration on its Services and Right to Use Arrangements. Currently, the revenues from provision of gaming related services received under the Services and Right to Use Arrangements are presented on a net basis. The Group has determined that the New Revenue Standards will not change our previous net presentation.

The Group also determined that under the New Revenue Standards, complimentary services provided to Studio City Casino's gaming patrons that are deducted from the gross gaming revenues, will be measured based on stand-alone selling prices, replacing the currently used retail values, if different. Accordingly, the amount of non-gaming revenues associated with the provision of these complimentary services by the Group will also be measured on the same basis. This change would impact the amount of revenues from the provision of gaming related services received by the Group with corresponding changes to the non-gaming revenues.

Additionally, the Group evaluated the impact of the New Revenue Standards on the non-discretionary incentives (including the loyalty program) provided to Studio City Casino's gaming patrons, which are

(In thousands of U.S. dollars, except share and per share data)

administered by Melco Resorts Macau. Currently, the estimated costs of the non-discretionary incentives are deducted from the gross gaming revenues before the residual amount is transferred to the Group. The New Revenue Standards would change Melco Resorts Macau's measurement for the non-discretionary incentives from currently used estimated costs to stand-alone selling prices, which would impact the amount of revenues from provision of gaming related services received by the Group. Similarly, upon redemptions of the non-discretionary incentives which relate to the non-gaming services provided by the Group, the associated non-gaming revenues will be measured on the same basis. At the adoption date, the Group expects to record an increase in the opening balance of accumulated losses by an amount not exceed $3,500.

The Group does not anticipate any significant implementation issues from the adoption of the New Revenue Standards and is continuing its assessment of potential changes to the disclosures under the New Revenue Standards.

(vi) In February 2016, the FASB issued an accounting standards update on leases, which amends various aspects of existing accounting guidance for leases. The guidance requires all lessees to recognize a lease liability and a right-of-use asset, measured at the present value of the future minimum lease payments, at the lease commencement date. Lessor accounting remains largely unchanged under the new guidance. The guidance is effective for public business entities for interim and fiscal years beginning after December 15, 2018, with early adoption permitted. The guidance should be applied at the beginning of the earliest period presented using a modified retrospective approach. Management is currently assessing the potential impact of adopting this guidance on the Group's consolidated financial statements. The Group anticipates the primary effect upon adoption of this guidance is an increase in assets and liabilities on the accompanying consolidated balance sheet.

3. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2017	2016
Hotel	$1,415	$1,915
Other	1,518	1,493
Sub-total	2,933	3,408
Less: allowance for doubtful debts	(588)	(588)
	$2,345	$2,820

During the years ended December 31, 2017, 2016 and 2015, the Group has made additional provision for doubtful debts of $33, $588 and nil, respectively, and $33, nil and nil were written off during the years ended December 31, 2017, 2016 and 2015, respectively.

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4. PROPERTY AND EQUIPMENT, NET

	December 31, 2017	December 31, 2016
Cost		
Buildings	$2,326,063	$2,326,131
Furniture, fixtures and equipment	197,934	201,721
Leasehold improvements	72,859	58,182
Motor vehicles	3	3
Construction in progress	10,734	8,782
Sub-total	2,607,593	2,594,819
Less: accumulated depreciation and amortization	(327,477)	(175,409)
Property and equipment, net	$2,280,116	$2,419,410

As of December 31, 2017 and 2016, construction in progress in relation to Studio City included interest capitalized in accordance with applicable accounting standards and other direct incidental costs capitalized which, in the aggregate, amounted to $2,556 and $2,158, respectively.

5. LAND USE RIGHT, NET

	December 31, 2017	December 31, 2016
Cost	$178,464	$178,464
Less: accumulated amortization	(52,792)	(49,469)
Land use right, net	$125,672	$128,995

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31, 2017	December 31, 2016
Property and equipment payables	$ 103,503	$ 112,251
Operating expense and other accruals and liabilities	47,928	40,031
Customer deposits and ticket sales	4,409	4,213
	$ 155,840	$ 156,495

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7. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2017	December 31, 2016
2012 Studio City Notes (net of unamortized deferred financing costs of $7,493 and $9,657, respectively)	$ 817,507	$ 815,343
2016 Studio City Credit Facilities(1)	129	129
2016 5.875% SC Secured Notes (net of unamortized deferred financing costs of $4,580 and $6,753, respectively)	345,420	343,247
2016 7.250% SC Secured Notes (net of unamortized deferred financing costs of $13,702 and $16,596, respectively)	836,298	833,404
	$1,999,354	1,992,123

Note

(1) Unamortized deferred financing costs of $1,686 and $2,055 as of December 31, 2017 and 2016, respectively, related to the 2016 SC Revolving Credit Facility of 2016 Studio City Credit Facilities are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheet.

2012 Studio City Notes

On November 26, 2012, Studio City Finance Limited (“Studio City Finance”), a subsidiary of the Company, issued $825,000 in aggregate principal amount of 8.5% senior notes due 2020 (the “2012 Studio City Notes”) and priced at 100%. The 2012 Studio City Notes mature on December 1, 2020 and the interest on the 2012 Studio City Notes is accrued at a rate of 8.5% per annum and is payable semi-annually in arrears on June 1 and December 1 of each year, commenced on June 1, 2013. Studio City Finance used the net proceeds from the offering to fund the Studio City project with conditions and sequence for disbursements in accordance with an agreement.

The 2012 Studio City Notes are general obligations of Studio City Finance, secured by a first-priority security interest in certain specified bank accounts incidental to the 2012 Studio City Notes and a pledge of certain intercompany loans as defined under the 2012 Studio City Notes, rank equally in right of payment to all existing and future senior indebtedness of Studio City Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Finance. The 2012 Studio City Notes 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. 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 (which amended and restated the Studio City Project Facility) as described below) (the “2012 Studio City Notes Guarantors”) jointly, severally and unconditionally guarantee the 2012 Studio City Notes on a senior basis (the “2012 Studio City Notes Guarantees”). The 2012 Studio City Notes Guarantees are general obligations of the 2012 Studio City Notes Guarantors, rank equally in right of payment with all existing and future senior indebtedness of the 2012 Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2012 Studio City Notes Guarantors. The 2012 Studio City Notes Guarantees are effectively subordinated to the 2012 Studio City Notes Guarantors’

obligations under the 2016 Studio City Credit Facilities and the 2016 Studio City Secured Notes as described below and any future secured indebtedness that is secured by property and assets of the 2012 Studio City Notes Guarantors to the extent of the value of such property and assets.

At any time on or after December 1, 2015, Studio City Finance has the option to redeem all or a portion of the 2012 Studio City Notes at any time at fixed redemption prices that decline ratably over time and also has the option to redeem in whole, but not in part the 2012 Studio City Notes at fixed redemption prices under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2012 Studio City Notes.

The indenture governing the 2012 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 2012 Studio City Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2012 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, 2017, the net assets of Studio City Finance and its restricted subsidiaries of approximately $731,000 were restricted from being distributed under the terms of the 2012 Studio City Notes.

Studio City Project Facility

On January 28, 2013, Studio City Company Limited ("Studio City Company" or the "Studio City Borrower"), a subsidiary of the Company, entered into a HK$10,855,880,000 (equivalent to $1,395,357) senior secured credit facilities agreement, as amended from time to time (the "Studio City Project Facility"), consisted of a HK$10,080,460,000 (equivalent to $1,295,689) term loan facility (the "Studio City Term Loan Facility") and a HK$775,420,000 (equivalent to $99,668) revolving credit facility (the "Studio City Revolving Credit Facility"), both of which were denominated in Hong Kong dollars to fund the Studio City project. On November 18, 2015, the Studio City Borrower amended the Studio City Project Facility including changing the Studio City project opening date condition from 400 to 250 tables, consequential adjustments to the financial covenants, and rescheduling the commencement of financial covenant testing (the "Amendments to the Studio City Project Facility"). The Group recorded a $7,011 costs associated with debt modification during the year ended December 31, 2015 in connection with the Amendments to the Studio City Project Facility.

On November 30, 2016, the Studio City Project Facility was further amended and restated (and defined as the "2016 Studio City Credit Facilities") as described below. On November 30, 2016 (December 1, 2016 Hong Kong time), the Studio City Borrower rolled over HK$1,000,000 (equivalent to $129) of the Studio City Term Loan Facility under the Studio City Project Facility into the 2016 SC Term Loan Facility as described below under the 2016 Studio City Credit Facilities, and repaid in full the remaining outstanding amount of the Studio City Term Loan Facility under the Studio City Project Facility of HK$9,777,046,200 (equivalent to $1,256,690) with net proceeds from the offering of the 2016 Studio City Secured Notes as described below together with cash on hand.

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The indebtedness under the Studio City Project Facility was guaranteed by Studio City Investments Limited ("Studio City Investments"), a subsidiary of the Company which holds 100% direct interest in Studio City Company, and its subsidiaries (other than the Studio City Borrower). Security for the Studio City Project Facility included: a first-priority mortgage over the land where Studio City is located, such mortgage will also cover all present and any future buildings on, and fixtures to, the relevant land; an assignment of any land use rights under land concession agreements, leases or equivalent; all bank accounts of Studio City Investments and its subsidiaries; as well as other customary security. All bank accounts of Melco Resorts Macau related solely to the operations of the Studio City gaming area which were funded from the proceeds of the Studio City Project Facility were pledged as security for the Studio City Project Facility and related finance documents. Upon the amendment to the Studio City Project Facility to 2016 Studio City Credit Facilities on November 30, 2016 as described below, those restricted bank accounts pledged under Studio City Project Facility and related finance documents were reclassified from restricted cash to cash and cash equivalents in the consolidated balance sheets. As of December 31, 2017, all bank accounts of Melco Resorts Macau related solely to the operations of the Studio City gaming area are pledged under 2016 Studio City Credit Facilities and related finance documents.

The Studio City Project Facility contained certain covenants for such financings and there were provisions that limited or prohibited certain payments of dividends and other distributions by Studio City Investments, the Studio City Borrower and its subsidiaries (together, the "Studio City Borrowing Group") to companies or persons who were not members of the Studio City Borrowing Group.

Borrowings under the Studio City Project Facility bore interest at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin of 4.50% per annum until September 30, 2016, at which time the Studio City Project Facility bore interest at HIBOR plus a margin ranging from 3.75% to 4.50% per annum as determined in accordance with the total leverage ratio in respect of the Studio City Borrowing Group. The Studio City Borrower was obligated to pay a commitment fee on the undrawn amount of the Studio City Project Facility and recognized loan commitment fees on the Studio City Project Facility of $1,647 and $1,794 during the years ended December 31, 2016 and 2015, respectively.

In connection with the Studio City Project Facility, the Company was required to procure a contingent equity undertaking or similar (with a liability cap of $225,000) granted in favor of the security agent for the Studio City Project Facility to, amongst other things, pay agreed project costs (i) associated with construction of Studio City and (ii) for which the facility agent under the Studio City Project Facility has determined there was no other available funding under the terms of the Studio City Project Facility. In support of such contingent equity undertaking, the Company had deposited a bank balance of $225,000 in an account secured in favor of the security agent for the Studio City Project Facility ("Cash Collateral"), which was required to be maintained until the construction completion date of the Studio City had occurred, certain debt service reserve and accrual accounts had been funded to the required balance and the financial covenants had been complied with. The Amendments to the Studio City Project Facility on November 18, 2015 included a creation of a new secured liquidity account ("Liquidity Account") to be held in the name of the Studio City Borrower and to be credited with the Cash Collateral as a liquidity amount for the general corporate and working capital purposes of the Studio City group. On November 30, 2015, the Cash Collateral was transferred to the Liquidity Account and was released from restricted cash.

The Studio City Borrower was required in accordance with the terms of the Studio City Term Loan Facility to enter into agreements to ensure that at least 50% of the aggregate of drawn Studio City Term Loan Facility and the 2012 Studio City Notes were subject to interest rate protection, by way of interest rate swap agreements, caps, collars or other agreements agreed with the facility agent under the Studio City Project Facility to limit the

impact of increases in interest rates on its floating rate debt, for a period of not less than three years from the date of the first drawdown of the Studio City Term Loan Facility on July 28, 2014. During the years ended December 31, 2016 and 2015, the Studio City Borrower entered into certain floating-for-fixed interest rate swap agreements to limit its exposure to interest rate risk. Under the interest rate swap agreements, the Studio City Borrower paid a fixed interest rate of the notional amount, and received variable interest which was based on the applicable HIBOR for each of the payment dates. The interest rate protection requirement was removed upon the 2016 Studio City Credit Facilities became effective on November 30, 2016. As of December 31, 2016, there were no outstanding interest rate swap agreements entered by the Studio City Borrower.

2016 Studio City Credit Facilities

On November 30, 2016, the Studio City Borrower amended and restated the Studio City Project Facility (the "2016 Studio City Credit Facilities"), among other things: (i) reduced the size of the then total available facilities from HK$10,855,880,000 (equivalent to $1,395,357) to HK$234,000,000 (equivalent to $30,077), comprising a HK$1,000,000 (equivalent to $129) term loan facility (the "2016 SC Term Loan Facility") which is rolled over from the Studio City Term Loan Facility under the Studio City Project Facility and a HK$233,000,000 (equivalent to $29,948) revolving credit facility (the "2016 SC Revolving Credit Facility"); (ii) removed certain lenders originally under the Studio City Project Facility; (iii) extended the repayment maturity date; and (iv) reduced and removed certain restrictions imposed by the covenants in the Studio City Project Facility, including but not limited to, increased flexibility to move cash within borrowing group which included Studio City Investments, the Studio City Borrower and its subsidiaries as defined under the 2016 Studio City Credit Facilities (the "2016 Studio City Borrowing Group"), removed all maintenance financial covenants and reduced reporting requirements. The amendment of the Studio City Project Facility to the 2016 Studio City Credit Facilities and the issuance of 2016 Studio City Secured Notes (as described below) are connected to the refinancing of the Studio City Project Facility. In determining whether the refinancing of the Studio City Project Facility was to be accounted for as a debt extinguishment or modification, the Group considered whether creditors remained the same or changed and whether the change in debt terms was substantial. Accordingly, the Group recorded a $17,435 loss on extinguishment of debt and a $8,101 costs associated with debt modification during the year ended December 31, 2016 in connection with such amendments. As of December 31, 2017, the 2016 SC Term Loan Facility had been fully drawn down with an outstanding amount of HK$1,000,000 (equivalent to $129), and the entire 2016 SC Revolving Credit Facility of HK$233,000,000 (equivalent to $29,948) remains available for future drawdown as of December 31, 2017.

The 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility mature on November 30, 2021 (December 1, 2021 Hong Kong time). The 2016 SC Term Loan Facility has to be repaid at maturity with no interim amortization payments. The 2016 SC Revolving Credit Facility is available from January 1, 2017 up to the date that is one month prior to the 2016 SC Revolving Credit Facility's final maturity date. The 2016 SC Term Loan Facility is collateralized by cash collateral equal to HK$1,012,500 (equivalent to $130) (representing the principal amount of the 2016 SC Term Loan Facility plus expected interest expense in respect of the 2016 SC Term Loan Facility for one financial quarter). 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 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 in respect of the principal amount of the 2016 SC Term Loan Facility).

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The indebtedness under the 2016 Studio City Credit Facilities is guaranteed by Studio City Investments and its subsidiaries (other than the Studio City Borrower), which apply on and from November 30, 2016. Security for the 2016 Studio City Credit Facilities includes a first-priority mortgage over any rights under land concession contract of Studio City and an assignment of certain leases or rights to use agreements; as well as other customary security. The 2016 Studio City Credit Facilities contain certain affirmative and negative covenants customary for such financings, as well as affirmative, negative and financial covenants equivalent to those contained in the 2016 Studio City Secured Notes. The 2016 Studio City Credit Facilities are secured, on an equal basis with the 2016 Studio City Secured Notes, by substantially all of the material assets of Studio City Investments and its subsidiaries (other than the Studio City Borrower) (although obligations under the 2016 Studio City Credit Facilities that are secured by common collateral securing the 2016 Studio City Secured Notes will have priority over the 2016 Studio City Secured Notes with respect to any proceeds received upon any enforcement action of such common collateral). In addition, the 2016 Studio City Secured Notes are also separately secured by certain specified bank accounts.

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 (including dividends and distribution with respect to shares of Studio City Company) and investments; (iii) prepay or redeem subordinated debt or equity and make payments of principal of the 2012 Studio City Notes; (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 as defined below; (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 contains conditions and events of default customary for such financings.

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, 2017, the net assets of Studio City Investments and its restricted subsidiaries of approximately $761,000 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 of one, two, three or six months or any other agreed period. The Studio City Borrower is obligated to pay a commitment fee from January 1, 2017 on the undrawn amount of the 2016 SC Revolving Credit Facility and recognized loan commitment fees on the 2016 SC Revolving Credit Facility of $419 during the year ended December 31, 2017.

2016 Studio City Secured Notes

On November 30, 2016, Studio City Company issued $350,000 in aggregate principal amount of 5.875% senior secured notes due 2019 (the "2016 5.875% SC Secured Notes") and $850,000 in aggregate principal amount of 7.250% senior secured notes due 2021 (the "2016 7.250% SC Secured Notes" and together with the 2016 5.875% SC Secured Notes, the "2016 Studio City Secured Notes") and both priced at 100%. The 2016 5.875% SC Secured Notes and 2016 7.250% SC Secured Notes mature on November 30, 2019 and November 30, 2021, respectively, and the interest on the 2016 5.875% SC Secured Notes and 2016 7.250% SC Secured Notes is accrued at a rate of 5.875% and 7.250% per annum, respectively, and is payable semi-annually in arrears on May 30 and November 30 of each year, commenced on May 30, 2017.

The 2016 Studio City Secured Notes are senior secured obligations of Studio City Company, rank equally in right of payment with all existing and future senior indebtedness of Studio City Company (although any liabilities in respect of obligations under the 2016 Studio City Credit Facilities that are secured by common collateral securing the 2016 Studio City Secured Notes will have priority over the 2016 Studio City Secured Notes with respect to any proceeds received upon any enforcement action of such common collateral) and rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Company and effectively subordinated to Studio City Company's existing and future secured indebtedness that is secured by assets that do not secure the 2016 Studio City Secured Notes, to the extent of the assets securing such indebtedness. All of the existing subsidiaries of Studio City Investments (other than Studio City Company) and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities) (the "2016 Studio City Secured Notes Guarantors") jointly, severally and unconditionally guarantee the 2016 Studio City Secured Notes on a senior basis (the "2016 Studio City Secured Notes Guarantees"). The 2016 Studio City Secured Notes Guarantees are senior obligations of the 2016 Studio City Secured Notes Guarantors, rank equally in right of payment with all existing and future senior indebtedness of the 2016 Studio City Secured Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2016 Studio City Secured Notes Guarantors. The 2016 Studio City Secured Notes Guarantees are pari passu to the 2016 Studio City Secured Notes Guarantors' obligations under the 2016 Studio City Credit Facilities, and effectively subordinated to any future secured indebtedness that is secured by assets that do not secure the 2016 Studio City Secured Notes and the 2016 Studio City Secured Notes Guarantees, to the extent of the value of the assets.

The common collateral (shared with the 2016 Studio City Credit Facilities) includes a first-priority mortgage over any rights under land concession contract of Studio City and an assignment of certain leases or rights to use agreements; as well as other customary security. Each series of the 2016 Studio City Secured Notes is secured by the common collateral and, in addition, certain bank accounts (together with the common collateral, the "Collateral").

On November 30, 2016 (December 1, 2016 Hong Kong time), the Group used the net proceeds from the offering, together with cash on hand, to fund the repayment of the Studio City Project Facility.

Studio City Company has the option to redeem all or a portion of the 2016 5.875% SC Secured Notes at any time prior to November 30, 2019, at a "make-whole" redemption price. In addition, Studio City Company has the option to redeem up to 35% of the 2016 5.875% SC Secured Notes with the net cash proceeds of certain equity offerings at a fixed redemption price at any time prior to November 30, 2019. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2016 Studio City Secured Notes, Studio City Company also has the option to redeem in whole, but not in part the 2016 5.875% SC Secured Notes at fixed redemption prices.

Studio City Company has the option to redeem all or a portion of the 2016 7.250% SC Secured Notes at any time prior to November 30, 2018, at a "make-whole" redemption price. Thereafter, Studio City Company has the option to redeem all or a portion of the 2016 7.250% SC Secured Notes at any time at fixed redemption prices that decline ratably over time. In addition, Studio City Company has the option to redeem up to 35% of the 2016 7.250% SC Secured Notes with the net cash proceeds of certain equity offerings at a fixed redemption price at any time prior to November 30, 2018. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2016 Studio City Secured Notes, Studio City Company also has the option to redeem in whole, but not in part the 2016 7.250% SC Secured Notes at fixed redemption prices.

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In the event that the 2012 Studio City Notes are not refinanced or repaid in full by June 1, 2020 in accordance with the terms of the 2016 7.250% SC Secured Notes (and in the case of a refinancing, with refinancing indebtedness with a weighted average life to maturity no earlier than 90 days after the stated maturity date of the 2016 7.250% SC Secured Notes), each holder of the 2016 7.250% SC Secured Notes will have the right to require Studio City Company to repurchase all or any part of such holder's 2016 7.250% SC Secured Notes at a fixed redemption price.

The indenture governing the 2016 Studio City Secured Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Company, Studio City Investments and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments (including dividends and distribution with respect to shares of Studio City Company) and investments; (iii) prepay or redeem subordinated debt or equity and make payments of principal of the 2012 Studio City Notes; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the Collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with shareholders or affiliates; and (xi) effect a consolidation or merger. The indenture governing the 2016 Studio City Secured Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2016 Studio City Secured Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Company, Studio City Investments and their respective restricted subsidiaries to companies or persons who are not Studio City Company, Studio City Investments and their respective restricted subsidiaries, subject to certain exceptions and conditions. As of December 31, 2017, the net assets of Studio City Investments and its restricted subsidiaries of approximately $761,000 were restricted from being distributed under the terms of the 2016 Studio City Secured Notes.

During the years ended December 31, 2017, 2016 and 2015, the Group's average borrowing rates were approximately 7.52%, 6.33% and 6.20% per annum, respectively.

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs) as of December 31, 2017 are as follows:

Year ending December 31,	
2018	$ —
2019	350,000
2020	825,000
2021	850,129
2022	—
	$2,025,129

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8. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The level in the hierarchy within which the fair value measurement in its entirety falls 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, bank deposits with original maturities over three months and restricted cash approximated fair value and were classified as level 1 in the fair value hierarchy. The carrying values of long-term deposits and other long-term liabilities approximated fair value and were classified as level 2 in the fair value hierarchy. The estimated fair value of long-term debt as of December 31, 2017 and 2016, which included the 2016 Studio City Secured Notes, the 2016 Studio City Credit Facilities and the 2012 Studio City Notes, were approximately $2,108,138 and $2,103,432, respectively, as compared to its carrying value, excluding unamortized deferred financing costs, of $2,025,129 and $2,025,129, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2016 Studio City Secured Notes and the 2012 Studio City Notes. Fair value for the 2016 Studio City Credit Facilities approximated the carrying value as the instrument carried variable interest rates approximated the market rates and was classified as level 2 in the fair value hierarchy.

As of December 31, 2017 and 2016, the Group did not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the consolidated financial statements.

9. CAPITAL STRUCTURE

As of December 31, 2017 and 2016, the Company's authorized share capital was 200,000 shares of $1 par value per share and 18,127.94 ordinary shares were issued and fully paid.

10. INCOME TAXES

Loss before income tax consisted of:

	Year Ended December 31,		
	2017	2016	2015
Macau operations	$ 83,201	$ (50,983)	$(184,375)
Hong Kong and other jurisdictions' operations	(159,877)	(191,332)	(47,832)
Loss before income tax	$ (76,676)	$(242,315)	$(232,207)

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The income tax (credit) expense consisted of:

	Year Ended December 31,		
	2017	2016	2015
Income tax (credit) expense—deferred:			
Macau Complementary Tax	$ (239)	$ 474	$ 353

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

	Year Ended December 31,		
	2017	2016	2015
Loss before income tax	$(76,676)	$(242,315)	$(232,207)
Macau Complementary Tax rate	12%	12%	12%
Income tax credit at Macau Complementary Tax rate	(9,201)	(29,078)	(27,865)
Effect of income for which no income tax expense is payable	—	(1)	(283)
Effect of expenses for which no income tax benefit is receivable	20,190	23,820	7,295
Effect of profits exempted from Macau Complementary Tax	(29,833)	(11,890)	—
Losses that cannot be carried forward	—	—	979
Change in valuation allowance	18,605	17,623	20,227
	$ (239)	$ 474	$ 353

The Company and certain of its subsidiaries are exempt from tax in BVI, where they are incorporated. The Company's remaining subsidiaries incorporated in Macau and Hong Kong are subject to Macau Complementary Tax and Hong Kong Profits Tax, respectively, during the years ended December 31, 2017, 2016 and 2015.

Macau Complementary Tax and Hong Kong Profits Tax are provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the years ended December 31, 2017, 2016 and 2015, if applicable.

One of the Company's subsidiaries in Macau has been exempted from Macau Complementary Tax on profits generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements until 2016, 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 Government in January 2015. Additionally, this subsidiary received an exemption for an additional five years from 2017 to 2021 pursuant to the approval notice issued by the Macau Government in January 2017. The non-gaming profits and dividend distributions of such subsidiary to its shareholders continue to be subject to Macau Complementary Tax.

During the years ended December 31, 2017 and 2016, had the Group not received the income tax exemption on profits generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements, the Group's consolidated net loss for the years ended December 31, 2017 and 2016 would have been increased by $29,833 and $11,890, and diluted loss per share would have been increased by $1,646 and $656 per share, respectively. During the year ended December 31, 2015, the Company's subsidiary in Macau reported net loss generated from income received from Melco Resorts Macau under the Services and Right to Use Arrangements and there was no effect of the tax holiday on the Group's consolidated net loss and on the diluted loss per share for the year ended December 31, 2015.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

The effective tax rates for the years ended December 31, 2017, 2016 and 2015 were positive rate of 0.3%, negative rate of 0.2% and negative rate of 0.2%, respectively. Such rates for the years ended December 31, 2017, 2016 and 2015 differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of expenses for which no income tax benefits are receivable and the effect of changes in valuation allowances for the relevant years together with the effect of profits exempted from Macau Complementary Tax for the years ended December 31, 2017 and 2016.

The net deferred tax liabilities as of December 31, 2017 and 2016 consisted of the following:

	December 31,	
	2017	2016
Deferred tax assets		
Net operating losses carried forward	$ 48,751	$ 35,830
Depreciation and amortization	9,690	4,037
Deferred deductible expenses	1,052	2,454
Sub-total	59,493	42,321
Valuation allowances	(59,493)	(42,321)
Total deferred tax assets	—	—
Deferred tax liabilities		
Unrealized capital allowances	(588)	(827)
Total deferred tax liabilities	(588)	(827)
Deferred tax liabilities, net	$ (588)	$ (827)

As of December 31, 2017 and 2016, valuation allowances of $59,493 and $42,321 were provided, respectively, as management believes that it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2017, adjusted operating tax losses carry forward, amounting to $169,549, $124,029 and $112,684 will expire in 2018, 2019 and 2020, respectively. Adjusted operating tax losses carried forward of $5,097 expired during the year ended December 31, 2017.

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

Undistributed earnings of a foreign subsidiary of the Company available for distribution to the Company of approximately $337,024 and $88,419 as at December 31, 2017 and 2016, 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 the Company. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, the Company would have to record a deferred income tax liability in respect of those undistributed earnings of approximately $40,443 and $10,610 as at December 31, 2017 and 2016, respectively.

An evaluation of the tax positions for recognition was conducted by the Group by determining if the weight of available evidence indicates it is more likely than not that the positions will be sustained on audit, including resolution of related appeals or litigation processes, if any. Uncertain tax benefits associated with the tax

positions were measured based solely on the technical merits of being sustained on examinations. The Group concluded that there was no significant uncertain tax positions requiring recognition in the consolidated financial statements for the years ended December 31, 2017, 2016 and 2015 and there are no material unrecognized tax benefits which would favorably affect the effective income tax rates in future periods. As of December 31, 2017 and 2016, there were no interest and penalties related to uncertain tax positions recognized in the consolidated financial statements. The Group does not anticipate any significant increases or decreases to its liability for unrecognized tax benefits within the next twelve months.

The income tax returns of the Company's subsidiaries remain open and subject to examination by the tax authorities of Macau and Hong Kong until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau and Hong Kong are five years and six years, respectively.

11. EMPLOYEE BENEFIT PLANS

The Group provides defined contribution plans for its employees in Macau. Certain executive officers of the Group are members of defined contribution plan in Hong Kong operated by Melco. During the years ended December 31, 2017, 2016 and 2015, the Group's contributions into these plans were $85, $11 and $176, respectively.

12. DISTRIBUTION OF PROFITS

All subsidiaries of the Company incorporated in Macau are required to set aside a minimum of 25% of the entity's profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. 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 of the relevant subsidiaries. As of December 31, 2017 and 2016, the balance of the reserve amounted to $6 and nil, respectively.

The Group'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, credit facility agreements and other associated agreements, details of which are disclosed in Note 7 under each of the respective borrowings.

During the years ended December 31, 2017, 2016 and 2015, the Company did not declare or pay any cash dividends on the ordinary shares. No dividends have been proposed since the end of the reporting period.

13. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2017, the Group had capital commitments contracted for but not incurred for the construction and acquisition of property and equipment for Studio City totaling $10,668.

(b) Lease Commitments

As Grantor of Operating Leases

The Group entered into non-cancellable operating agreements mainly for mall spaces in Studio City with various retailers that expire at various dates through October 2025. Certain of the operating agreements include

(In thousands of U.S. dollars, except share and per share data)

minimum base fees with escalated contingent fee clauses. During the years ended December 31, 2017, 2016 and 2015, the Group earned contingent fees of $10,216, $9,732 and $1,330, respectively.

As of December 31, 2017, minimum future fees to be received under all non-cancellable operating agreements were as follows:

Year ending December 31,	
2018	$19,868
2019	18,383
2020	12,055
2021	2,779
2022	—
	$53,085

The total minimum future fees do not include the escalated contingent fee clauses.

(c) Other Commitment

Land Concession Contract

One of the Company's subsidiaries has entered into a concession contract for the land in Macau on which Studio City is located ("Studio City Land"). The title to the land lease right is obtained once the related land concession contract is published in the Macau official gazette. The contract has a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The Company's land holding subsidiary is required to i) pay an upfront land premium, which is recognized as land use right in the consolidated balance sheets and a nominal annual government land use fee, which is recognized as general and administrative expense and may be adjusted every five years; and ii) place a guarantee deposit upon acceptance of the land lease terms, which is subject to adjustments from time to time in line with the amounts paid as annual land use fee. During the land concession term, amendments have been sought which have or will result in revisions to the development conditions, land premium and government land use fees.

On September 23, 2015, the Macau Government published in the Macau official gazette the final amendment for revision of the land concession contract for Studio City Land. Such amendment reflected the change to build a five-star hotel to a four-star hotel. According to the revised land amendment, the government land use fees were $490 per annum during the development period of Studio City; and $1,131 per annum after the development period. In February 2018, the Macau Government granted an extension of the development period under the land concession contract for Studio City Land to July 24, 2021. As of December 31, 2017, the Group's total commitment for government land use fees for Studio City Land to be paid during the remaining term of the land concession contract which expires in October 2026 was $9,203.

(d) Guarantee

Except as disclosed in Note 7, the Group has made the following significant guarantee as of December 31, 2017:

Trade Credit Facility

In October 2013, one of the Company's subsidiaries entered into a trade credit facility agreement of HK$200,000,000 (equivalent to $25,707) ("Trade Credit Facility") with a bank to meet certain payment

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

obligations of the Studio City project. The Trade Credit Facility matured on August 31, 2017, was further extended to August 31, 2019, and is guaranteed by Studio City Company. As of December 31, 2017, approximately $643 of the Trade Credit Facility had been utilized.

(e) Litigation

As of December 31, 2017, the Group is a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcome of such proceedings would have no material impact on the Group's consolidated financial statements as a whole.

14. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2017, 2016 and 2015, the Group entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2017	2016	2015
Transactions with affiliated companies				
Melco and its subsidiaries	**Revenues (services provided by the Group):**			
	Provision of gaming related services	$295,638	$151,597	$21,427
	Rooms and food and beverage(1)	82,862	71,688	8,876
	Services fee(2)	39,971	51,842	7,968
	Entertainment and other(1)	1,328	5,465	546
	Costs and expenses (services provided to the Group):			
	Staff costs recharges(3)	98,622	111,327	74,130
	Corporate services(4)	33,453	34,131	5,567
	Pre-opening costs and other services	11,043	13,188	37,338
	Staff and related costs capitalized in construction in progress	1,504	3,183	15,577
	Purchase of goods and services	312	303	1,601
	Advertising and promotional expense	—	—	12,729
	Sale and purchase of assets:			
	Transfer-in of other long-term assets(5)	2,584	11,150	74,902
	Purchase of property and equipment(6)	282	457	4,272
	Sale of property and equipment and other long-term assets	1,667	7,752	22,898
A subsidiary of MECOM Power and Construction Limited ("MECOM")(7)	**Costs and expenses (services provided to the Group):**			
	Consultancy fee	568	—	—
	Purchase of assets:			
	Renovation works performed and recognized as property and equipment	5,101	—	—

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

Notes

(1) These revenues primarily represented the retail values of the complimentary services (including rooms, food and beverage and entertainment services) provided to Studio City Casino's gaming patrons and charged to Melco Resorts Macau.
(2) Services provided by the Group to Melco and its subsidiaries mainly include, but are not limited to, certain shared administrative services and shuttle bus transportation services provided to Studio City Casino.
(3) Staff costs are recharged by Melco and its subsidiaries for staff who are solely dedicated to Studio City to carry out activities, including food and beverage management, retail management, hotel management, entertainment projects, mall development and sales and marketing activities and staff costs for certain shared administrative services.
(4) Corporate services are provided to the Group by Melco and its subsidiaries. These services include, but are not limited to, general corporate services and senior executive management services for operational purposes.
(5) During the year ended December 31, 2015, the future economic benefits of the Studio City Gaming Assets recognized as other long-term assets with aggregate carrying amounts of $67,162 were transferred from an affiliated company to the Group at a total consideration of $74,902. A loss on transfer of other long-term assets of $7,740, representing the cash paid in excess of the other long-term assets carrying value, was recognized during the year ended December 31, 2015 as additional paid-in capital.
(6) During the years ended December 31, 2016 and 2015, certain property and equipment with aggregate carrying amounts of nil and $35, respectively, were purchased from an affiliated company at a total consideration of $139 and $877, respectively, and the Group recognized a loss on purchase of property and equipment of $139 and $842, respectively, as additional paid-in capital.
(7) A company in which Mr. Lawrence Yau Lung Ho, Melco's Chief Executive Officer, has shareholding of approximately 20% in MECOM.

(a) Amounts Due from Affiliated Companies

	December 31,	
	2017	2016
Melco's subsidiaries	$37,826	$1,576
Others	—	2
	$37,826	$1,578

The outstanding balances due from affiliated companies as of December 31, 2017 and 2016 as mentioned above, mainly arising from operating income or prepayment of operating expenses, are unsecured, non-interest bearing and repayable on demand.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(In thousands of U.S. dollars, except share and per share data)

(b) Amounts Due to Affiliated Companies

	December 31,	
	2017	2016
Melco and its subsidiaries	$17,168	$33,213
A subsidiary of MECOM	2,302	—
A subsidiary of Crown	—	76
Others	38	173
	$19,508	$33,462

The outstanding balances due to affiliated companies as of December 31, 2017 and 2016 as mentioned above, mainly arising from renovation works performed and operating expenses, are unsecured, non-interest bearing and repayable on demand.

15. SEGMENT INFORMATION

The Group's principal operating activities are engaged in the hospitality business and provision of gaming related services in Macau. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Studio City as one operating segment. Accordingly, the Group does not present separate segment information. As of December 31, 2017 and 2016, the Group operated in one geographical area, Macau, where it derives its revenue and its long-lived assets are located.

16. SUBSEQUENT EVENT

In preparing the consolidated financial statements, the Group has evaluated events and transactions for potential recognition and disclosure through July 17, 2018, the date the consolidated financial statements were available to be issued.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION—FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 14	$ 5,405
Bank deposit with original maturity over three months	5,000	—
Restricted cash	21,703	21,639
Amounts due from subsidiaries	129	112
Prepaid expenses and other current assets	24	—
Total current assets	26,870	27,156
INVESTMENTS IN SUBSIDIARIES	491,284	567,432
LOAN TO A SUBSIDIARY	225,000	225,000
OTHER LONG-TERM ASSETS	4,270	—
TOTAL ASSETS	$ 747,424	$ 819,588
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses and other current liabilities	$ 4,302	$ 61
Amounts due to affiliated companies	70	83
Amounts due to subsidiaries	3,009	2,964
Total current liabilities	7,381	3,108
SHAREHOLDERS' EQUITY		
Ordinary shares, par value $1; 200,000 shares authorized; 18,127.94 shares issued and outstanding	18	18
Additional paid-in capital	1,512,705	1,512,705
Accumulated other comprehensive income	488	488
Accumulated losses	(773,168)	(696,731)
Total shareholders' equity	740,043	816,480
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 747,424	$ 819,588

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION—FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2017	2016	2015
REVENUE	$ —	$ —	$ —
OPERATING COSTS AND EXPENSES			
General and administrative	(412)	(174)	(659)
Pre-opening costs	—	—	(1,216)
Property charges and other	—	(852)	(1,120)
Total operating costs and expenses	(412)	(1,026)	(2,995)
OPERATING LOSS	(412)	(1,026)	(2,995)
NON-OPERATING INCOME (EXPENSES)			
Interest income	129	17	2,362
Foreign exchange gains, net	—	—	7
Share of results of subsidiaries	(76,154)	(241,780)	(231,934)
Total non-operating expenses, net	(76,025)	(241,763)	(229,565)
LOSS BEFORE INCOME TAX	(76,437)	(242,789)	(232,560)
INCOME TAX EXPENSE	—	—	—
NET LOSS	$(76,437)	$(242,789)	$(232,560)

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION—FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2017	2016	2015
Net loss	$(76,437)	$(242,789)	$(232,560)
Other comprehensive income (loss):			
Changes in fair values of interest rate swap agreements, before and after tax	—	61	(42)
Other comprehensive income (loss)	—	61	(42)
Total comprehensive loss	$(76,437)	$(242,728)	$(232,602)

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION—FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in) provided by operating activities	$ (321)	$ (1,142)	$ 6,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of bank deposit with original maturity over three months	(5,000)	—	—
Advances to subsidiaries	(6)	(2,088)	(4,294)
Loan to a subsidiary	—	—	(225,000)
Net cash used in investing activities	(5,006)	(2,088)	(229,294)
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(5,327)	(3,230)	(222,740)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	27,044	30,274	253,014
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$21,717	$27,044	$ 30,274

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO THE CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
Cash and cash equivalents	$ 14	$ 5,405
Restricted cash	21,703	21,639
Total cash, cash equivalents and restricted cash	$21,717	$27,044

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

ADDITIONAL INFORMATION—FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO CONDENSED FINANCIAL STATEMENT SCHEDULE 1
(In thousands of U.S. dollars, except share and per share data)

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 end of the most recently completed fiscal year. As of December 31, 2017, approximately $761,000 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, 2017, 2016 and 2015. The Company did not receive any cash dividend from its subsidiary during the years ended December 31, 2017, 2016 and 2015.

2. Basis of Presentation

   The condensed financial information has been prepared using the same accounting policies as set out in the Company’s consolidated financial statements except that the parent company has used equity method to account for its investments in subsidiaries.

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Under our post-IPO memorandum and articles of association, which will become effective immediately upon the completion of this offering, to the fullest extent permissible under Cayman Islands law, every director and officer of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, other than by reason of such person's own dishonesty, willful default or fraud, in connection with the execution or discharge of his duties, powers, authorities or discretions as a director or officer of our company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the form of indemnification agreements filed as Exhibit 10.1 to this Registration Statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses that they incur in connection with claims made by reason of their being a director or an executive officer of our company.

The Underwriting Agreement, the form of which is filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

Set forth below is information regarding securities sold by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such securities and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

Prior to the completion of this offering, as part of the Organizational Transactions, all of our ordinary shares issued and outstanding will be reclassified into SC Class A Shares. In addition, the Registrant will issue [72,511,760] shares of SC Class B Shares to New Cotai in exchange for such SC Class A Shares held by New Cotai after the reclassification.

We believe such share reclassification, and issuance and exchange are exempt from registration pursuant to Section 4(2) of the Securities Act, regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions.

Pursuant to Practice Note 15 under the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited, in connection with this offering, Melco International intends to make available to its shareholders an "assured entitlement" to a certain portion of our ordinary shares. As our ordinary shares are not expected to be listed on any stock exchange, Melco International intends to effect the Assured Entitlement Distribution by providing to its shareholders a "distribution in specie," or distribution of our ADSs in kind. The distribution will be made without any consideration being paid by Melco International's shareholders.

Concurrently with this offering as a separate transaction, Melco International intends to purchase from us new SC Class A Shares needed for the distribution in specie at the public offering price per SC Class A Share, which is the public offering price per ADS divided by the number of SC Class A Shares represented by one ADS. Melco International currently intends to provide an assured entitlement with an aggregate value of approximately US$[●] million. The Assured Entitlement Distribution will only be made if this offering is completed and does not involve an underwriter. The purchase of SC Class A Shares and distribution in specie of ADSs by Melco International are not part of this offering.

We believe that the Assured Entitlement Distribution described above is exempt from registration pursuant to Section 4(2) of the Securities Act, regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions.

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index for a complete list of all exhibits filed as part of this registration, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Combined and Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED
EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Amended and Restated Memorandum and Articles of Association of the Registrant, as effective upon the completion of this offering
3.3	Form of Memorandum and Articles of Association of MSC Cotai Limited, as effective upon the completion of this offering
4.1*	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement between the Registrant, the depositary and owners and holders of the ADSs
4.4**	Indenture dated November 26, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited from time to time as parties thereto, DB Trustees (Hong Kong) Limited, as trustee and collateral agent, Deutsche Bank Trust Company Americas, as principal paying agent, U.S. registrar and transfer agent, and Deutsche Bank Luxembourg S.A., as European registrar
4.5**	Indenture relating to 5.875% senior secured notes due 2019 and dated November 30, 2016, among Studio City Company Limited as issuer, Studio City Investments Limited, as parent guarantor, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee
4.6**	Supplemental Indenture relating to 5.875% senior secured notes due 2019 and dated November 30, 2016, 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 trustee
4.7**	Indenture relating to 7.250% senior secured notes due 2021 and dated November 30, 2016, among Studio City Company Limited, as issuer, Studio City Investments Limited, as parent guarantor, the subsidiary guarantors parties thereto, and Deutsche Bank Trust Company Americas, as trustee
4.8**	Supplemental Indenture relating to 7.250% senior secured notes due 2021 and dated November 30, 2016, 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
4.9**	Amended and Restated Credit Agreement relating to HK$233 million revolving credit facility and HK$1 million term loan facility dated November 23, 2016, among Studio City Company Limited and certain of its subsidiaries and affiliates with Bank of China Limited, Macau Branch, among others
4.10**	Intercreditor Agreement dated December 1, 2016, among Studio City Company Limited, the guarantors of the 5.875% senior secured notes due 2019 and 7.250% senior secured notes due 2021, 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
4.11**	Shareholders' Agreement dated July 27, 2011, among the Registrant, Melco Resorts & Entertainment Limited, MCE Cotai Investments Limited and New Cotai LLC
4.12**	Amendment No. 1 to the Shareholders' Agreement dated September 25, 2012, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant
4.13**	Amendment No. 2 to the Shareholders' Agreement dated May 17, 2013, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant

Exhibit Number	Description of Document
4.14**	Amendment No. 3 to the Shareholders' Agreement dated June 3, 2014, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant
4.15**	Amendment No. 4 to the Shareholders' Agreement dated July 21, 2014, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant
4.16	Form of Amended and Restated Shareholders' Agreement, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant
5.1*	Opinion of Walkers regarding the validity of the SC Class A Shares being registered
8.1*	Opinion of Walkers regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
10.1*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers
10.2**	Form of Employment Agreement with the Executive Officers of the Registrant
10.3**	English Translation of subconcession contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region dated September 8, 2006, between Wynn Resorts (Macau) S.A. and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited
10.4**	Registration Rights Agreement dated July 27, 2011, between New Cotai, LLC and the Registrant
10.5*	Form of Amended and Restated Registration Rights Agreement, between New Cotai, LLC and the Registrant
10.6*	Form of Subscription Agreement between Melco International Development Limited and the Registrant
10.7**†	Services and Right to Use Agreement dated May 11, 2007, as amended, between Studio City Entertainment Limited and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited
10.8**	Reimbursement Agreement dated June 15, 2012, between Studio City Entertainment Limited and Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited;
10.9**†	Services and Right to Use Direct Agreement dated November 26, 2013, among Studio City Company Limited as borrower, Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited, Studio City Holdings Five Limited, Industrial and Commercial Bank of China (Macau) Limited as security agent and POA agent and Deutsche Bank AG, Hong Kong Branch as agent, among others
10.10**	Master Services Agreement dated December 21, 2015, among Studio City Entertainment Limited, Melco Resorts (Macau) Limited, which was formerly known as Melco Crown (Macau) Limited, and other subsidiaries and affiliates of the Registrant
10.11**	Work Agreement No. 1 dated December 21, 2015, related to sale and purchase of certain property, plant and equipment and inventory and supplies among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.12**†	Work Agreement No. 2 dated December 21, 2015, related to corporate services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.13**	Work Agreement No. 3 dated December 21, 2015, related to certain pay-as-used charges among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.14**	Work Agreement No. 4 dated December 21, 2015, related to operational and property sharing services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.15**	Work Agreement No. 5 dated December 21, 2015, related to limousine transportation services among Studio City Hotels Limited and other subsidiaries and affiliates of the Registrant

Exhibit Number	Description of Document
10.16**	Work Agreement No. 6 dated December 21, 2015, related to aviation services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.17**	Work Agreement No. 7 dated December 21, 2015, related to collection and payment services among Studio City Entertainment Limited and other subsidiaries and affiliates of the Registrant
10.18**	Work Agreement No. 8 dated December 21, 2015, related to limousine transportation services among Studio City Hotels Limited and other subsidiaries and affiliates of the Registrant
10.19**	English Translation of the Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 100/2001 dated October 9, 2001, in relation to the Studio City Land Concession
10.20**	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 31/2012 dated July 19, 2012, in relation to the Studio City Land Concession
10.21**	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 92/2015 dated September 10, 2015, in relation to the Studio City Land Concession
10.22	Form of Participation Agreement among MSC Cotai Limited, New Cotai, LLC and the Registrant
10.23	Form of Implementation Agreement, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Resorts & Entertainment Limited and the Registrant
21.1	Principal Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young, Independent Registered Public Accounting Firm
23.2*	Consent of Walkers (included in Exhibit 5.1)
24.1*	Powers of Attorney (included on signature page)
99.1*	Code of Business Conduct and Ethics of the Registrant
99.2**	Letter from Deloitte Touche Tohmatsu regarding the change in independent registered public accounting firm

* To be filed by amendment.
** Previously filed.
† Confidential treatment is being requested with respect to portions of these exhibits that have been redacted pursuant to Rule 406 under the Securities Act of 1933, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Macau, China, on , 2018.

Studio City International Holdings Limited

By: _____
Name: Geoffry Philip Andres
Title: Property President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of and as an attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended, or the Securities Act, and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant, or the Shares, including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1, or the Registration Statement, to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Name: Geoffry Philip Andres	Property President (principal executive officer)	
_____ Name: Lawrence Yau Lung Ho	Director	
_____ Name: Evan Andrew Winkler	Director	
_____ Name: David Anthony Reganato	Director	
_____ Name: Timothy Green Nauss	Property Chief Financial Officer (principal financial and accounting officer)	

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Studio City International Holdings Limited, has signed this registration statement or amendment thereto in New York on , 2018.

Authorized U.S. Representative

[Cogency Global Inc.

By: _____
Name: Colleen A. De Vries
Title: Senior Vice President]

Exhibit 3.1

BC NO: 399970

TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

Memorandum of Association

and

Articles of Association

of

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

Incorporated on 2 August 2000

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT 2004

MEMORANDUM OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

A COMPANY LIMITED BY SHARES

1. DEFINITIONS AND INTERPRETATION

1.1. In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

"**Act**" means the BVI Business Companies Act (No. 16 of 2004) and includes the regulations made under the Act;

"**Articles**" means the attached Articles of Association of the Company;

"**Chairman of the Board**" has the meaning specified in Regulation 13;

"**Distribution**" in relation to a distribution by the Company means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder in relation to Shares held by a Shareholder, and whether by means of a purchase of an asset, the redemption or other acquisition of Shares, a distribution of indebtedness or otherwise, and includes a dividend;

"**Eligible Person**" means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

"**Memorandum**" means this Memorandum of Association of the Company;

"**Resolution of Directors**" means either:

(a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or

(b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;

"**Resolution of Shareholders**" means either:

(a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(b) a resolution consented to in writing by a majority of the votes of Shares entitled to vote thereon;

"**Seal**" means any seal which has been duly adopted as the common seal of the Company;

"**Share**" means a share issued or to be issued by the Company;

"**Shareholder**" means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;

"**Shareholders Agreement**" means the shareholders agreement attached as Schedule 1, dated on or around 27 July 2011 between MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and the Company, as amended from time to time in accordance with the terms thereof;

"**Treasury Share**" means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

"**written**" or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and "**in writing**" shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

(a) a "**Regulation**" is a reference to a regulation of the Articles;

(b) a "**Clause**" is a reference to a clause of the Memorandum;

(c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;

(d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended; and

(e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and Articles.

2. NAME

The name of the Company is **STUDIO CITY INTERNATIONAL HOLDINGS LIMITED**.

3. RE-REGISTRATION

The Company was first incorporated on 2 August 2000 under the International Business Companies Act, 1984 and was automatically re-registered under the Act on 1 January 2007. Immediately before its re-registration under the Act, it was governed by the International Business Companies Act, 1984.

4. STATUS

The Company is a company limited by shares.

5. REGISTERED OFFICE AND REGISTERED AGENT

5.1. The first registered office of the Company is at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.

5.2. The first registered agent of the Company is Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

5.3. At the date of filing the notice of election to disapply Part IV of Schedule 2 of the Act the registered office of the Company was situated at the office of the registered agent, Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

6. CAPACITY AND POWERS

6.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for the purposes of paragraph (a), full rights, powers and privileges.

6.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

7. NUMBER AND CLASSES OF SHARES

7.1. The Company is authorised to issue a maximum of 200,000 Shares of par value USD1.00 each.

7.2. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.

7.3. Shares shall be issued in the currency of the United States of America.

8. DESIGNATIONS, POWERS, PREFERENCES, ETC. OF SHARES

8.1. Each Share in the Company confers upon the Shareholder:

(a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;

(b) the right to an equal share in any dividend paid by the Company; and

(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

8.2. The directors may at their discretion by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

9. VARIATION OF RIGHTS

The rights attached to Shares as specified in Clause 8 may only, whether or not the Company is being wound up, be varied with the consent in writing of or by a resolution passed at a meeting by the holders of more than 50 per cent of the issued Shares of that class.

10. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

11. REGISTERED SHARES

11.1. The Company shall issue registered shares only.

11.2. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

12. TRANSFER OF SHARES

12.1. The Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 7.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

12.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

13. AMENDMENT OF MEMORANDUM AND ARTICLES

Subject to Clause 9, the Company may amend its Memorandum or Articles by a Resolution of Shareholders or by a Resolution of Directors, save that no amendment may be made by a Resolution of Directors:

(a) to restrict the rights or powers of the Shareholders to amend the Memorandum or Articles;

(b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or Articles;

(c) in circumstances where the Memorandum or Articles cannot be amended by the Shareholders; or

(d) to Clauses 8, 9 or 10 or this Clause 13.

Notwithstanding the foregoing no amendment may be made to the Memorandum or Articles without the approval of each Minority Shareholder (as defined in the Shareholders Agreement) holding 20% or more of the Shares on issue.

14. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT

14.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Memorandum, and for the avoidance of doubt and without limiting the generality of this clause 14.1:

(a) notwithstanding anything contained in the Memorandum, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and

(b) nothing contained in the Memorandum prevents an act being done that the Shareholders Agreement requires to be done.

14.2. To the extent not prohibited by the Act if any provision of the Memorandum is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 3rd day of July 2007 .

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

Authorised Signatory

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT 2004

ARTICLES OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

A COMPANY LIMITED BY SHARES

1. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT

1.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Articles and, for the avoidance of doubt and without limiting the generality of this Regulation 1:

(a) notwithstanding anything contained in these Articles, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and

(b) nothing contained in these Articles prevents an act being done that the Shareholders Agreement requires to be done.

1.2. To the extent not prohibited by the Act if any provision of these Articles is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

2. REGISTERED SHARES

2.1. Every Shareholder is entitled to a certificate signed by a director of the Company or under the Seal specifying the number of Shares held by him and the signature of the director and the Seal may be facsimiles.

2.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a Resolution of Directors.

2.3. If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

3. SHARES

3.1. Shares may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.

3.2. Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.

3.3. A Share may be issued for consideration in any form, including money, a promissory note, real property, personal property (including goodwill and know-how) or a contract for future services.

3.4. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:

(a) the amount to be credited for the issue of the Shares;

(b) their determination of the reasonable present cash value of the non-money consideration for the issue; and

(c) that, in their opinion, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.

3.5. The Company shall keep a register (the "**register of members**") containing:

(a) the names and addresses of the Eligible Persons who hold Shares;

(b) the number of each class and series of Shares held by each Shareholder;

(c) the date on which the name of each Shareholder was entered in the register of members; and

(d) the date on which any Eligible Person ceased to be a Shareholder.

3.6. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.

3.7. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

4. REDEMPTION OF SHARES AND TREASURY SHARES

4.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.

4.2. The Company may only offer to acquire Shares if at the relevant time the directors determine by Resolution of Directors that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

4.3. Sections 60 (*Process for acquisition of own shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.

4.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.

4.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

4.6. Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and Articles) as the Company may by Resolution of Directors determine.

4.7. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, shares having more than 50 per cent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

5. MORTGAGES AND CHARGES OF SHARES

5.1. Shareholders may mortgage or charge their Shares.

5.2. There shall be entered in the register of members at the written request of the Shareholder:

(a) a statement that the Shares held by him are mortgaged or charged;

(b) the name of the mortgagee or chargee; and

(c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.

5.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

(a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or

(b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

5.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

(a) no transfer of any Share the subject of those particulars shall be effected;

(b) the Company may not purchase, redeem or otherwise acquire any such Share; and

(c) no replacement certificate shall be issued in respect of such Shares,

without the written consent of the named mortgagee or chargee.

6. FORFEITURE

6.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note or a contract for future services are deemed to be not fully paid.

6.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

6.3. The written notice of call referred to in Sub-Regulation 6.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

6.4. Where a written notice of call has been issued pursuant to Sub-Regulation 6.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

6.5. The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 6.4 and that Shareholder shall be discharged from any further obligation to the Company.

7. TRANSFER OF SHARES

7.1. Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company at the office of its registered agent for registration.

7.2. The transfer of a Share is effective when the name of the transferee is entered on the register of members.

7.3. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:

(a) to accept such evidence of the transfer of Shares as they consider appropriate; and

(b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

7.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

8. MEETINGS AND CONSENTS OF SHAREHOLDERS

8.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.

8.2. Upon the written request of Shareholders entitled to exercise 30 per cent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.

8.3. The director convening a meeting shall give not less than seven days' notice of a meeting of Shareholders to:

(a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and

(b) the other directors.

8.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.

8.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.

8.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.

8.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

8.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

8.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

[Name of Company]

I/We being a Shareholder of the above Company HEREBY APPOINT of or failing him of to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the day of , 20 and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of , 20

Shareholder

8.10. The following applies where Shares are jointly owned:

(a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

8.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.

8.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 per cent of the votes of the Shares or class or series of Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders

8.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

8.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.

8.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

8.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

8.17. Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Eligible Person which he represents as that Eligible Person could exercise if it were an individual.

8.18. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.

8.19. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.

8.20. An action that may be taken by the Shareholders at a meeting may also be taken by a Resolution of Shareholders consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Eligible Persons holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

9. DIRECTORS

9.1. The first directors of the Company shall be appointed by the first registered agent within six months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors for such term as the Shareholders or directors determine.

9.2. No person shall be appointed as a director of the Company unless he has consented in writing to act as a director.

9.3. The minimum number of directors shall be one and the maximum number shall be five.

9.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.

9.5. A director may be removed from office only in accordance with the Shareholders Agreement.

9.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company at the office of its registered agent or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.

9.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.

9.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.

9.9. The Company shall keep a register of directors containing:

(a) the names and addresses of the persons who are directors of the Company;

(b) the date on which each person whose name is entered in the register was appointed as a director of the Company;

(c) the date on which each person named as a director ceased to be a director of the Company; and

(d) such other information as may be prescribed by the Act.

9.10. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.

9.11. The directors may, by a Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

9.12. A director is not required to hold a Share as a qualification to office.

10. POWERS OF DIRECTORS

10.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.

10.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.

10.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.

10.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.

10.5. The continuing directors may act notwithstanding any vacancy in their body.

10.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.

10.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

10.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

11. PROCEEDINGS OF DIRECTORS

11.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.

11.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.

11.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

11.4. A director shall be given not less than three days' notice of meetings of directors, but a meeting of directors held without three days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

11.5. A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote or consent in place of the director until the appointment lapses or is terminated.

11.6. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only two directors in which case the quorum is two.

11.7. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

11.8. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.

11.9. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

12. COMMITTEES

12.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.

12.2. The directors have no power to delegate to a committee of directors any of the following powers:

(a) to amend the Memorandum or the Articles;

(b) to designate committees of directors;

(c) to delegate powers to a committee of directors;

(d) to appoint directors;

(e) to appoint an agent;

(f) to approve a plan of merger, consolidation or arrangement; or

(g) to make a declaration of solvency or to approve a liquidation plan.

12.3. Sub-Regulation 12.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.

12.4. The meetings and proceedings of each committee of directors consisting of two or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

12.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

13. OFFICERS AND AGENTS

13.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.

13.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

13.3. The emoluments of all officers shall be fixed by Resolution of Directors.

13.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.

13.5. The directors may, by a Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the matters specified in Sub-Regulation 12.2. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

14. CONFLICT OF INTERESTS

14.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

14.2. For the purposes of Sub-Regulation 14.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

14.3. Provided that the Board of directors of the Company has given prior authorisation by way of a Resolution of Directors (for which purposes the interested director shall not be able to vote), a director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

(a) vote on a matter relating to the transaction;

(b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and

(c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

15. INDEMNIFICATION

15.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or

(b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

15.2. The indemnity in Sub-Regulation 15.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

15.3. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

15.4. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

15.5. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

16. RECORDS

16.1. The Company shall keep the following documents at the office of its registered agent:

(a) the Memorandum and the Articles;

(b) the register of members, or a copy of the register of members;

(c) the register of directors, or a copy of the register of directors; and

(d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.

16.2. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:

(a) within 15 days of any change in either register, notify the registered agent in writing of the change; and

(b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.

16.3. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:

(a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;

(b) minutes of meetings and Resolutions of Directors and committees of directors; and

(c) an impression of the Seal, if any.

16.4. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

16.5. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (No. 5 of 2001).

17. REGISTERS OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

(a) the date of creation of the charge;

(b) a short description of the liability secured by the charge;

(c) a short description of the property charged;

(d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;

(e) unless the charge is a security to bearer, the name and address of the holder of the charge; and

(f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

18. SEAL

The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

19. DISTRIBUTIONS BY WAY OF DIVIDEND

19.1. The directors of the Company may, by Resolution of Directors, authorise a distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

19.2. Dividends may be paid in money, shares, or other property.

19.3. Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 21.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

19.4. No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

20. ACCOUNTS AND AUDIT

20.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.

20.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.

20.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.

20.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by a Resolution of Shareholders.

20.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.

20.6. The remuneration of the auditors of the Company:

(a) in the case of auditors appointed by the directors, may be fixed by Resolution of Directors; and

(b) subject to the foregoing, shall be fixed by Resolution of Shareholders or in such manner as the Company may by Resolution of Shareholders determine.

20.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and

(b) all the information and explanations required by the auditors have been obtained.

20.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.

20.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

20.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

21. NOTICES

21.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.

21.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.

21.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

22. VOLUNTARY WINDING UP AND DISSOLUTION

The Company may by a Resolution of Shareholders or by a Resolution of Directors appoint a voluntary liquidator.

23. CONTINUATION

The Company may by Resolution of Shareholders or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 3rd day of July 2007.

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

Authorised Signatory

THE COMPANIES LAW (2018 REVISION) (AS AMENDED)
OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

(adopted by a Special Resolution dated [Date] 2018 upon the continuation of Studio City International Holdings Limited from the British Virgin Islands to the Cayman Islands)

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OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

(adopted by a Special Resolution dated [Date] 2018 upon the continuation of Studio City International Holdings Limited from the British Virgin Islands to the Cayman Islands)

1. The name of the company is **Studio City International Holdings Limited** (the "**Company**").

2. The registered office of the Company will be situated at the offices of **[●]** or at such other location as the Directors may from time to time determine.

3. The Company was first incorporated on 2 August 2000 under the name of Cyber One Agents Limited in the British Virgin Islands. The Company registered by way of continuation as an exempted company limited by shares under the Companies Law (2018 Revision) (as amended) of the Cayman Islands (the "**Law**") on [●] 2018.

4. The objects for which the Company is 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 Law.

5. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Law.

6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

7. The liability of the members of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

8. The authorised share capital of the Company is US$200,000 divided into 2,000,000,000 shares comprising of (i) 1,927,488,240 Class A Ordinary Shares of a par value of US$0.0001 each and (ii) 72,511,760 Class B Ordinary Shares of a par value of US$0.0001 each; provided always that subject to the provisions of the Law and the Articles, the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

9. The Company may exercise the power contained in Section 206 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

THE COMPANIES LAW (2018 REVISION) (AS AMENDED)
OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

(adopted by a Special Resolution dated [Date] 2018 upon the continuation of the Company from the British Virgin Islands to the Cayman Islands)

TABLE A

The Regulations contained or incorporated in Table "A" in the First Schedule of the Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company:

INTERPRETATION

1. In these Articles, the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**ADS**" means an American Depositary Share, each representing [●] Class A Ordinary Shares;

"**Affiliate"** means a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, a specified Person. For the purpose of the definition of Affiliate, "control", "controlled by" and "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting shares, by agreement, contract or otherwise;

"**Affiliated Companies**" means those partnerships, corporations, limited liability companies, trusts or other entities that are Affiliates of the Company, including, without limitation, subsidiaries, holding companies and intermediary companies (as those and similar terms are defined in the Gaming Laws of the applicable Gaming Jurisdictions) that are registered or licensed under applicable Gaming Laws;

"**Applicable Law**" means any law or legal or regulatory compliance requirement, including at common law, in equity, under any statute, regulation or by-law and any decision, directive, guidance, guideline or requirement of any Governmental Agency or the relevant stock exchange;

"**Articles**" means these articles of association of the Company as amended or substituted from time to time;

"**Branch Register**" means any branch Register of such category or categories of Members as the Company may from time to time determine;

"**capital**" means the share capital from time to time of the Company;

"**Class A Ordinary Shares**" means the Class A Ordinary Shares of a par value of US$0.0001 per share in the capital of the Company, having the rights provided for in these Articles;

"**Class B Ordinary Shares**" means Class B Ordinary Shares of a par value of US$0.0001 per share in the capital of the Company, having the rights provided for in these Articles;

"**clear days**" means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"**clearing house**" means a clearing house or central depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;

"**Commission**" means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;

"**Company**" means Studio City International Holdings Limited, a Cayman Islands exempted company;

"**Company Subsidiary**" means any company which is or becomes a Subsidiary of the Company from time to time;

"**Company's Website**" means the website of the Company;

"**Directors**" and "**Board of Directors**" and "**Board**" means the Directors of the Company for the time being, or as the case may be, the Directors assembled as a Board or as a committee thereof;

"**electronic**" shall have the meaning given to it in the Electronic Transactions Law (2003 Revision) of the Cayman Islands;

"**electronic communication**" means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;

"**Equity Securities**" means, with respect to any Person, equity securities or any securities convertible into or exchangeable or exercisable for any equity securities of such Person;

"**Gaming Activities**" mean the conduct of gaming and gambling activities by the Company or its Affiliated Companies, or the use of gaming devices, equipment and supplies in the operation of a casino or other enterprise by the Company or its Affiliated Companies;

"**Gaming Authority**" means any regulatory and licensing body or agency with authority over gaming including, but not limited to, the conduct of Gaming Activities, to whose jurisdiction the Company, its Subsidiaries or Affiliates are subject;

"**Gaming Jurisdiction**" means all jurisdictions, including their political subdivisions, in which Gaming Activities are lawfully conducted;

"**Gaming Laws**" means all laws, statutes, ordinances and regulations pursuant to which any Gaming Authority possesses regulatory and licensing authority over Gaming Activities within any Gaming Jurisdiction, and all orders, decrees, rules and regulations promulgated by such Gaming Authority thereunder;

"**Gaming License**" means all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises, concessions, subconcessions, entitlements or other authorizations issued by a Gaming Authority necessary for or relating to the conduct of Gaming Activities;

"**Governmental Agency**" means:

(a) a government, whether foreign, federal, state, territorial or local;

(b) a department, office, or minister of a government acting in that capacity; or

(c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary, regulatory, fiscal or tax authority, whether statutory or not;

"**Group**" means the Company and the Company Subsidiaries from time to time and the expression **Group Company** means any one of them;

"**Independent Director**" means a Director who is an independent director as defined in the NYSE Rules as amended from time to time;

"**Initial Shareholders Agreement**" means the Shareholders Agreement dated July 27, 2011, as subsequently amended on September 25, 2012, May 17, 2013, June 3, 2014 and July 21, 2014, between MCE Cotai Investments Limited, an exempted company incorporated in the Cayman Islands, New Cotai, Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), an exempted company incorporated in the Cayman Islands, and the Company (formerly known as CYBER ONE AGENTS LIMITED). For the avoidance of doubt, the Initial Shareholders Agreement shall not include any other amendments, restatements or amended and restated agreement thereto;

"**Law**" means the Companies Law (2018 Revision) of the Cayman Islands;

"**Melco Members**" means, collectively, Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), an exempted company incorporated in the Cayman Islands, and all Members who are Affiliates of Melco Resorts & Entertainment Limited;

"**Melco Original Share Amount**" means the number of Securities held by the Melco Members immediately following completion of an initial underwritten public offering of the Company's Equity Securities, or American depositary shares representing the Company's Equity Securities, as adjusted for any split, subdivision, reverse split, consolidation, dividend or distribution in respect of Securities, including any Adjustment Event (as defined in the Participation Agreement).

"**Member**" means a person who is registered as the holder of shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber;

"**Memorandum of Association**" means the Memorandum of Association of the Company, as amended and restated from time to time;

"**Memorandum and Articles of Association**" means collectively the Memorandum of Association and the Articles;

"**month**" means a calendar month;

"**NYSE**" means the New York Stock Exchange in the United States;

"**NYSE Rules**" means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any shares or ADSs on NYSE, including without limitation, the NYSE Rules;

"**Newco**" means MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands;

"**New Cotai**" means New Cotai, LLC, a limited liability company formed in Delaware, United States of America;

"**New Cotai Original Share Amount**" means the number of Securities held by New Cotai immediately following the completion of an initial underwritten public offering of the Company's Equity Securities, or American depositary shares representing the Company's Equity Securities, as adjusted for any split, subdivision, reverse split, consolidation, dividend or distribution in respect of such Securities, including any Adjustment Event (as defined in the Participation Agreement).

"**Observer**" means an observer appointed to the Board in accordance with Article 100;

"**Office**" means the registered office of the Company as required by the Law;

"**Officer**" means the officers of the Company for the time appointed pursuant to Article 163 and Article 164;

"**Ordinary Resolution**" means a resolution:

(a) passed by a simple majority of such Members as, being entitled to do so, vote in person or, in the case of such Members being corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company of which notice has been duly given in accordance with these Articles and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled; or

(b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;

"**Own**", "**Ownership**" or "**Control**" mean ownership of record, beneficial ownership or the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or the disposition of shares, by agreement, contract, agency or other manner;

"**paid up**" means paid up as to the par value in respect of the issue of any shares and includes credited as paid up;

"**Participation Agreement**" means the participation agreement dated [●] between New Cotai, LLC, Newco and the Company, as the same may be amended from time to time;

"**Participation Interest**" means the participation interest right in Newco provided by the Participation Agreement;

"**Person**" or "**person**" means an individual, partnership, corporation, limited liability company, trust or any other entity;

"**Principal Register**", where the Company has established one or more Branch Registers pursuant to the Law and these Articles, means the Register maintained by the Company pursuant to the Law and these Articles that is not designated by the Directors as a Branch Register;

"**Redemption Date**" means the date, as reasonably determined by the Company, on which the relevant Gaming Authority requires that the shares Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person be redeemed by the Company;

"**Redemption Notice**" means that notice of redemption given by the Company to an Unsuitable Person or an Affiliate of an Unsuitable Person pursuant to Article 187. Each Redemption Notice shall set forth (i) the Redemption Date, (ii) the number and type of shares to be redeemed, (iii) the Redemption Price and the manner of payment therefor, (iv) the place where any certificates, if any, for such shares shall be surrendered against payment of the Redemption Price, and (v) any other requirements for the valid surrender of the certificates;

"**Redemption Price**" means the price to be paid by the Company for the shares to be redeemed pursuant to Article 187, which shall be that price (if any) required to be paid by the Gaming Authority making the finding of Unsuitability, or if such Gaming Authority does not require a certain price to be paid, that amount determined by the Board of Directors to be the fair value of the shares to be redeemed; *provided*, *however*, that the price per share represented by the Redemption Price shall in no event be less than (i) the VWAP per Class A Ordinary Share over the twenty (20) consecutive Trading Day period ending on the Trading Day immediately preceding the date of the Redemption Notice or (ii) if the VWAP is not available, then the market value per share of Class A Ordinary Shares as determined in good faith and in the reasonable discretion of the Board of Directors. The Redemption Price shall be paid in cash, by promissory note, or both, as required by the applicable Gaming Authority and, if not so required, as the Board of Directors otherwise determines. Any promissory note shall contain such terms and conditions permitted by the applicable Gaming Authority as the Board of Directors reasonably determines to be necessary or advisable, including without limitation, subordination provisions, to comply with any law or regulation then applicable to the Company or any Affiliate of the Company or to prevent a default under, breach of, event of default under or acceleration of any loan, promissory note, mortgage, indenture, line of credit, or other debt or financing agreement of the Company or any Affiliate of the Company. Subject to the foregoing, the promissory note shall have a term of not more than ten years, bear interest at a rate to be reasonably determined by the Board of Directors and amortize in equal monthly or quarterly installments, and shall contain such other terms and conditions as the Board of Directors reasonably determines to be necessary or advisable.

"**Register**" means the register of Members of the Company wherein holders of the shares are registered as required to be kept pursuant to the Law and includes any Branch Register(s) established by the Company in accordance with the Law;

"Seal" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Securities Act**" means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

"**Security**" means a fully paid share in the capital of the Company carrying the rights and obligations set out in this document, which shall include Class A Ordinary Shares and Class B Ordinary Shares.

"**share**" means a share in the capital of the Company of any or all classes including Class A Ordinary Shares and Class B Ordinary Shares unless otherwise provided in these Articles;

"**signed**" means a signature or representation of a signature affixed by mechanical means;

"**Special Resolution**" means a special resolution passed in accordance with the Law, being a resolution:

(a) passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person or, in the case of such Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given in accordance with these Articles and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled; or

(b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed;

"**Subsidiary**" means, with respect to any Person:

(a) any corporation, association or other business entity of which (i) more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity that is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof), or (ii) the composition of its board of directors is directly or indirectly controlled by such Person; and

(b) any partnership or limited liability company of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity;

"**Trading Day**" means a day on which the Class A Ordinary Shares: (a) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and (b) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Class A Ordinary Shares;

"**Treasury Shares**" means shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled;

"**Unsuitable Person**" means a Person who (i) is determined by a Gaming Authority to be Unsuitable to Own or Control any shares in the Company, whether directly or indirectly, or (ii) causes the Company or any Affiliated Company to lose or to be threatened by a Gaming Authority with the loss of any Gaming License, or (iii) is determined, in good faith by the Board of Directors, to be likely to jeopardize the Company's or any Affiliated Company's application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License, and "**Unsuitability**" and "**Unsuitable**" shall be construed accordingly.

"**VWAP**" means volume-weighted average trading price of an ADS based on quotations as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if such ADSs are not listed or admitted to trading on the New York Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such ADSs are listed or admitted to trading, in each case, divided by the number of Class A Ordinary Shares that one ADS represents; and

"**year**" means a calendar year.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and vice versa;

(c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not;

(d) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable law, rules and regulations;

(f) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

(g) reference to "**US$**" is a reference to dollars of the United States of America;

(h) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(i) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

(j) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case; and

(k) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile or photograph or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the last two preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

5. The expenses incurred in the formation of the Company shall be paid by the Company or any Subsidiary. If paid by the Company, such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

6. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office. The Directors may keep, or cause to be kept, one or more Branch Registers as well as the Principal Register in accordance with the Law, provided always that a duplicate of such Branch Register(s) shall be maintained with the Principal Register in accordance with the Law.

ISSUE OF SHARES

7. Subject to these Articles, the Law, any direction that may be given by the Company in general meeting and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all shares for the time being unissued shall be under the control of the Directors who may:

   (a) designate, re-designate, offer, issue, allot and dispose of the same to such persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine but so that no shares shall be issued at a discount; and

   (b) grant options with respect to such shares and issue warrants, convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as they may from time to time determine;

   and, for such purposes, the Directors may reserve an appropriate number of shares for the time being unissued.

8. No share shall be issued to bearer.

9. The Board of Directors of the Company is authorized, subject to any limitations prescribed by Law and Article 11(e), to classify or reclassify any unissued shares (including any unissued Class A Ordinary Shares and Class B Ordinary Shares) into one or more classes or series of shares, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereon as set forth in a resolution adopted by the Board of Directors.

10. Subject to the provisions of the Law, the Memorandum and Articles of Association, and to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by Ordinary Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board of Directors may determine.

CLASS A ORDINARY SHARES

11. The preferences, limitations, voting powers and relative rights of the Class A Ordinary Shares are as follows:

   (a) Voting Rights. The Class A Ordinary Shares shall carry the right to receive notice of and to attend, to speak at and to vote at any general meeting of the Company. Each Class A Ordinary Share shall entitle the registered holder thereof to one (1) vote for each Class A Ordinary Share held on all matters subject to a vote by poll at general meetings of the Company.

   (b) Dividend Rights. Class A Ordinary Shares shall be entitled to share in any dividends and other distributions paid or distributed by the Company.

   (c) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, after payment or provision for payment of the debts of the Company, the holders of all outstanding Class A Ordinary Shares shall be entitled to share in the remaining assets of the Company legally available for distribution.

   (d) Equal Status. Each Class A Ordinary Share shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters.

(e) Share Adjustment. In no event should any share dividend, share split, reverse share split, combination of shares, sub-division, reclassification or recapitalization be declared or made in respect of the Class A Ordinary Shares (each, a "**Share Adjustment**") unless a corresponding Share Adjustment is made to the Class B Ordinary Shares in the same proportion and the same manner (to the extent such Share Adjustment is not already required pursuant to Article 12(e)). Share dividends with respect to each class of shares of the Company may only be made with the shares of the same class as such class of shares of the Company.

CLASS B ORDINARY SHARES

12. The preferences, limitations, voting powers and relative rights of the Class B Ordinary Shares are as follows:

(a) Voting Rights.

i. The Class B Ordinary Shares shall carry the right to receive notice of and to attend, to speak at and to vote at any general meeting of the Company.

ii. Except as otherwise provided in these Articles, holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote of the Members. Each Class B Ordinary Share shall entitle the registered holder thereof to one (1) vote for each Class B Ordinary Share held on all matters subject to vote by poll at general meetings of the Company.

(b) No Dividend Rights. Holders of the Class B Ordinary Shares do not have any right to any dividends paid or distributed by the Company or to otherwise share in the profits or surplus assets of the Company.

(c) No Distribution upon Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, holders of Class B Ordinary Shares shall not be entitled to receive any assets of the Company.

(d) Transfer of Class B Ordinary Shares.

i. No Class B Ordinary Share may be transferred except in connection with the transfer of Participation Interest in accordance with the terms of the Participation Agreement.

ii. Any purported transfer of Class B Ordinary Shares in violation of this Article 12(d) shall be null and void.

iii. Transfers of Class B Ordinary Shares that comply with the terms of Section 7.1 of the Participation Agreement shall occur automatically as provided in the Participation Agreement.

(e) Share Adjustment. In the event that the Participation Agreement requires an adjustment to the number of issued and outstanding Class B Ordinary Shares in connection with a Class B Adjustment (as defined in the Participation Agreement), the following shall apply:

i where the Class B Adjustment requires, pursuant to the Participation Agreement, an increase in the number of issued and outstanding Class B Ordinary Shares, the Company shall on the date of the Class B Adjustment automatically issue to the relevant Participant(s) such number of Class B Ordinary Shares as is required pursuant to the Class B Adjustment at their par vaule, credited as fully paid, and the Company's registered office service provider shall update the Register to reflect such issuance; and

ii. where the Class B Adjustment requires, pursuant to the Participation Agreement, a decrease in the number of issued and outstanding Class B Ordinary Shares, each relevant Participant shall on the date of the Class B Adjustment be deemed to automatically surrender to the Company for cancellation, for no consideration, such number of Class B Ordinary Shares as is required pursuant to the Class B Adjustment and the Company's registered office service provider shall update the Register to reflect such surrender and cancellation.

REGISTER OF MEMBERS AND SHARE CERTIFICATES

13. The Company shall maintain a Register of its Members and every person whose name is entered as a member in the Register shall, without payment, be entitled to a certificate (except in the case of Class B Ordinary Shares) within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the share or shares held by that person and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. All certificates for shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the register. No share certificates shall be issued in respect of the Class B Ordinary Shares.

14. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

15. Any two or more certificates representing shares of any one class held by any Member may at the Member's request be cancelled and a single new certificate for such shares issued in lieu on payment (if the Directors shall so require) of US$1.00 or such smaller sum as the Directors shall determine.

16. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

17. In the event that shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

TRANSFER OF SHARES

18. The instrument of transfer of any share shall be in writing and in such usual or common form or such other form as the Directors may in their discretion approve and be executed by or on behalf of the transferor and shall be accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof.

19. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors decline to register shall (except in any case of fraud) be returned to the person depositing the same.

20. The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien.

21. The Board shall, pursuant to Article 12(d), refuse to register any purported transfer of Class B Ordinary Shares made otherwise than in compliance with the Participation Agreement.

22. Subject to Article 21, the Board may also decline to register any transfer of any shares unless (as is applicable), subject to Article 13:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped (in circumstances where stamping is required); and

(d) in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four.

23. If the Directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

REDEMPTION AND PURCHASE OF OWN SHARES

24. Subject to the provisions of the applicable law and these Articles, the Company may:

(a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as the Directors may, before the issue of such shares, determine;

(b) purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine; and

(c) make a payment in respect of the redemption or purchase of its own shares otherwise than out of profits or the proceeds of a fresh issue of shares.

Notwithstanding the foregoing and subject to Article 187 and the terms of the Participation Agreement, the Company shall not purchase or redeem any Class B Ordinary Shares.

25. Upon exchange of all or part of a holder's Participation Interest (as defined in the Participation Agreement), all Class B Ordinary Shares that correspond to the Exchanged Participation Interest (as defined in the Participation Agreement) shall be deemed surrendered and automatically cancelled (without any further action being required on the part of the holder of such Class B Ordinary Shares) and the Register shall be updated to reflect such surrender and cancellation and to record that the holder is no longer the holder of such Class B Ordinary Shares.

26. Any share in respect of which any notice of redemption (including for the avoidance of doubt a Redemption Notice) has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption (or Redemption Date).

27. The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share.

28. The Directors may when making payments in respect of redemption or purchase of shares, if authorised by the terms of issue of the shares being redeemed or purchased or with the agreement of the holder of such shares, make such payment in any form of consideration.

VARIATIONS OF RIGHTS ATTACHING TO SHARES

29. If at any time the share capital is divided into different classes of shares, the rights, powers and preferences attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to these Articles, be varied or abrogated by the Company with the written consent of the holders of a majority of the issued shares of that class, or with the sanction of a resolution passed by at least a majority of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of the shares of the class, provided that the Company may, without any consent or sanction of the holders of a majority of the issued shares of that class, make any adjustments cancellations or updates required under Article 11(e) or Article 12(e). Without limiting the foregoing and to the extent that the Participation Agreement is in effect, any amendment to:

    (a) the second sentence of Article 12(a)ii, Article 12(e) or to the Memorandum or these Articles (other than any action in connection with any adjustment or other matter required under Article 11(e) or Article 12(e)) that would increase or decrease the aggregate number of authorised Class A Ordinary Shares or increase or decrease the par value of the Class A Ordinary Shares, or alter or change the powers, preferences, or special rights of the Class A Ordinary Shares shall require the approval of the holders of a majority of the issued Class A Ordinary Shares; and

    (b) the second sentence of Article 11(a) or to the Memorandum or these Articles (other than any action in connection with any adjustment or other matter required under Article 11(e) or Article 12(e)) that would increase or decrease the aggregate number of authorised Class B Ordinary Shares or increase or decrease the par value of the Class B Ordinary Shares, or alter or change the powers, preferences, or special rights of the Class B Ordinary Shares shall require the approval of the holders of a majority of the issued Class B Ordinary Shares.

30. The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

31. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* therewith or the redemption or purchase of shares of any class by the Company.

COMMISSION ON SALE OF SHARES

32. The Company may in so far as may be permitted by law, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares of the Company. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

FRACTIONAL SHARES

33. The Directors may issue fractions of a share of any class of shares, and, if so issued, a fraction of a share (calculated to three decimal points) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole share of the same class of shares.

LIEN

34. The Company shall have a first priority lien and charge on every partly paid share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first priority lien and charge on all partly paid shares standing registered in the name of a Member (whether held solely or jointly with another person) for all moneys presently payable by him or his estate to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all distributions payable thereon. The Board of Directors may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

35. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any shares on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of 14 clear days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled thereto by reason of his death or bankruptcy.

36. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

37. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

38. Subject to these Articles and to the terms of allotment, the Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value for the shares or by way of premium), and each Member shall (subject to receiving at least 14 clear days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such shares. A call may be extended, postponed or revoked in whole or in part as the Board of Directors determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

39. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

40. If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight per cent. per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

41. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

42. The Directors may make arrangements on the issue of partly paid shares for a difference between the Members, or the particular shares, in the amount of calls to be paid and in the times of payment.

43. The Directors may, if they think fit, receive from any Member willing to advance the same either in money or money's worth all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight per cent. per annum) as may be agreed upon between the Member paying the sum in advance and the Directors. The Board of Directors may at any time repay the amount so advanced upon giving to such Member not less than one month's notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

44. If a Member fails to pay any call or instalment of a call in respect of partly paid shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

45. The notice shall name a further day (not earlier than the expiration of 14 clear days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the date of forfeiture.

46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

47. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

48. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the shares forfeited.

49. A statutory declaration in writing that the declarant is a Director, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all persons claiming to be entitled to the share.

50. The Company may receive the consideration, if any, given for a share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and that person shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

51. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes due and payable, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTRATION OF EMPOWERING INSTRUMENTS

52. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

TRANSMISSION OF SHARES

53. The legal personal representative of a deceased sole holder of a share shall be the only person recognised by the Company as having any title to the share. In the case of a share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only person recognised by the Company as having any title to the share.

54. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

55. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of such share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF CAPITAL

56. Subject to Article 29, the Company may from time to time by Ordinary Resolution:

(a) increase its share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

(b) subject to Article 11(e) and Article 12(e), consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

(c) convert all or any of its paid up shares into shares and reconvert that shares into paid up shares of any denomination;

(d) subject to Article 11(e) and Article 12(e), sub-divide its 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 shall be the same as it was in case of the share from which the reduced share is derived and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares; or

(e) 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 its share capital by the amount of the shares so cancelled.

PROVIDED THAT to the extent that the Participation Agreement is in effect, any action by the Company (other than any action, adjustment or other matter required under Article 11(e) or Article 12(e)) that would have the effect of increasing or decreasing the aggregate number of Class B Ordinary Shares in the Company's authorised share capital or any subdivision, consolidation or other action by the Company that would have the effect of increasing or decreasing the nominal or par value of the Class B Ordinary Shares (including any amendment to the Memorandum or these Articles to reflect any such action) shall require the approval of the holders of a majority of the issued Class B Ordinary Shares.

57. Subject to the terms of the Participation Agreement, the Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

58. All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise.

TREASURY SHARES

59. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Law. In the event that the Directors do not specify that the relevant shares are to be held as Treasury Shares, such shares shall be cancelled.

60. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share.

FIXING RECORD DATE

61. The Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.

62. If no record date is fixed for the determination of those Members entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

GENERAL MEETINGS

63. (a) The Company shall in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors or, in the event the Directors have failed to call an annual general meeting on or before 31 December in any calendar year, and only to that extent, pursuant to Article 64.

(b) At these meetings the report of the Directors (if any) shall be presented.

64. (a) The Directors may call general meetings, and they shall on a Members requisition carried out in accordance with Article 63(a) or this Article 64 forthwith proceed to convene a general meeting of the Company.

(b) A Members requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than 20 per cent of such of the paid-up voting share capital of the Company as at that date of the deposit carries the right of voting at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If the Directors do not within twenty one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty one (21) days, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the second said twenty one (21) days unless it is an annual general meeting.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors and where such general meeting:

i. is, in the event of a failure by the Company to hold an annual general meeting as required by Article 63(a), the annual general meeting of the Company under Article 63(a), the Company shall pay the reasonable expenses of the requisitionists in doing so on demand; and

ii. is any other general meeting of the Company, the requisitionists shall pay their own expenses in doing so.

65. All general meetings other than annual general meetings shall be called extraordinary general meetings.

NOTICE OF GENERAL MEETINGS

66. At least seven clear days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company.

67. Notice of every general meeting shall be given in any manner authorised by these Articles to:

(a) every person shown as a Member in the Register as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient as stated in Article 68; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notices of general meetings.

68. The following applies where shares are jointly owned:

(a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a general meeting and may speak as a member;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

69. Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article 66, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as an annual general meeting by all the Members of the Company entitled to attend and vote thereat or their proxies; and

(b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 90 per cent. in nominal value of the shares giving that right.

70. The accidental omission to give any such notice to, or the non-receipt of any such notice by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting.

71. A Member may be represented at a general meeting by a proxy who may speak and vote on behalf of the Member.

72. The instrument appointing a proxy shall be produced at the place designated for the meeting not less than 48 hours before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

73. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Member appointing the proxy.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

I/We being a Member of the above Company HEREBY APPOINT _____ of _____ or failing him _____ of _____ to be my/our proxy to vote for me/us at the meeting of Members to be held on the __ day of _____, 20__ and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this __ day of _____, 20__

Member

PROCEEDINGS AT GENERAL MEETINGS

74. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, the appointment and removal of Directors and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Members entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

75. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, a quorum shall be one or more persons holding or representing at least not less than 50.0 per cent of the issued shares entitled to vote and present in person or by proxy.

76. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Member or Members present and entitled to vote shall be a quorum.

77. The Chairman (as defined in Article 106(5)) of the Board of Directors shall preside as chairman at every general meeting of the Company.

78. If the Directors wish to make such a facility available to Members for a specific or all general meetings of the Company, a Member may participate in any general meeting of the Company, by means of a telephone or similar communication equipment by way of which all persons participating in such meeting can hear each other and such participation shall be deemed to constitute presence in person at the meeting.

79. If there is no such Chairman, or if at any general meeting the Chairman is not present within half an hour after the time appointed for holding the meeting or is unwilling to act as chairman, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall choose one of their number to be chairman of that meeting.

80. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least 7 clear days' notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

81. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Members in accordance with these Articles, for any reason or for no reason, upon notice in writing to Members. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

82. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the Board or one or more Members present in person or by proxy entitled to vote and who together hold not less than 20 per cent of the paid-up voting share capital of the Company, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

83. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

84. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law. In the case of an equality of votes, the chairman of such meeting shall not be entitled to a second or casting vote in addition to any other vote he may have.

85. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF MEMBERS

86. Subject to any rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person and every person representing a Member by proxy at a general meeting of the Company shall have one vote and on a poll every Member and every person representing a Member by proxy shall have one vote for each share registered in his name, or the name of the person represented by proxy, in the Register.

87. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share, as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

88. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board of Directors may require of the authority of the person claiming to vote shall have been deposited at the Office or head office (or such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith), not less than 48 hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.

(2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of Directors of his entitlement to such shares, or the Board of Directors shall have previously admitted his right to vote at such meeting in respect thereof.

89. On a poll, votes may be given either personally or by proxy.

90. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. A proxy need not be a Member of the Company.

91. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting at least 48 hours before the time for holding the meeting or, if the meeting is adjourned, the time for holding such adjourned meeting.

92. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

93. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

94. (1) Any corporation which is a Member or a Director may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members or of the Board of Directors or of a committee of Directors. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member or Director and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)).

(3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

WRITTEN RESOLUTIONS OF MEMBERS

95. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

APPOINTMENT OF DIRECTORS

96. Subject to Article 97, the Melco Members may appoint, from time to time, by written notice to the Company, one Director so long as they hold in aggregate a number of Securities equal to at least 33% but less than 66% of the Melco Original Share Amount, two Directors for so long as they hold in aggregate a number of Securities equal to at least 66% but less than 99% of the Melco Original Share Amount, and three Directors for so long as they hold in aggregate a number of Securities equal to at least 99% of the Melco Original Share Amount, including to fill vacancies created by removals under Article 98 or vacancies created under Article 129 of Directors appointed by the Melco Members.

97. Despite Article 96, the Melco Members may, from time to time, by written notice to the Company, appoint up to three Directors for so long as they hold in aggregate:

(1) a number of Securities equal to more than 66 per cent of the Melco Original Share Amount; and

(2) more Securities in issue than any other Member and its Affiliates to whom Securities have been issued or transferred in accordance with the restrictions applicable thereto, in the aggregate, provided that for the purposes of this Article 97(2), the depositary bank for the ADSs shall be deemed not to be a Member;

including to fill vacancies created by removals under Article 98, or vacancies created under Article 129 of Directors appointed by the Melco Members.

98. Subject to Article 99, the Melco Members may remove any Director appointed by them under Article 96 or Article 97 (as applicable) by notice to the Company.

99. Any notice under Articles 96, 97 or 98 shall be signed by the Member holding a majority of the Securities in issue held by all of the Melco Members as at the date of the notice.

100. New Cotai may, for so long as it holds in aggregate, a number of Securities equal to:

(1) 50 per cent or more of the New Cotai Original Share Amount, appoint two Directors; and

(2) 25 per cent or more, but less than 50 per cent of the New Cotai Original Share Amount, (y) appoint one Director, including in each case to fill vacancies created by removals under Article 102 or vacancies created under Article 129 of Directors appointed by New Cotai, in each case by written notice to the Company; and (z) to the extent not prohibited by Applicable Laws or the listing or exchange rules of any stock exchange on which the Securities are listed, appoint one Observer to the Board, including to fill vacancies created by removals under Article 102 or death or resignation of an Observer, in each case by written notice to the Company; PROVIDED THAT upon New Cotai holding a number of Securities equal to less than 25 per cent of the New Cotai Original Share Amount, any Observer appointed by it shall automatically be deemed removed without the need for any removal notice to be delivered to the Company.

101. New Cotai may, for so long as it has the right to appoint at least one Director pursuant to Article 100, appoint a Director (who is already a member of the Board and appointed pursuant to Article 100) to sit on any committee of the Board (other than (i) a committee formed to evaluate a transaction between the Company and New Cotai or its Affiliates or (ii) a committee that the Board has determined as a matter of good corporate governance should be comprised solely of independent directors and, at such time, no Director appointed by New Cotai is independent under applicable stock exchange rules), to the extent any such appointment is not prohibited by Applicable Laws or the listing or exchange rules of any stock exchange on which the Securities are listed; provided, however, that a simple majority will be sufficient to approve such committees' decisions and, provided further, that such Director will not be required to form a quorum at meetings of any committee so long as due notice of the meeting has been provided.

102. Subject to Article 103, New Cotai may remove any Director or Observer appointed under Article 100 or remove from any committee any Director appointed by it to such committee under Article 101 by notice to the Company.

103. Any notice under Articles 100, 101 or 102 shall be signed by New Cotai.

104. In determining the number of Securities held by New Cotai at the relevant time for purposes of any threshold in Articles 100 through 103, including for purposes of the New Cotai Original Share Amount, Securities held by the Minority Members shall be deemed to be held by New Cotai.

105. New Cotai's rights under Articles 100 through 104 shall terminate at such time when New Cotai no longer holds at least 5 per cent of the Securities in issue.

DIRECTORS

106. (1) The maximum number of Directors shall be 11. For so long as shares or ADSs are quoted on the NYSE, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the NYSE Rules require.

(2) Each Director shall hold office until the expiration of his term, or until his earlier death, resignation or removal, and until his successor shall have been elected or appointed.

(3) The Company may by Ordinary Resolution appoint any person to be a Director either to fill a vacancy on the Board or as an addition to the existing Board up to the maximum number of Directors permitted under Article 106(1), subject to Articles 96 through 103.

(4) The Directors may by the affirmative vote of a majority of the Directors appoint any person to be a Director either to fill a vacancy on the Board or as an addition to the existing Board up to the maximum number of Directors permitted under Article 106(1), subject to Articles 96 through 103.

(5) The Board of Directors shall have a Chairman of the Board of Directors (the "**Chairman**") elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office shall also be determined by a majority of all the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. If the Chairman is not present at a meeting of the Board of Directors within 15 minutes after the time appointed for holding the meeting, then the attending Directors may, by the affirmative vote of a majority of such Directors, choose one of their number to be the chairman of the meeting.

(6) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting (including class meetings) of the Company.

(7) No person shall be appointed as a Director of the Company unless he has consented in writing to act as a Director.

(8) A director may be removed from office by Special Resolution.

107. The Board may, from time to time, and except as required by applicable law or the listing rules of the recognised stock exchange or automated quotation system where the Company's securities are traded, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

OBSERVER

108. An Observer shall be entitled to attend each meeting of the Board but shall not be entitled to vote at meetings of the Board.

109. An Observer shall be given the same notice of each meeting of the Board, at the same time and in the same form, as given to the Directors.

110. An Observer shall be provided with all of the information provided to Directors in the same form and at the same time as such information is provided to the Directors, including all board packs, agendas and any information to be presented to the Board.

ALTERNATE DIRECTOR

111. Subject to the prior approval of the Board of Directors, any Director (the "**Appointing Director**") (other than any independent Director under applicable stock exchange rules) may in writing appoint another person, whether or not a Director, to be his alternate to act in his place for such period of time as the Appointing Director is unable to attend meetings and/or otherwise discharge his duties as a Director. Each such alternate shall be entitled to a notice of each meeting of the Directors that is convened during his period of appointment (each an "**Affected Meeting**"), to attend and vote thereat as a Director and to sign written resolutions on behalf of the Appointing Director (except to the extent such resolutions are signed by the Appointing Director). Where a Director is also an alternate for another Director, such Director shall have a separate vote on behalf of the Appointing Director he is representing in addition to his own vote. Under no circumstances shall the appointment of an alternate Director be construed as an effective appointment of the alternate Director to any other position or office of the Appointing Director. An alternate Director may be removed at any time by the relevant Appointing Director or the Board of Directors and, subject thereto, the office of alternate Director shall continue until the date on which the relevant Appointing Director ceases to be a Director. Any appointment or removal of an alternate Director by the Appointing Director shall be effected by notice signed by the Appointing Director and delivered to the Office or head office at least 48 hours prior to the Affected Meeting at which such appointment is to take effect. For the avoidance of doubt, such notice period shall not apply to the removal of an alternate Director by the Board of Directors. Subject to the Law, an alternate Director shall not be deemed to be an officer of the Company solely as a result of his appointment as an alternate Director. The remuneration of an alternate Director shall be payable by the Appointing Director out of the remuneration of the relevant Appointing Director and the proportion thereof shall be agreed between them.

DIRECTORS' FEES AND EXPENSES

112. The Company shall: (i) pay the reasonable expenses properly incurred by Directors in relation to the business of the Group, including accommodation expenses in travelling to and from meetings of the Board or any committee of the Board, any Group Company, or any committee of any such company, and provided such expenses are supported by valid receipts; and (ii) pay the cost of any insurance policies taken out by the Company in respect of the Directors. Notwithstanding the foregoing, no Director that is not independent within the meaning of the listing or exchange rules of any stock exchange on which the Class A Ordinary Shares are listed is entitled to be paid any fees in connection with his or her appointment or role as a Director.

113. Each Director shall be entitled to be repaid or prepaid all reasonable expenses properly incurred in relation to the business of the Group, including travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board of Directors or committees of the Board of Directors or general meetings or separate meetings of any class of shares or of debentures of any Group Company or any committee of any Group Company or otherwise in connection with the discharge of his duties as a Director; in each case, provided such expenses are supported by valid receipts.

114. Any independent Director within the meaning of the listing or exchange rules of any stock exchange on which the Class A Ordinary Shares are listed who, by request from the Board of Directors, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board of Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board of Directors may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

POWERS AND DUTIES OF DIRECTORS

115. Each Director shall be required to have regard to, and act in the best interests of, the Company and all of its Members; provided that, to the maximum extent permitted by law and without detracting from or limiting the foregoing obligation, Directors shall be permitted to also have regard to the interests of the Member that appointed that Director and such Member's Affiliates in carrying out his or her duties as a Director or a director of any Subsidiary to the extent that those interests are consistent with the best interests of the Company and all of its Members.

116. Subject to the provisions of the Law, these Articles and to any resolutions made in general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. The Directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. No resolution made by the Company in a general meeting shall invalidate any prior act of the Directors which would have been valid if that resolution had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board of Directors by any other Article.

117. Subject to these Articles, the Directors may from time to time appoint any person, whether or not a Director, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of, chief executive officer, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or otherwise or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any person so appointed by the Directors may be removed by the Directors.

118. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretion vested in him.

119. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

120. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of such persons. Any committee, local board or agency so formed shall in the exercise of the powers delegated to it by the Directors conform to any regulations that may be imposed on it by the Directors.

121. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby PROVIDED THAT for any committee for which a director appointed by New Cotai is a member, the quorum necessary for the transaction of business at a meeting of such committee shall not include the Director appointed by New Cotai so long as due notice of the meeting has been provided.

122. Any such delegates as aforesaid may be authorised by the Directors to subdelegate all or any of the powers, authorities, and discretion for the time being vested in them.

123. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board of Directors shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board of Directors shall from time to time determine.

124. The following actions require the resolution approved by a supermajority of at least two-thirds of the vote of Directors at the board meeting:-

(a) subject to Article 185(2), any voluntary dissolution or liquidation of the Company; and

(b) the sale of all or substantially all of the assets of the Company.

BORROWING POWERS OF DIRECTORS

125. Subject to any express limitations set out in the Participation Agreement, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of its undertaking, property and uncalled capital or any part thereof, and subject to the Law to issue debentures, debenture shares and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

126. (1) The Company shall have one or more Seals, as the Board of Directors may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word "Securities" on its face or in such other form as the Board of Directors may approve. The Board of Directors shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board of Directors or of a committee of the Board of Directors authorised by the Board of Directors in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board of Directors may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board of Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in any manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board of Directors previously given.

(2) Where the Company has a Seal for use abroad, the Board of Directors may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board of Directors may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

DISQUALIFICATION OF DIRECTORS

127. If the number of Directors appointed by a person under Articles 96, 97, 100 or 101 is greater than the number of Directors entitled to be appointed by that person under the relevant Article, then that person shall, within two business days of ceasing to be so entitled, give notice to the Company removing that number of Directors in excess of its entitlement.

128. If any person to whom Article 127 applies does not give notice removing the required number of Directors within the period specified in that clause, any person entitled to appoint a Director under Articles 96, 97, 100 or 101 may give such a notice removing any such Directors.

129. The office of Director shall be vacated if:

(a) a Director resigns his office by notice in writing to the Company;

(b) a Director dies;

(c) an order is made by any competent court or official on the grounds that a Director is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and a majority of the Directors resolve that his office be vacated;

(d) without leave, a Director is absent from meetings of the Board of Directors (unless an alternate Director appointed by him attends in his place) for a continuous period of 6 months, and a majority of the Directors resolve that his office be vacated;

(e) a Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(f) a Director ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;

(g) a Director is removed from office by notice in writing served upon him signed by not less than a majority in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; provided that a Director appointed by a Member may only be removed by that Member pursuant to Articles 96 through 103 and Articles 127 and 128; or

(h) a Director is removed from office pursuant to Article 98 or 102.

REGISTER OF DIRECTORS AND OFFICERS

130. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Law or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of Companies of any change that takes place in relation to such Directors and Officers as required by the Law.

PROCEEDINGS OF DIRECTORS

131. The Directors may meet together (either within or outside the Cayman Islands) to conduct business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second casting vote. A Director may, and a Secretary or Assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors by at least two clear days' notice in writing to every other Director, alternate Director and Observer.

132. A Director or Directors may participate in any meeting of the Board of Directors, or of any committee appointed by the Board of Directors of which such Director or Directors are members, by means of telephone or similar communication equipment by way of which all persons participating in such meeting can hear each other and such participation shall be deemed to constitute presence in person at the meeting.

133. The quorum necessary for the transaction of the business of the Directors shall be no less than a majority in number (or, if that is not a round number, the nearest lower round number) of the Directors entitled to vote at the meeting. Where a Director has appointed an alternate Director in accordance with Article 111 in respect of any Affected Meeting, the alternate Director shall be counted in place of the Appointing Director for the purposes of determining whether or not a quorum is present at the Affected Meeting. Any Director may attend a meeting acting for himself and as an alternate for any other Director(s) and in such circumstances in calculating the quorum, that Director shall be counted in his personal capacity and for each such alternate appointment.

134. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration and may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted.

135. A Director may hold any other office, position or place of profit with the Company (other than the office of auditor) in conjunction with his office of Director for such period and, subject to Article 134, on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified from holding office by contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he is to be appointed to hold any such office, position or place of profit with the Company or whereat the terms of any such appointment are to be approved or arranged and he may vote on any such appointment or arrangement.

136. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

137. Any Director who ceases to be a Director at a Board of Directors meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

138. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

139. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

140. A resolution in writing signed by (i) all the Directors (except those who have appointed an alternate Director in accordance with Article 111, if any), and (ii) all the alternate Directors appointed in accordance with Article 111, if any, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. When signed a resolution may consist of several documents each signed by one or more of the Directors.

141. The continuing Director(s) may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the minimum number of Directors, the continuing Director(s) may act for the purpose of increasing the number of Directors, or of summoning a general meeting of the Company, but for no other purpose.

142. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within half an hour after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.

143. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

144. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

145. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person promptly after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

146. Subject to Article 11(e) or Article 12(e) and any rights and restrictions for the time being attached to any class or classes of shares and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Class A Ordinary Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

147. Notice of any dividend that may have been declared shall be given to each Member holding Class A Ordinary Shares or Class B Ordinary Shares and all dividends unclaimed for one year after having been declared may be forfeited by resolution of the Directors for the benefit of the Company. For the avoidance of doubt, this Article 147 shall not require a separate or duplicate notice to be provided to a Member holding Class B Ordinary Shares to the extent such Member is already entitled to receive a substantially similar notice as a Participant under the Participant Agreement.

148. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.

149. Any dividend may be paid by cheque sent through the post to the registered address of the Member or person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such person and such address as the Member or person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled, or such joint holders as the case may be, may direct.

150. The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.

151. Subject to any rights and restrictions for the time being attached to any class or classes of shares, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of the shares in the Company dividends may be declared and paid according to the par value of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.

152. If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

153. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

BOOK OF ACCOUNTS

154. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

155. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

156. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company by Ordinary Resolution.

157. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

ANNUAL RETURNS AND FILINGS

158. The Board shall make the requisite annual returns and any other requisite filings in accordance with the Law.

AUDIT

159. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

160. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

161. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

162. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

OFFICERS AND AGENTS

163. Subject to Article 117, the Company may have a Chief Executive Officer, one or more Vice Presidents and Chief Financial Officer, President, a Secretary or Secretary-Treasurer appointed by the Directors. The Directors may also from time to time appoint such other officers as they consider necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors from time to time decide.

164. The Officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by resolution of the Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and general meetings, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the Register, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

165. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by resolution of the Directors. Any vacancy occurring in any office of the Company may be filled by resolution of the Directors.

166. The directors may, by a resolution of the Directors, appoint any person, including a person who is a director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the resolution of the Directors appointing the agent. The resolution of the Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The Directors may by resolution of the Directors remove an agent appointed by the Company and may revoke or vary a power conferred on him.

CONFLICT OF INTERESTS

167. A Director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other Directors of the Company.

168. For the purposes of Article 167, a disclosure to all other Directors to the effect that a Director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

169. Subject to compliance with Article 167 and Article 134, a Director who is interested in a transaction entered into or to be entered into by the Company may:

    (a) vote on a matter relating to the transaction;

    (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and

    (c) sign a document on behalf of the Company, or do any other thing in his capacity as a Director, that relates to the transaction,

    and, subject to compliance with the Law shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

CAPITALISATION OF RESERVES

170. Subject to the Law and these Articles, the Directors may:

    (a) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;

    (b) appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

        (i) paying up the amounts (if any) for the time being unpaid on shares held by them respectively; or

        (ii) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

        and allot the shares or debentures, credited as fully paid, to the Members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted pro rata to Members credited as fully paid;

    (c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a person to enter (on behalf of all the Members concerned) an agreement with the Company providing for either:

(i) the allotment to the Members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,

and any such agreement made under this authority being effective and binding on all those Members; and

(e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

SHARE PREMIUM ACCOUNT

171. The Directors shall in accordance with Section 34 of the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share.

172. There shall be debited to any share premium account on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Law, out of capital.

NOTICES

173. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the person entitled to give notice to any Member either personally, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register or, to the extent permitted by all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the Member to the Company or by placing it on the Company's Website provided that the Company has obtained the Member's prior express positive confirmation in writing to receive notices in such manner. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

174. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

175. Any notice or other document, if served by (a) post, shall be deemed to have been served five clear days after the time when the letter containing the same is posted and if served by courier, shall be deemed to have been served five clear days after the time when the letter containing the same is delivered to the courier (in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted or delivered to the courier), or (b) facsimile, shall be deemed to have been served upon confirmation of receipt, or (c) recognised delivery service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service and in proving such service it shall be sufficient to provide that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier or (d) electronic means as provided herein shall be deemed to have been served and delivered at the expiration of 24 hours after the time it was sent.

176. Any notice or document delivered or sent to any Member pursuant to these Articles shall notwithstanding that such Member be then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such Member until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such shares.

INFORMATION

177. No Member shall be entitled to require discovery of any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Company to communicate to the public.

178. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

179. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "**Indemnified Person**") shall to the fullest extent permitted by Law be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere. For the avoidance of doubt, the Company may enter into an agreement with any Director or officer of the Company in respect of indemnification or exculpation in terms of which differ from the provisions of this Article.

180. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

181. The Company may purchase and maintain insurance in relation to any person who is or was a Director, Officer or liquidator of the Company, or who at the request of the Company is or was serving as a Director, Officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, that provides a level of coverage consistent with that maintained by similarly sized companies that engage in activities similar to those undertaken by the Group, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

NON-RECOGNITION OF TRUSTS

182. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent or future interest in any of its shares or any other rights in respect thereof except an absolute right to the entirety thereof in each Member registered in the Register.

FINANCIAL YEAR

183. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

WINDING UP

184. A resolution that the 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.

185. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

(2) If the Company shall be wound up (whether the liquidation is voluntary or compelled by the court) the liquidator may, with the authority of an Ordinary Resolution and any other sanction required by the Law, divide among the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares). The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the holders of Class A Ordinary Shares (but not the holders of Class B Ordinary Shares) as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

AMENDMENT OF ARTICLES OF ASSOCIATION

186. Subject to the Law and the rights attaching to the various classes of shares (including pursuant to Article 29), the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

UNSUITABLE PERSONS AND SALE OR COMPULSORY REDEMPTION

187. (1) In the event that the Company or any Affiliate of the Company receives a written notice ("**Gaming Authority Notice**") from a Gaming Authority to whose jurisdiction the Company or any Affiliate of the Company is subject, setting out the name of a Person who is considered by a Gaming Authority to be an Unsuitable Person, then forthwith upon the Company serving a copy of such Gaming Authority Notice on the relevant parties, and until the shares Owned or Controlled by such Person or its Affiliate are Owned or Controlled by a Person who is not an Unsuitable Person, the Unsuitable Person or any Affiliate of an Unsuitable Person shall: (i) either sell or transfer all of the shares to a Person who is not an Unsuitable Person, or allow the redemption or repurchase of the shares by the Company on such terms, including the Redemption Price, and in such manner as the Directors may determine and agree with the Member, within such period of time as may be specified by a Gaming Authority; (ii) not be entitled to receive any dividend (save, to the extent not prohibited by the Law and the Gaming Authority Notice, for any dividend declared prior to any receipt of any Gaming Authority Notice under this Article but not yet paid), interest or other distribution of any kind with regard to the shares; (iii) not be entitled to receive any remuneration in any form from the Company or a Subsidiary for services rendered or otherwise, and/or (iv) not be entitled to exercise, directly or indirectly or through any proxy, trustee, or nominee, any voting or other right conferred by such shares. In this Article, "**relevant parties**" means the Person considered by the Gaming Authority to be Unsuitable to be a Member, any intermediaries or representatives of such Person, any entities through which such Person holds an interest in shares of the Company, or any other third parties to whom disclosure of the aforementioned notice of the Gaming Authority is necessary or expedient.

(2) Subject to Applicable Laws and regulations, shares Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to compulsory redemption by the Company, out of funds legally available therefor, by a resolution of the Board of Directors, to the extent required by the Gaming Authority making the determination of Unsuitability or to the extent deemed necessary or advisable by the Board of Directors having regard to relevant Gaming Laws. If a Gaming Authority directly or indirectly requires the Company, or if the Board of Directors deems it necessary or advisable, to redeem the shares of a Member under this Article, the Company shall give a Redemption Notice to such Member and shall redeem on the Redemption Date the number of shares specified in the Redemption Notice for the Redemption Price set forth in the Redemption Notice. Upon such compulsory redemption under this Article being exercised by the Company against a Member, such Member will be entitled to receive the Redemption Price in respect of his shares so redeemed, and from the day on which such compulsory redemption is effected, shall have no other Member's rights except the right to receive the Redemption Price and, to the extent not prohibited by the Law and any Gaming Authority Notices, the right to receive any dividends declared prior to any receipt of any Gaming Authority Notice under these Articles but not yet paid provided however that upon service of a copy of the Gaming Authority Notice on any relevant party, such Member's rights will be limited upon such service of the Gaming Authority Notice as provided in paragraphs (i) to (iv) of the preceding Article.

(3) If any shares of the Company are held in a street name, by a nominee, an agent or in trust, the holder of the shares entered in the Register may be required by the Company to disclose to it the identity of the beneficial owner of the shares. The Company may thereafter disclose the identity of the beneficial owner to a Gaming Authority. Each holder of the shares entered in the Register shall render maximum assistance to the Company in determining the identity of the beneficial owner of the relevant shares. A failure of a holder of the shares entered in the Register to disclose the identity of the beneficial owner of shares shall enable the Directors to make a finding of Unsuitability if so required by a Gaming Authority.

(4) Any Unsuitable Person and any Affiliate of an Unsuitable Person shall indemnify and hold harmless the Company and its Affiliates for any and all losses, costs, and expenses, including legal fees, incurred by the Company and its Affiliates as a result of, or arising out of, such Unsuitable Person's or Affiliate's continuing Ownership or Control of shares, the neglect, refusal or other failure to comply with this Article, or failure to promptly divest itself of any shares when required by the Gaming Laws or this Article.

REGISTRATION BY WAY OF CONTINUATION

188. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

MERGERS AND CONSOLIDATION

189. The Company may merge or consolidate in accordance with the Law.

DISCLOSURE

190. The Directors, or any authorised service providers (including the Officers, the Secretary and the registered office agent of the Company), shall be entitled to disclose to any regulatory or judicial authority, or to the NYSE or any other any stock exchange on which the shares may from time to time be listed, any information regarding the affairs of the Company including, without limitation, information contained in the Register and books of the Company.

SUPREMACY OF INITIAL SHAREHOLDERS AGREEMENT

191. For so long as the Initial Shareholders Agreement has not been terminated or amended and restated by a binding agreement: (a) all of the provisions relating to the Company contained or referred to in the Initial Shareholders Agreement are hereby incorporated into these Articles, (b) if any provisions of these Articles are at any time inconsistent with any of the provisions of the Initial Shareholders Agreement, the provisions of the Initial Shareholders Agreement shall prevail as between the Members only to the extent of that inconsistency, and (c) at the written request of any party to the Initial Shareholders Agreement, the Members shall exercise all voting and other rights and powers available to them to procure the amendment of these Articles to the extent necessary to enable the control, direction, business and affairs of the Company to be carried out in accordance with the Initial Shareholders Agreement.

192. Notwithstanding anything to the contrary set forth in the Memorandum of Association and these Articles (including but not limited to Article 191) or the Initial Shareholders Agreement, Article 191 shall be of no further effect upon the consummation of an initial public offering of ADSs representing the Class A Ordinary Shares.

Exhibit 3.3

No:

BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

[AMENDED AND RESTATED] MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

MSC COTAI LIMITED

FIRST INCORPORATED THE [•] DAY OF [•], 2018

[(ADOPTED BY RESOLUTION OF SHAREHOLDERS ON [DATE] 2018)]

TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

[AMENDED AND RESTATED] MEMORANDUM OF ASSOCIATION

OF

MSC COTAI LIMITED

[(ADOPTED BY RESOLUTION OF SHAREHOLDERS ON [DATE] 2018)]

NAME

1. The name of the Company is **MSC Cotai Limited** (the "**Company**").

CHANGE OF NAME

2. The Company may by Resolution of Shareholders or Resolution of Directors resolve to change its name and make application to the Registrar of Corporate Affairs in the approved form to give effect to such change of name in accordance with section 21 of the Act.

TYPE OF COMPANY

3. The Company is a company limited by shares.

REGISTERED OFFICE AND REGISTERED AGENT

4. The first Registered Office of the Company will be situate at the offices of Estera Corporate Services (BVI) Limited of Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

5. The first Registered Agent of the Company will be Estera Corporate Services (BVI) Limited of Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

6. The Company may, by Resolution of Shareholders or by Resolution of Directors, change the location of its Registered Office or change its Registered Agent and any such changes shall take effect on the registration by the Registrar of Corporate Affairs of a notice of change, filed by the existing Registered Agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

LIMITATIONS ON BUSINESS OF COMPANY

7. The business and activities of the Company are limited to those businesses and activities which it is not prohibited from engaging in under any law for the time being in force in the British Virgin Islands.

8. Subject to the Act, any other enactment and this Memorandum (including, without limitation, paragraph 7 immediately above of this Memorandum) and the Articles, the Company has:

   (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

   (b) for the purposes of paragraph (a) immediately above, full rights, powers and privileges.

NUMBER, CLASSES AND PAR VALUE OF SHARES

9. The Company is authorised to issue a maximum of [1,927,488,240] ordinary shares, with a par value of US$0.0001 each, of a single Class to Studio City International Holdings Limited which shares shall be issued fully paid or credited as fully paid.

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS OF SHARES

10. All Shares shall (in addition and subject to any rights, privileges, restrictions and conditions attaching to any of the Shares as provided for elsewhere in this Memorandum or in the Articles):

    (a) have the right to one vote on any Resolution of Shareholders;

    (b) have equal rights with regard to dividends; and

    (c) have equal rights with regard to distributions of the surplus assets of the Company.

11. For the purposes of section 9 of the Act, any rights, privileges, restrictions and conditions attaching to any of the Shares as provided for in the Articles are deemed to be set out and stated in full in this Memorandum.

FRACTIONAL SHARES

12. The Company may issue Fractional Shares. A Fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same Class. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

VARIATION OF CLASS RIGHTS AND PRIVILEGES

13. If at any time, there are different Classes or Series of Shares in issue, unless otherwise provided by the terms of issue of the Shares of that Class or Series, the rights and privileges attaching to any such Class or Series of Shares may, whether or not the Company is being wound up, be varied or abrogated with a resolution or the consent in writing of the holders of not less than three-fourths of the issued Shares of that Class or Series and of the holders of not less than three-fourths of the issued Shares of any other Class or Series of Shares which may be adversely affected by such variation.

RIGHTS AND PRIVILEGES NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

14. The rights and privileges conferred upon the Shareholder of any Class of Shares issued with preferred or other rights and privileges shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

CHANGES TO SHARES

15. Subject to complying with Article 9 of the Articles, the Company may by a Resolution of Shareholders amend this Memorandum to increase or reduce the number of Shares the Company is authorised to issue.

16. The Company may by a Resolution of Shareholders:

(a) divide the Shares, including issued Shares, of a Class or Series into a larger number of Shares of the same Class or Series; or

(b) combine the Shares, including issued Shares, of a Class or Series into a smaller number of Shares of the same Class or Series;

provided, however, that where Shares with a par value are divided or combined under paragraph 16 (a) or (b) above, the aggregate par value of the new Shares must be equal to the aggregate par value of the original Shares.

17. For the purposes of section 36(1)(f) of the Act, Shares in the Company may, where issued in, or converted to, one Class or Series, be converted to another Class or Series in any manner specified in paragraph 17 (a), (b) or (c) below:

(a)

(i) the amendment and/or restatement of this Memorandum and the Articles by Resolution of Shareholders to re-designate the Shares, including as regards their description and par value, and vary and/or abrogate any of the rights, privileges, restrictions and conditions attaching to the Shares;

(ii) the passing of any resolution or execution of any written consent of the holders of the relevant Shares and any other Class or Series of Shares, where required pursuant to this Memorandum and the Articles;

(iii) if required by the Directors, the delivery to the Company of the existing share certificates in respect of the Shares being re-designated; and

(iv) the amendment of the Register of Members as required to reflect the re-designation made pursuant to paragraph 17 (a) (i) above; or

(b)

(i) the repurchase and cancellation of existing Shares in consideration for the issue of new Shares of a different Class or Series;

(ii) the passing of any resolution or execution of any written consent of the holders of the relevant Shares and any other Class or Series of Shares, where required pursuant to this Memorandum and the Articles;

(iii) if required by the Directors, the delivery to the Company of the existing share certificates in respect of the Shares to be converted; and

(iv) the amendment of the Register of Members as required to reflect the cancellation and issue made pursuant to paragraph 17 (b) (i) above; or

(c) in any other manner permitted by the Act, this Memorandum and the Articles.

NO BEARER SHARES

18. The Company is not authorised to issue bearer shares and all Shares shall be issued as registered shares.

NO EXCHANGE FOR BEARER SHARES

19. Shares may not be exchanged for, or converted into, bearer shares.

TRANSFERS OF SHARES

20. Subject to the provisions of this Memorandum and the Articles (including but not limited to paragraph 21 below), Shares in the Company may be transferred.

21. No share may be transferred and any purported transfer of shares shall be void if, upon the advice of US tax counsel, such transfer would cause the Company to be treated as a publicly traded partnership or to be classified as a corporation for U.S. Tax Purposes, in each case, pursuant to section 7704 of the Code. The Directors shall refuse to register any such transfers.

AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

22. The Company may amend its Memorandum or Articles by a Resolution of Shareholders or by a Resolution of Directors except that the Directors have no power to amend the Memorandum or the Articles:

(a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;

(b) to change the percentage of Shareholders required to pass a resolution to amend the Memorandum or the Articles;

(c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders; or

(d) to change the provisions of paragraphs 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 or 22 of this Memorandum.

DEFINITIONS

23. Words used in this Memorandum and not defined herein shall have the meanings set out in the Articles.

SHAREHOLDER LIABILITY

24. Subject to the provisions of this Memorandum and the Articles, the liability of a Shareholder to the Company, as shareholder, is limited to:

(a) any amount unpaid on a Share held by the Shareholder;

(b) (where applicable) any liability expressly provided for in this Memorandum or the Articles; and

(c) any liability to repay a distribution under section 58(1) of the Act.

25. A Shareholder has no liability, as a member, for the liabilities of the Company.

SEPARATE LEGAL ENTITY AND PERPETUAL EXISTENCE

26. In accordance with section 27 of the Act, the Company is a legal entity in its own right separate from its Shareholders and continues in existence until it is dissolved.

EFFECT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

27. In accordance with section 11(1) of the Act, this Memorandum and the Articles are binding as between:

    (a) the Company and each Shareholder of the Company; and

    (b) each Shareholder of the Company.

28. In accordance with section 11(2) of the Act, the Company, the board of Directors, each Director and each Shareholder of the Company has the rights, powers, duties and obligations set out in the Act except to the extent that they are negated or modified, as permitted by the Act, by this Memorandum or the Articles.

29. In accordance with section 11(3) of the Act, this Memorandum and the Articles have no effect to the extent that they contravene or are inconsistent with the Act.

We, Estera Corporate Services (BVI) Limited of Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign our name to this Memorandum of Association this [•] day of [•], 2018.

Incorporator

For and on behalf of
Estera Corporate Services (BVI) Limited

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TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

[AMENDED AND RESTATED] ARTICLES OF ASSOCIATION

OF

MSC Cotai Limited

[(ADOPTED BY RESOLUTION OF SHAREHOLDERS ON [DATE] 2018)]

The following shall comprise the Articles of Association of **MSC Cotai Limited** (the "**Company**").

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**Act**" means the BVI Business Companies Act, 2004, including any modification, amendment, extension, re-enactment or renewal thereof and any regulations made thereunder;

"**Affiliate"** means a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, a specified Person;

"**Articles**" means these articles of association of the Company, as amended and/or restated from time to time;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Code**" means the United States Internal Revenue Code of 1986, as in effect from time to time.

"**Directors**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof, and "**Director**" means any one of them;

"**Distributed Right**" means any right, option, or warrant granted by SCIH to all holders of SCIH Class A Ordinary Shares to subscribe for, purchase, or otherwise acquire SCIH Class A Ordinary Shares, or other securities or rights convertible into, or exchangeable or exercisable for, SCIH Class A Ordinary Shares.

"**Distribution**" means, subject to the Act, in relation to a distribution by the Company to a Shareholder:

(a) the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder; or

(b) the incurring of a debt to or for the benefit of the Shareholder,

in relation to the Shares held by the Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

"**Equity Plan**" means any compensation plan, agreement, or other arrangement that provides for the grant or issuance of equity or equity-based awards (including share options) and that is approved by SCIH for the benefit of any of the employees of SCIH, the Company, Newco, or any Subsidiaries or Affiliates of Newco or other service providers (including directors, advisers and consultants), or the employees or other services providers (including directors, advisers and consultants) of any of their respective Affiliates or Subsidiaries.

"**Equity Securities**" means, with respect to any Person, shares or equity securities or any securities convertible into or exchangeable or exercisable for any shares or equity securities of such Person;

"**Fractional Share**" means a fraction of a Share;

"**Initial SCIH Shareholders Agreement**" means the Shareholders Agreement dated July 27, 2011, as subsequently amended on September 25, 2012, May 17, 2013, June 3, 2014 and July 21, 2014, between MCE Cotai Investments Limited, an exempted company incorporated in the Cayman Islands, New Cotai, LLC, a limited liability company formed in Delaware, United States of America, Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), an exempted company incorporated in the Cayman Islands, and SCIH. For the avoidance of doubt, the Initial SCIH Shareholders Agreement shall not include any other amendments, restatements or amended and restated agreement thereto;

"**Memorandum**" means the memorandum of association of the Company, as amended and/or restated from time to time;

"**Officer**" means any Person appointed by the Directors as an officer of the Company and may include a chairman of the board of Directors, a vice chairman of the board of Directors, a president, one or more vice presidents, secretaries and treasurers and such other officers as may from time to time be deemed desirable but shall exclude any auditor appointed by the Company;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;

"**Register of Directors**" means the register of the Directors of the Company required to be kept pursuant to the Act;

"**Register of Members**" means the register of the members of the Company required to be kept pursuant to the Act;

"**Registered Agent**" means the registered agent of the Company from time to time, as required by the Act;

"**Registered Office**" means the registered office of the Company from time to time, as required by the Act;

"**Resolution of Directors**" means, subject to the provisions of the Memorandum and these Articles, a resolution:

(a) approved at a duly convened and constituted meeting of Directors or of a committee of Directors, by the affirmative vote of a simple majority of the Directors present at such meeting who voted and did not abstain; or

(b) consented to in writing or by facsimile, electronic mail or other written electronic communications by a simple majority of the Directors (or a sole Director) or a simple majority of the members of a committee of Directors (or a sole member), as the case may be, in one or more instruments each signed by one or more of the Directors and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.

Except as expressly provided to the contrary in the Memorandum and these Articles, each Director shall have one vote in relation to any Resolution of Directors. Where a Director is given more than one vote in any circumstances, he shall in the circumstances be counted for the purposes of establishing a majority, by the number of votes he casts;

"**Resolution of Shareholders**" means a resolution:

(a) passed by a simple majority, or such larger majority as may be specified in the Memorandum or these Articles, of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a meeting of Shareholders of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by a majority of in excess of 50 per cent or if a higher majority is required by the Memorandum or these Articles, that higher majority, of the votes of those Shareholders entitled to vote at a meeting of Shareholders of the Company (or a sole Shareholder) in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

"**SCIH**" means Studio City International Holdings Limited, a company incorporated in the British Virgin Islands with BVI business company number 399970;

"**SCIH Class A Ordinary Shares**" means class A ordinary shares in the share capital of SCIH in issue from time to time;

"**Seal**" means the common seal of the Company;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"**Series**" means a division of a Class as may from time to time be issued by the Company;

"**Share**" means an ordinary share in the Company issued subject to and in accordance with the provisions of the Act, the Memorandum and these Articles. For the avoidance of doubt in these Articles the expression "**Share**" shall include any Fractional Share;

"**Shareholder**" means a Person whose name is entered as a holder of one or more Shares in the Register of Members;

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means;

"**Solvency Test**" means the solvency test prescribed by section 56 of the Act and set out in Article 123;

"**Subsidiary**" means, with respect to any Person:

(i) any corporation, association or other business entity of which (i) more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity that is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof) or (ii) the composition of its board of directors is directly or indirectly controlled by such Person; and

(ii) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and not cancelled;

"**Treasury Regulations**" means regulations promulgated by the U.S. Internal Revenue Service under the Code; and

"**U.S. Tax Purposes**" means, as the context requires, U.S. federal, state, and/or local income tax purposes.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(e) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case; and

(f) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile or photograph or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.

3. Subject to the last two preceding Articles, any words defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. The business of the Company may be commenced at any time after incorporation.

5. The Registered Office shall be at such address in the British Virgin Islands as the Shareholders or Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company.

7. The Directors shall keep, or cause to be kept, the original Register of Members at such place as the Directors may from time to time determine and, in the absence of any such determination, the original Register of Members shall be kept at the office of the Registered Agent. If the original Register of Members is not kept at the office of the Registered Agent, a copy of it shall be kept there.

SHARES

8. Subject to the Act, the Memorandum and these Articles (including but not limited to Articles 9 and 10), all Shares for the time being unissued shall be under the control of the Directors who may:

   (a) issue, allot and dispose of the same to SCIH; and

   (b) grant options with respect to Shares and issue warrants or similar instruments with respect thereto to SCIH;

   and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. Notwithstanding any other provision of the Memorandum or these Articles and during such time as one or more participation arrangements or participation agreements into which the Company has entered remain in effect:

   (a) the Company shall only issue ordinary Shares, Equity Securities or Corresponding Securities (defined below) of which all shall be issued fully paid or credited as fully paid to SCIH and SCIH shall be the sole Shareholder of the Company.

   (b) the Company shall maintain the number of issued Shares so as to equal at all times the number of issued SCIH Class A Ordinary Shares and, in the event that any Equity Securities issued by SCIH are securities convertible into or exchangeable or exercisable for Equity Securities of SCIH (other than an option to purchase SCIH Class A Ordinary Shares in connection with any Equity Plan) (including Distributed Rights but excluding any option issued in connection with any Equity Plan), the Company shall, with respect to such convertible, exchangeable, or exercisable securities, issue to SCIH a like amount and type of convertible, exchangeable, or exercisable securities ("**Corresponding Securities**") that shall convert into or be exchanged or exercised for Equity Securities of the Company at the same time(s) and in the same number(s) as the applicable securities of SCIH shall then convert or be exchanged or exercised into.

10. The pre-emption rights set out in section 46 of the Act shall not apply to the Company.

11. The Company may insofar as may be permitted by law, pay a commission in any form to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. The Company may also pay such brokerage as may be lawful on any issue of Shares.

12. The Directors shall refuse to accept any application for Shares from any Person other than SCIH.

13. The Company may treat the holder of a Share as named in the Register of Members as the only Person entitled, with respect to such Share, to:

    (a) exercise any voting rights attaching to such Share;

    (b) receive notices;

    (c) receive a Distribution; and

    (d) exercise other rights and powers attaching to such Share.

14. The Company may, subject to the terms of the Act and these Articles issue bonus Shares.

15. Shares may, subject to the terms of the Act and these Articles, be issued for consideration in any form or a combination of forms, including money, a promissory note or other written obligation to contribute money or property, real property, personal property (including goodwill and know how), services rendered or a contract for future services. Shares may be issued for such amount of consideration as the Directors may from time to time by Resolution of Directors determine, except that in the case of Shares issued with a par value, the consideration paid or payable shall not be less than the par value.

16. When the consideration in respect of the Share has been paid or the Share has been issued as a bonus Share, that Share is for all purposes fully paid, but if a Share is not fully paid on issue, the Share shall be subject to forfeiture in the manner prescribed in these Articles.

17. Before issuing Shares for a consideration which is in whole or in part other than money, the Directors shall by a Resolution of Directors state:

    (a) the amount to be credited for the issue of the Shares; and

    (b) that, in their opinion, the present cash value of the non-money consideration and money consideration, if any, is not less than the amount to be credited for the issue of the Shares.

18. A Share issued by the Company upon conversion of, or in exchange for, another Share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the value of the consideration received or deemed to have been received by the Company in respect of the other Share, debt obligation or security.

PARTICIPATION

19. The Company may enter into participation arrangements or participation agreements and, in such event, the Company shall and the Shareholders shall procure that the Company shall comply with the terms of such participation arrangements or participation agreements.

CERTIFICATES

20. Unless the Directors otherwise determine, share certificates shall not be issued provided that the Company shall, at the request of a Shareholder, issue a share certificate evidencing the number and Class of Shares held by that Shareholder signed by a Director or such other Person who has been duly authorised by a Resolution of Directors (an "**Authorised Person**") or under the Seal, with or without the signature of a Director or an Authorised Person. The signature of the Director or of the Authorised Person and the Seal may be a facsimile.

21. Any Shareholder receiving a share certificate for Shares shall indemnify and hold the Company and its Directors and Officers harmless from any loss or liability which it or they may incur by reason of the issue of that share certificate. If a share certificate for Shares is worn out or lost it may be renewed or replaced on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a Resolution of Directors.

FORFEITURE OF SHARES

22. Where Shares are not fully paid or deemed fully paid on issue or have been issued subject to forfeiture, the following provisions shall apply.

23. Written notice of a call specifying a date for payment to be made in respect of a Share shall be served on a Shareholder who defaults in making payment in respect of that Share.

24. The written notice referred to in the immediately preceding Article shall:

(a) name a further date not earlier than the expiration of fourteen days from the date of service of the notice on or before which the payment required by the notice is to be made; and

(b) contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

25. Where a written notice has been issued under these Articles and the requirements have not been complied with, the Directors may at any time before tender of payment forfeit and cancel the Shares to which the notice relates.

26. The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been forfeited and cancelled pursuant to these Articles. Upon forfeiture and cancellation of the Shares the Shareholder is discharged from any further obligation to the Company with respect to the Shares forfeited and cancelled.

TRANSFER OF SHARES

27. Subject to the Memorandum and these Articles (including, but without limitation, Article 9), Shares are transferred by a written instrument of transfer.

28. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if so required by the Directors, shall also be executed by or on behalf of the transferee and shall, if required by the Directors, be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register of Members in respect of the relevant Shares.

29. The Directors may in their absolute discretion decline to register any transfer of Shares without assigning any reason therefor and shall decline to register any purported transfer of Shares in breach of paragraph 21 of the Memorandum.

30. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine.

31. All instruments of transfer effecting a transfer which is registered shall be retained by the Company, but any instrument of transfer relating to a transfer which the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

TRANSMISSION OF SHARES

32. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

33. Any Person becoming entitled to a Share in consequence of the bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the bankrupt Person before the bankruptcy.

34. A Person becoming entitled to a Share by reason of the bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

REDEMPTION AND PURCHASE OF SHARES

35. Subject to the Act, the Memorandum and these Articles (including, but without limitation, Article 9), including the Solvency Test where applicable, the Company may purchase, redeem or otherwise acquire its own Shares from one or more or all of the Shareholders:

(a) in accordance with Sections 60, 61, 62 or Part IX of the Act;

(b) in accordance with a right of a Shareholder to have his Shares purchased or redeemed, or to have his Shares exchanged for money or non-money consideration in any form or combination of forms, including a new issue of Shares by the Company;

(c) in accordance with a right of the Company to purchase or redeem Shares in exchange for money or non-money consideration in any form or combination of forms, including a new issue of Shares by the Company;

(d) in accordance with an agreement between the Shareholder and the Company pursuant to which the Shareholder agrees to sell and the Company agrees to purchase some or all of the Shares held by that Shareholder in exchange for money or non-money consideration in any form or combination of forms, including a new issue of Shares by the Company;

(e) for no consideration by way of surrender in writing of the Share or Shares to the Company signed by the Shareholder holding the Share or Shares; or

(f) in accordance with any other provisions of the Memorandum and Articles.

36. The Company may not purchase, redeem or otherwise acquire its own Shares without the consent of the Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is:

(a) permitted by the Memorandum or these Articles; or

(b) entitled pursuant to the provisions of the Act, including for the avoidance of doubt Part IX,

to purchase redeem or otherwise acquire the relevant Shares without the consent of such Shareholder.

TREASURY SHARES

37. Shares that the Company purchases, redeems or otherwise acquires pursuant to these Articles shall be cancelled immediately or, if the Directors so determine, held as Treasury Shares in accordance with the Act and Article 38.

38. Shares may only be purchased, redeemed or otherwise acquired and held as Treasury Shares where, when aggregated with the number of Shares of the same Class already held by the Company as Treasury Shares, the total number of Treasury Shares does not exceed 50 percent of the Shares of that Class previously issued by the Company, excluding those Shares that have been cancelled.

39. Where and for so long as Shares are held by the Company as Treasury Shares, all rights and obligations attaching to such Shares are suspended and shall not be exercised by or against the Company.

40. Treasury Shares may be disposed of by the Company only to SCIH on such terms and conditions (not otherwise inconsistent with the Memorandum and these Articles) as the Company may by Resolution of Directors determine.

MEETINGS OF SHAREHOLDERS

41. The Directors may, whenever they think fit, convene a meeting of Shareholders.

42. Shareholders' meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at a meeting of the Shareholders of the Company on the matter for which the meeting is being requested holding at least thirty percent of outstanding Shares entitled to vote in the Company deposited at the Registered Office specifying the objects of the meeting for a date no later than twenty one days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than forty five days after the date of such deposit, the requisitionists themselves may convene the Shareholders' meeting in the same manner, as nearly as possible, as that in which Shareholders' meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the Shareholders' meeting shall be reimbursed to them by the Company.

43. If at any time there are no Directors, any two Shareholders (or if there is only one Shareholder then that Shareholder) entitled to vote at meetings of the Shareholders of the Company may convene a Shareholders' meeting in the same manner as nearly as possible as that in which Shareholders' meetings may be convened by the Directors.

NOTICE OF MEETINGS OF SHAREHOLDERS

44. At least two days' notice in writing counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and the general nature of the business to be considered at the meeting, shall be given in the manner hereinafter provided to such Persons as are, under these Articles, entitled to receive such notices from the Company.

45. A meeting of Shareholders held in contravention of the notice requirements set out above is valid if Shareholders holding not less than a ninety percent majority of the:

(a) total number of Shares entitled to vote on all matters to be considered at the meeting; or

(b) votes of each Class of Shares where Shareholders are entitled to vote thereon as a Class together with not less than an absolute majority of the remaining votes,

have waived notice of the meeting and for this purpose presence at the meeting shall be deemed to constitute a waiver.

46. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT SHAREHOLDERS' MEETINGS

47. No business shall be transacted at any Shareholders' meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, one or more Shareholders holding at least a majority of the Shares of the Company entitled to vote at the meeting, present in person or by proxy, shall form a quorum.

48. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

49. If the Directors wish to make this facility available for a specific Shareholders' meeting or all Shareholders' meetings of the Company, participation in any Shareholders' meeting may be by means of a telephone or by other electronic means provided that all Persons participating in such meeting are able to hear each other and such participation shall be deemed to constitute presence in person at the meeting.

50. The chairman, if any, of the Directors shall preside as chairman at every Shareholders' meeting.

51. If there is no such chairman, or if at any Shareholders' meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy holding a majority of the outstanding Shares on issue shall choose any Person present to be chairman of that meeting.

52. The chairman may with the consent of any Shareholders' meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

53. The Directors may cancel or postpone any duly convened Shareholders' meeting at any time prior to such meeting, except for Shareholders' meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

54. At any Shareholders' meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

55. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

56. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

57. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

SCIH SHAREHOLDER APPROVAL MATTERS

58. The Company must not, at any time in the period during which the Initial SCIH Shareholders Agreement is in effect and has not been terminated, amended and restated or otherwise modified, undertake any action described in clause 7.2(a) of the Initial SCIH Shareholders Agreement ("**Clause 7.2**") without obtaining the approval that would be required in respect of the same action being carried out by SCIH under that same Clause 7.2.

VOTES OF SHAREHOLDERS

59. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy shall, at a Shareholders' meeting, each have one vote and on a poll every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.

60. The following shall apply in respect of joint ownership of Shares:

(a) if two or more Persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

61. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by the Person or Persons appointed by that court, and any such Person or Persons may vote by proxy.

62. No Shareholder shall be entitled to vote at any Shareholders' meeting unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

63. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

64. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

65. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

66. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting or, if the meeting is adjourned, the time for holding such adjourned meeting.

67. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

68. An action that may be taken by the Shareholders at a meeting may also be taken by a Resolution of Shareholders consented to in writing or by facsimile, electronic mail or other written electronic communication, without the need for any notice, but if any such resolution is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts in like form each counterpart being signed by one or more Shareholders.

69. The provisions of the Memorandum and these Articles as regards Shareholders' meetings and Resolutions of Shareholders shall apply mutatis mutandis to any meeting or resolution of the holders of a Class or Series of Shares.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

70. Any Shareholder or Director that is a corporation or other entity may by resolution of its directors or other governing body authorise such natural person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or Series or of the Directors or of a committee of Directors, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DIRECTORS

71. Except during the period from the date of incorporation until the date on which the first Directors are appointed by the first Registered Agent of the Company pursuant to Article 74, the minimum number of Directors shall be one.

72. Subject to the Article above, the Company may by a Resolution of Shareholders from time to time fix the maximum and minimum number of Directors to be appointed but unless such numbers are fixed as aforesaid the minimum number of Directors shall be one and the maximum number of Directors shall be unlimited.

73. Subject to these Articles, the Company may appoint any Person to be a Director. The following are disqualified from appointment as a Director:

(a) an individual who is under eighteen years of age;

(b) a person who is a disqualified person within the meaning of section 260(4) of the Insolvency Act (or any successor provision);

(c) a person who is a restricted person within the meaning of section 409 of the Insolvency Act (or any successor provision);

(d) an undischarged bankrupt; and

(e) any other person disqualified by the Memorandum and these Articles.

74. The first Director(s) shall be appointed by the first Registered Agent of the Company within six months of the date of its incorporation, and thereafter, the Directors shall be elected:

(a) by the Shareholders for such terms as the Shareholders may determine; or

(b) by the Directors for such terms as the Directors may determine.

A person shall not be appointed as a Director unless he has consented in writing to be a Director.

75. Each Director shall hold office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors, as the case may be, appointing him. In the case of a Director who is an individual the term of office of a Director shall terminate on the Director's death, resignation or removal. The bankruptcy of a Director or the appointment of a liquidator, administrator or receiver of a corporate Director shall terminate the term of office of such Director.

76. A Director may be removed from office, with or without cause, by a Resolution of Shareholders or, with cause, by a Resolution of Directors. Section 114(2) of the Act shall not apply to the removal of a Director.

77. A Director may resign his office by giving written notice of his resignation to the Company and the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice.

78. A vacancy in the board of Directors existing or arising because the maximum number of directors has not been appointed may be filled by a Resolution of Shareholders or by a Resolution of Directors.

79. The remuneration of the Directors may be determined by a Resolution of Directors or by a Resolution of Shareholders.

80. There shall be no shareholding qualification for Directors unless determined otherwise by a Resolution of Shareholders.

81. The Company shall keep a Register of Directors containing the particulars required by the Act, including:

(a) the names and addresses of the persons who are Directors or who have been nominated as reserve directors of the Company;

(b) the date on which each person whose name is entered in the Register of Directors was appointed as a Director, or nominated as a reserve director, of the Company;

(c) the date on which each person named as a Director ceased to be a Director; and

(d) the date on which the nomination of any person nominated as a reserve director ceased to have effect.

82. The Register of Directors or a copy of it shall be kept at the office of the Registered Agent and the Company shall file a copy of such Register of Directors with the Registrar of Corporate Affairs for registration, where required by the Act.

ALTERNATE DIRECTOR

83. Any Director may in writing appoint another person, who need not be a Director, to be his alternate. Every such alternate shall be entitled to attend meetings in the absence of the Director who appointed him and to vote on and/or consent in writing to any Resolution of Directors in the place of the Director. Where the alternate is a Director he shall be entitled to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an Officer. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

POWERS OF DIRECTORS

84. The business and affairs of the Company shall be managed by, or be under the direction or supervision of, the Directors who may pay all expenses incurred preliminary to and in connection with the formation and registration of the Company and may exercise all such powers of the Company as are not by the Act or the Memorandum or these Articles required to be exercised by the Shareholders, subject to any delegation of such powers as may be authorised by these Articles.

85. Notwithstanding section 175 of the Act, the Directors have the power to sell, transfer, lease, exchange or otherwise dispose of the assets of the Company, without restriction and without complying with the provisions of section 175, which shall not apply to the Company.

86. The Directors may, by a Resolution of Directors, appoint any Person, including a person who is a Director, to be an Officer or agent of the Company. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

87. Every Officer or agent of the Company has such powers and authority of the Directors, including the power and authority to affix the Seal, as are set forth in these Articles or in the Resolution of Directors appointing the Officer or agent, except that no Officer or agent has any power or authority with respect to the matters requiring a Resolution of Directors under the Act or these Articles or are otherwise not permitted to be delegated under the Act.

88. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

89. The Directors may, by a Resolution of Directors, designate one or more committees of Directors, each consisting of one or more Directors, in accordance with section 110 of the Act (each a "**Committee of Directors**").

90. Each Committee of Directors has such powers of the Directors, including the power to affix the Seal and to appoint a sub-committee and delegate its powers to that sub-committee, as are set forth in the Resolution of Directors establishing the Committee of Directors, except that no Committee of Directors may be delegated any power:

(a) to amend the Memorandum or these Articles;

(b) to designate committees of Directors;

(c) to delegate powers to a committee of Directors;

(d) to appoint or remove Directors;

(e) to appoint or remove an agent;

(f) to approve a plan of merger, consolidation or arrangement;

(g) to make a declaration of solvency for the purposes of section 198(1)(a) of the Act or approve a liquidation plan; or

(h) to make a determination under section 57(1) of the Act that the company will, immediately after a proposed distribution, satisfy the Solvency Test.

91. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand or otherwise) appoint any Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such Person being an "**Attorney**" or "**Authorised Signatory**", respectively) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

BORROWING POWERS OF DIRECTORS

92. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

DUTIES OF DIRECTORS

93. The Directors when exercising their powers or performing their duties, shall act honestly and in good faith and in what the Director believes to be in the best interests of the Company.

PROCEEDINGS OF DIRECTORS

94. The Directors may meet together (either within or without the British Virgin Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

95. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or other electronic means provided that all persons participating in such meeting can hear one other and such participation shall be deemed to constitute presence in person at the meeting.

96. A Director shall be given not less than two days' notice of meetings of Directors, but a meeting of Directors held without two days' notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting, waive such notice of the meeting, and for this purpose, the presence of a Director at the meeting shall be deemed to constitute waiver on his part. The inadvertent failure to give notice of a meeting to a Director, or the fact that a Director has not received the notice, does not invalidate the meeting.

97. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be three or more Directors the quorum shall be a majority of the Directors, two Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

98. If the Company shall have only one Director the provisions herein contained for meetings of the Directors shall not apply but such sole Director shall have full power to represent and act for the Company in all matters as are not by the Act or the Memorandum or these Articles required to be exercised by the Shareholders.

99. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may by a Resolution of Directors determine. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

100. The Directors shall cause the following corporate records to be kept:

(a) minutes of all meetings of Directors, Shareholders, committees of Directors, committees of Officers and committees of Shareholders; and

(b) copies of all resolutions consented to by Directors, Shareholders, Classes of Shareholders, committees of Directors, committees of Officers and committees of Shareholders.

101. The books, corporate records and minutes shall be kept at the office of the Registered Agent, at the Company's principal place of business or at such other place as the Directors determine.

102. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be presumed to have been duly held unless the contrary is shown.

103. An action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a Resolution of Directors or a resolution of the relevant committee of Directors consented to in writing or by facsimile, electronic mail or other written electronic communication by the Directors holding a simple majority of the votes or by the members of the relevant committee holding a simple majority of the votes, as the case may be, without the need for any notice. Such consent may be in the form of counterparts, each counterpart being signed by one or more Directors.

104. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors, or of summoning a Shareholders' meeting, but for no other purpose.

105. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, a majority of the Directors present may choose one of their number to be chairman of the meeting.

106. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, a majority of the committee members present may choose one of their number to be chairman of the meeting.

107. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

108. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

OFFICERS

109. The Company may by Resolution of Directors appoint Officers at such times as shall be considered necessary or expedient. Any number of offices may be held by the same person.

110. The Officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors or Resolution of Shareholders, but in the absence of any specific allocation of duties it shall be the responsibility of the chairman of the board of Directors to preside at meetings of Directors and Shareholders, the vice chairman to act in the absence of the chairman, the president to manage the day to day affairs of the Company, the vice presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the Register of Members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

111. The emoluments of all Officers shall be fixed by Resolution of Directors.

112. The Officers shall hold office until their successors are duly elected and qualified, but any Officer elected or appointed by the Directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.

CONFLICT OF INTERESTS

113. A Director shall forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to the board of Directors. Where a Director's interest in a transaction is not disclosed in accordance with this Article prior to the transaction being entered into, unless it is not required to be disclosed in accordance with Article 115 below, the transaction is voidable by the Company.

114. Notwithstanding the previous Article, a transaction entered into by the Company is not voidable by the Company if:

(a) the material facts of the interest of the Director in the transaction are known by the Shareholders entitled to vote at a meeting of Shareholders and the transaction is approved or ratified by a Resolution of Shareholders; or

(b) the Company received fair value for the transaction, and such determination of fair value is made on the basis of the information known to the Company and the interested Director at the time that the transaction was entered into.

115. A Director is not required to disclose an interest pursuant to Article 113 above, if the transaction is between the Company and the Director and the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

116. A Director who is interested in a transaction entered into or to be entered into by the Company may:

(a) vote on or consent to a Resolution of Directors regarding the transaction or a matter relating to the transaction;

(b) attend a meeting of Directors at which the transaction or a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum; and

(c) sign a document on behalf of the company, or do any other thing in his capacity as a Director, that relates to the transaction or a matter relating to the transaction.

REGISTER OF CHARGES

117. The Company shall maintain at the Registered Office or at the office of the Registered Agent a register of all charges created by the Company showing:

(a) if the charge is a charge created by the Company, the date of its creation or, if the charge is an existing charge on property acquired by the Company, the date on which the property was acquired;

(b) a short description of the liability secured by the charge;

(c) a short description of the property charged;

(d) the name and address of the trustee for the security, or if there is no such trustee, the name and address of the chargee;

(e) unless the charge is a security to bearer, the name and address of the holder of the charge; and

(f) details of any prohibition or restriction, if any, contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

THE SEAL, INSTRUMENTS UNDER SEAL AND DEEDS

118. The Directors shall provide for the safe custody of the Seal. An imprint of the Seal shall be kept at the office of the Registered Agent.

119. The Seal shall not be affixed to any instrument except by the authority of a Resolution of Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more persons as the Directors may appoint for the purpose and every person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

120. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a Resolution of Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such person or persons as the Directors shall for this purpose appoint and such person or persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more persons as the Directors may appoint for the purpose.

121. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

122. An instrument under seal or deed may be executed by the Company in any manner permitted by the Act.

DISTRIBUTIONS

123. The Company may, from time to time, by a Resolution of Directors authorise a Distribution by the Company at such time, and of such amount, to any Shareholders, as it thinks fit if they are satisfied, on reasonable grounds, that immediately after the Distribution:

(a) the value of the Company’s assets will exceed its liabilities; and

(b) the Company will be able to pay its debts as they fall due.

124. The Directors may, before making any Distribution, set aside out of the profits of the Company such sum as they think proper as a reserve fund, and may invest the sum so set apart as a reserve fund upon such securities as they may select.

125. Notice of any Distribution that may have been authorised shall be given to each Shareholder in the manner hereinafter mentioned and all Distributions unclaimed for three years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

126. No Distribution shall bear interest as against the Company and no Distribution shall be authorised or made on Treasury Shares.

127. If several Persons are registered as joint holders of any Shares, any one of such Persons may give receipt for any Distribution made in respect of such Shares.

RECORDS AND UNDERLYING DOCUMENTATION

128. The Company shall keep such records and underlying documentation that:

(a) are sufficient to show and explain the Company's transactions; and

(b) will at any time, enable the financial position of the Company to be determined with reasonable accuracy.

129. The records and underlying documentation shall be kept at the office of the Registered Agent or at such other place or places, within or outside the British Virgin Islands as the Directors think fit, and shall always be open to the inspection of the Directors.

130. Subject to the Act, the Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the records and underlying documentation of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any records or underlying documentation of the Company except as conferred by the Act or other applicable law or authorised by a Resolution of Directors or by a Resolution of Shareholders.

131. Audited accounts relating to the Company's affairs shall only be prepared if the Directors so determine, in which case the financial year end and the accounting principles will be determined by the Directors.

132. Any auditors of the Company appointed shall not be deemed to be Officers.

NOTICES

133. Any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register of Members, by electronic mail or by facsimile should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

134. Any Shareholder present, either personally or by proxy, at any Shareholders' meeting shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

135. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

136. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register of Members as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

137. Notice of every Shareholders' meeting shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting, provided such Person has given notice of the death or bankruptcy to the Company.

No other Person shall be entitled to receive notices of Shareholders' meetings, except any parties to whom the Company has agreed to provide such notices under any participation arrangements or participation agreements.

INDEMNITY

138. Subject to the limitations hereinafter provided the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any Person (an "*Indemnifiable Person*") who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the Person is or was a Director, an Officer, agent or a liquidator of the Company; or

(b) is or was, at the request of the Company, serving as a director, officer, agent or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

139. The Company may only indemnify an Indemnifiable Person if such Person acted honestly and in good faith and in what the Indemnifiable Person believed to be in the best interests of the Company and, in the case of criminal proceedings, the Indemnifiable Person had no reasonable cause to believe that his conduct was unlawful.

140. The decision of the Directors as to whether the Indemnifiable Person acted honestly and in good faith and in what the Indemnifiable Person believed to be in the best interests of the Company and, in the case of criminal proceedings, as to whether such Person had no reasonable cause to believe that his conduct was unlawful, is in the absence of fraud, sufficient for the purposes of these Articles, unless a question of law is involved.

141. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the Indemnifiable Person did not act honestly and in good faith and with a view to the best interests of the Company or that such Person had reasonable cause to believe that his conduct was unlawful.

142. Expenses, including legal fees, incurred by an Indemnifiable Person in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the Indemnifiable Person to repay the amount if it shall ultimately be determined that the Indemnifiable Person is not entitled to be indemnified by the Company in accordance with these Articles.

143. Expenses, including legal fees, incurred by a former Director, Officer or agent in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former Director, Officer or agent, as the case may be, to repay the amount if it shall ultimately be determined that the former Director, Officer or agent is not entitled to be indemnified by the Company in accordance with these Articles and upon such other terms and conditions, if any, as the Company deems appropriate.

144. The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the Person seeking indemnification or advancement of expenses may be entitled under any agreement, resolution of members, resolution of disinterested Directors or otherwise, both as to acting in the Person's official capacity and as to acting in another capacity while serving as a Director, if applicable.

145. If a Person to be indemnified has been successful in defence of any proceedings described above the Person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the Person in connection with the proceedings.

INSURANCE

146. The Company may purchase and maintain insurance in relation to any person who is or was a Director, or who at the request of the Company is or was serving as a Director of, or in any other capacity is or was acting for another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability in the preceding Article.

NON-RECOGNITION OF TRUSTS

147. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as required by law) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register of Members, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors.

VOLUNTARY LIQUIDATION

148. The Company may voluntarily commence its liquidation and dissolution by appointing a voluntary liquidator in accordance with section 199 of the Act if:

(a) it has no liabilities; or

(b) it is able to pay its debts as they fall due and the value of its assets equals or exceeds its liabilities.

149. A voluntary liquidator may be appointed by a Resolution of Shareholders or, if the Company has never issued Shares, by a Resolution of Directors.

AMENDMENT OF ARTICLES OF ASSOCIATION

150. These Articles may be amended in the manner prescribed in the Memorandum.

CLOSING OF REGISTER OF MEMBERS OR FIXING RECORD DATE

151. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any Distribution, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not exceed in any case forty days. If the Register of Members shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register of Members shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members.

152. The Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any Distribution the Directors may, at or within ninety days prior to the date of declaration of such Distribution, fix a subsequent date as the record date for such determination.

153. If the Register of Members is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a Distribution, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

154. The Company may by Resolution of Directors or by Resolution of Shareholders resolve to be registered by way of continuation in a jurisdiction outside the British Virgin Islands in the manner provided under those laws. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Corporate Affairs to deregister the Company in the British Virgin Islands and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

155. The Directors, or any service providers (including the Officers, the Secretary and the Registered Agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register of Members and books of the Company.

156. The Company shall elect to be classified for U.S. Tax Purposes as a partnership for as long as it has one or more participation agreements in effect and as a disregarded entity in all other instances and shall treat amounts payable to each holder of a participation under any such participation agreement as subject to Subchapter K of the Code. The Company shall for U.S. Tax Purposes only take all actions consistent, and no actions inconsistent, with this Article 156.

We, Estera Corporate Services (BVI) Limited of Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign our name to these Articles of Association this [•] day of [•], 2018.

Incorporator

For and on behalf of
Estera Corporate Services (BVI) Limited

Exhibit 4.16

[•], 2018

MCE Cotai Investments Limited

New Cotai, LLC

Melco Resorts & Entertainment Limited

and

Studio City International Holdings Limited

AMENDED AND RESTATED
SHAREHOLDERS' AGREEMENT

CONTENTS

PARTIES

(1) **MCE Cotai Investments Limited**, a company incorporated in the Cayman Islands, of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1 - 9005, Cayman Islands (**MCE Cotai**)

(2) **New Cotai, LLC**, a limited liability company formed in Delaware, United States of America, c/o New Cotai Holdings, LLC, of Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America (**New Cotai**)

(3) **Melco Resorts & Entertainment Limited**, a company incorporated in the Cayman Islands, of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1 - 9005, Cayman Islands (**Melco**)

(4) **Studio City International Holdings Limited**, a company incorporated in the Cayman Islands, with its registered office at [•], Cayman Islands (**Company**)

BACKGROUND

(A) On 27 July 2011, MCE Cotai, New Cotai, Melco (formerly known as Melco Crown Entertainment Limited) and the Company (formerly known as CYBER AGENTS ONE LIMITED, a company incorporated in the British Virgin Islands), entered into an agreement to govern their relationship in connection with, and the conduct and operations of, the Group (as amended by Amendment No.1 to Shareholders' Agreement, dated 25 September 2012, Amendment No.2 to Shareholders' Agreement, dated 17 May 2013, Amendment No.3 to Shareholders' Agreement, dated 3 June 2014, and Amendment No.4 to Shareholders' Agreement, dated 21 July 2014, the **Original Shareholders Agreement**).

(B) In connection with the transactions contemplated by the Implementation Agreement dated [•], 2018 between the Company, New Cotai, MCE Cotai and Melco, MCE Cotai, New Cotai, Melco and the Company have agreed to amend and restate the Original Shareholders Agreement and enter into this document, executed as a deed, to govern their relationship in connection with, and the conduct and operations of, the Group.

AGREED TERMS

1. INTERPRETATION

1.1 Definitions

In this document:

20-Day VWAP means the volume-weighted average trading price of an ADS for the twenty (20)-trading day period immediately preceding the date upon which the 20-Day VWAP is being calculated based on quotations as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if such ADSs are not listed or admitted to trading on the New York Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such ADSs are listed or admitted to trading, in each case, divided by the number of Class A Ordinary Shares that one ADS represents.

ADS means an American Depositary Share, each representing [•] Class A Ordinary Shares;

Affiliate means a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, a specified Person. For the purpose of the definition of Affiliate, "control", "controlled by" and "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting shares, by agreement, contract, or otherwise.

Authorisation means:

(a) any consent, permit, license, or authorisation; or

(b) exemption,

from, by, or with, a Governmental Agency.

Board means the Board of Directors of the Company from time to time.

Business Day means a day which is not a Saturday, Sunday or bank or public holiday in the Cayman Islands, Hong Kong or New York, nor a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9.00am and 5.00pm.

Cash Purchase Price has the meaning given to that term in **clause 6.5**.

Casino Management Agreement means the services and right to use agreement between Melco Crown Gaming (Macau) Limited, New Cotai Entertainment, LLC and New Cotai Entertainment (Macau) Limited dated 11 May 2007, as amended from time to time, and any agreements or arrangements related thereto.

Class A Ordinary Shares means the Class A ordinary shares, par value US$0.0001 per share, of the Company.

Class B Ordinary Shares means the Class B ordinary shares, par value US$0.0001 per share, of the Company.

Company Subsidiary means any company which is or becomes a Subsidiary of the Company from time to time.

Competitor means (other than Melco and its Affiliates):

(a) any person or entity holding a Gaming Authorisation to operate games of fortune and chance in a casino in Macau;

(b) any person or entity holding a direct or indirect interest in any person specified in **clause (a)** of this definition and having the right to appoint a director on the board of any such entity; or

(c) any subsidiary of any person specified in **clause (a)** of this definition.

Confidential Information means:

(a) any confidential, non-public or proprietary information relating to the business, assets or affairs of the Group; and

(b) any information relating to this document and the transactions contemplated by it including the existence of this document and the transactions contemplated by it and of the negotiations which preceded it;

provided, however, that Confidential Information shall not include information that:

(a) is or becomes generally available to the public other than as a result of disclosure in violation of this document;

(b) is or becomes available to the receiving person on a non-confidential basis prior to its disclosure to such person;

(c) is or has been independently developed or conceived by the receiving person without use of Confidential Information; or

(d) becomes available to the receiving person on a non-confidential basis from a source other than the Company; provided, that such source is not known by such person to be bound by a confidentiality agreement with the Company.

Confidentiality Deed means the confidentiality deed attached to this document as **Annexure A**.

Contracts means agreements, contracts, arrangements or understandings, whether formal or informal, written or oral.

control means, in relation to a person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the person, whether through the ownership of voting securities, by contract, or otherwise.

D&O Policy means a directors and officers insurance policy taken out by the Company from time to time with a reputable insurer.

Deed of Accession means a deed of accession substantially in the form contained in **Annexure B**.

Deposit Agreement means the Deposit Agreement by and among the Company, Deutsche Bank Trust Company Americas and the other parties thereto, to be entered into in connection with an underwritten public offering of the Company's Equity Securities.

Director means a member of the Board of the Company from time to time.

Disclosing Shareholder has the meaning given to that term in **clause 7.7(a)**.

Dispute has the meaning given to that term in **clause 8.1(a)**.

Dispute Notice has the meaning given to that term in **clause 8.1(b)**.

Disputing Parties has the meaning given to that term in **clause 8.1(c)**.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

Effective Interest in Securities means the interest of a person or entity (the **Person**) in Securities calculated as the sum of:

(a) the number of Securities in issue for which the Person is the registered holder; plus

(b) the product of:

(i) the fraction that is determined by multiplying the economic interest in the equity of an entity (the **First Entity**) held by the Person (expressed as a fraction of all the economic interests in the equity of the First Entity) by the economic interest in the equity of each other entity within the chain of entities between the First Entity and the Registered Holder (in each case expressed as a fraction of all the economic interests in the equity of each such entity) and, where the Person has an interest in Securities through more than one First Entity, the interest that is obtained by aggregating such Person's fractional interest in all such First Entities, and

(ii) the number of Securities in issue that are held by registered holders of Securities in which the Person holds an interest through the chain or chains of entities in **clause (b)(i)** (**Registered Holder**); and

expressed as a percentage of all the Securities in issue.

For the purposes of this definition, "economic interest in the equity of an entity" excludes any derivative or synthetic security that represents an interest in the underlying equity securities of such entity.

Entitled Minority Shareholder means any Minority Shareholder that is holding Class A Ordinary Shares at the relevant time of the offer of Equity Securities under **clause 6.1**.

Equity Plan means any compensation plan, agreement, or other arrangement that provides for the grant or issuance of equity or equity-based awards (including share options) and that is approved by the Company for the benefit of any of the employees of the Company or any of its Subsidiaries or Affiliates or other service providers (including directors, advisers and consultants), or the employees or other services providers (including directors, advisers and consultants) of any of their respective Affiliates or Subsidiaries.

Equity Securities means, with respect to any Person, equity securities or any securities convertible into or exchangeable or exercisable for any equity securities of such Person.

Exchange Right means the rights conferred upon New Cotai under Article III of the Participation Agreement dated [•], 2018 between the Company, New Cotai and Newco (**Participation Agreement**).

Gaming Authorisation means any gaming concession, subconcession, licensing or regulatory Authorisation (or any renewal or extension thereof) to conduct gaming business in any jurisdiction.

Gaming Promoter means any gaming promoter duly licensed by the Macau government to act in any such capacity, and whose activity is to promote gaming in casinos in Macau by providing (among other things) amenities such as transport, lodgement, food and beverage and entertainment to patrons.

Gaming Regulator means any Governmental Agency responsible for the regulation of gaming, wagering or betting in any jurisdiction.

Governmental Agency means:

(a) a government, whether foreign, federal, state, territorial or local;

(b) a department, office, or minister of a government acting in that capacity; or

(c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary, regulatory, fiscal or tax authority, whether statutory or not.

Group means the Company and the Company Subsidiaries from time to time and the expressions **member of the Group** or **Group member** or **Group Company** mean any one of them.

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China.

Land means a plot of land situated in Macau, at the Cotai reclaimed land area, with gross area of 130,789 square meters, described at and denoted by the letter "A" on map no. 5899/2000 issued by Macao Cartography and Cadastre Bureau on 3 January 2012.

Law means any law or legal or regulatory compliance requirement, including at common law, in equity, under any statute, regulation or by-law and any decision, directive, guidance, guideline or requirement of any Governmental Agency or the relevant stock exchange.

Macau means the Macau Special Administrative Region of the People's Republic of China.

Melco Casino(s) means the casino(s) and gaming area(s) owned directly or indirectly (in whole or in majority) or operated (or both) by Melco, the Subconcessionaire or any of their respective Affiliates.

Melco Original Share Amount means the number of Securities set out next to Melco Shareholders in the attached Schedule I, which shall be increased or decreased from time to time in a corresponding manner to account for any split, subdivision, reverse split, consolidation, share dividend or share distribution in respect of Securities, including any Adjustment Event (as defined in the Participation Agreement), provided any such increase or decrease shall be documented in an amendment of Schedule I by the parties in accordance with **clause 13.1**.

Melco Shareholders means Melco and any Affiliate of Melco to whom Securities are issued or Transferred under this document.

Memorandum and Articles of Association means the memorandum and articles of association of the Company, as may be amended from time to time in accordance herewith.

Minority Shareholders means, at the relevant time of determination, any Shareholder the name of which is set forth on **Schedule II** hereto, which schedule may be amended from time to time in accordance with **clause 2.2(f)** and subject to **clause 2.2(g)**, provided that, at the relevant time of determination, such Shareholder is either (i) validly holding Class B Ordinary Shares or (ii) validly holding (a) Class A Ordinary Shares which such Shareholder has received as a result of exercising (including in connection with a Mandatory Exchange (as defined in the Participation Agreement) its Exchange Rights, or (b) Class A Ordinary Shares received from New Cotai or another Permitted Transferee, who in either case acquired them as described in the immediately preceding clause (a) and subsequently transferred them to such Shareholder directly or indirectly through multiple transfers (on successive occasions) so long as (x) each of such transfers was made by and between a transferor and transferee who were, at the time of such subsequent transfers, Permitted Transferees and (y) there were no other intervening Transfers of such Exchange Shares that were not between Permitted Transferees (such Class A Ordinary Shares acquired by each Shareholder set out in Schedule II and in the manner contemplated in clauses (a) or (b), **Exchange Shares**); provided further that at any given time, there shall be no more than twenty-five (25) Minority Shareholders. For the avoidance of doubt, the limit of twenty-five (25) Minority Shareholders is inclusive of Shareholders holding Class B Ordinary Shares.

New Cotai Original Share Amount means the number of Securities set out next to New Cotai in the attached Schedule I, which shall be increased or decreased from time to time in a corresponding manner to account for any split, subdivision, reverse split, consolidation, share dividend or share distribution in respect of Securities, including any Adjustment Event (as defined in the Participation Agreement), provided any such increase or decrease shall be documented in an amendment of Schedule I by the parties in accordance with **clause 13.1**.

Newco means MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands.

Newco Memorandum and Articles of Association means the memorandum and articles of association of Newco, as may be amended from time to time in accordance herewith.

Observer means an observer appointed to the Board in accordance **with clause 2.2(a)(ii)**.

Offer has the meaning set forth in **clause 6.1**.

Opening means 27 October 2015, the date that the Studio City Property opened to the public.

Other Casinos mean those casinos or gaming areas operated but not majority owned or controlled by Melco or any of its Affiliates.

Permitted Transferee means any one or more investment funds or other entities directly or indirectly owned, managed or advised by Oaktree Capital Management, L.P. or Silver Point Capital, L.P. (for so long as the transferee continues to be directly or indirectly owned, managed, or advised by Oaktree Capital Management, L.P. or Silver Point Capital, L.P.).

Project Lender means any third party lender(s) to the Studio City Property or any representative or agent (including a trustee, collateral agent or security agent) of any such third party lender(s).

Prospective Purchaser has the meaning given to the term in **clause 7.7(a)**.

Registration Rights Agreement means the registration rights agreement entered into by and between the Shareholders (as defined therein) and the Company dated the date hereof.

Respective Proportion means, with respect to an Entitled Minority Shareholder, a fraction, the numerator of which shall be the number of Exchange Shares validly held by such Entitled Minority Shareholder at the relevant time of calculation and the denominator of which shall be the sum of (i) the number of issued and outstanding Class A Ordinary Shares held by Melco and its Affiliates (excluding the Company and its Subsidiaries), (ii) the number of Exchange Shares held by all Entitled Minority Shareholders, and (iii) the number of Class A Ordinary Shares issuable if all Participants (as defined in the Participation Agreement) exercised their Exchange Rights with respect to the entirety of the remaining Participation Interests (as defined in the Participation Agreement).

Security means a fully paid share in the capital of the Company carrying the rights and obligations set out in this document and in the Memorandum and Articles of Association, which shall include Class A Ordinary Shares (including any Class A Ordinary Shares represented by ADSs) and Class B Ordinary Shares.

Shared Vendor Contracts has the meaning given to the term in **clause 3.1**.

Shared Vendors has the meaning given to the term in **clause 3.1**.

Shareholder means a holder of Securities from time to time.

Shareholder Group means each of the Melco Shareholders, on the one hand, and the Minority Shareholders, on the other hand, or either one of them (as the context requires).

Studio City Casino means the casino and gaming area within the Studio City Property.

Studio City Property means the gaming, retail and entertainment resort located and operated on the Land.

Subconcession means the trilateral agreement dated 8 September 2006 entered into by and among the Macau government, Wynn Resorts (Macau), S.A. (**Wynn Macau**) (as concessionaire for the operation of casino games of chance and other casino games in Macau, under the terms of a concession contract dated 24 June 2002 between Macau and Wynn Macau, as amended on 8 September 2006) and the Subconcessionaire, comprising a set of instruments from which shall flow an integrated web of rights, duties and obligations by and for all and each of Macau, Wynn Macau and the Subconcessionaire, pursuant to the terms of which the Subconcessionaire shall be entitled to operate casino games of chance and other casino games in Macau as an autonomous subconcessionaire in relation to Wynn Macau, including any supplemental letters or agreements entered into or issued by the Macau government and the Subconcessionaire from time to time, and including any replacement concession or subconcession for the operation of casino games of chance and other casino games in Macau.

Subconcessionaire means Melco Resorts (Macau) Limited, a company incorporated in Macau, or any other Affiliate of Melco holding a Gaming Authorisation in Macau from time to time.

Subsidiary means, with respect to any Person:

(a) any corporation, association or other business entity of which (i) more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity that is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof), or (ii) the composition of its board of directors is directly or indirectly controlled by such Person; and

(b) any partnership or limited liability company of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Transaction Documents means this document, the Registration Rights Agreement and the Memorandum and Articles of Association.

Transfer means to transfer, sell, exchange, hypothecate, assign, charge, pledge, encumber, gift, convey (including in trust) or otherwise dispose of.

Unsubscribed Equity Securities has the meaning set forth in clause 6.3(b).

Unsuitable Person means a person or entity whose direct or indirect ownership of Securities could (on the facts then known):

(a) based on the written advice of outside legal counsel to a Shareholder or Melco (as applicable); or

(b) based on an objection received from a Gaming Regulator,

be reasonably expected to adversely impact the suitability or entitlement of:

(x) any member of the Group;

(y) any Melco Shareholder, any holder of Upstream Securities in any Melco Shareholder, or any of their respective Affiliates, in each case, in the case of a Transfer of any Securities or Upstream Securities by any person other than those persons; or

(z) any Minority Shareholder, any holder of Upstream Securities in any Minority Shareholder, or any of their respective Affiliates, in each case, in the case of a Transfer of any Securities or Upstream Securities by any person other than those persons, to maintain any Gaming Authorisation.

Upstream Securities means, in respect of a Shareholder, any equity securities or interests in equity securities issued by that Shareholder or by any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially), holds an Effective Interest in Securities held by that Shareholder, but does not include any equity securities or interests in equity securities:

(a) in any investment fund or account managed by any investment fund, or in any successors or Affiliates of the foregoing, or in any person that, directly or indirectly through one or more interposed entities (whether legally or beneficially), holds equity securities or interests in equity securities in any such person;

(b) in Melco, or any of its shareholders or any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially), holds equity securities or interests in equity securities in those shareholders; or

(c) in any other Shareholder or holder of Upstream Securities whose shares are listed on an internationally recognised stock exchange.

1.2 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) **includes** means includes without limitation;

(e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;

(f) a reference to:

(i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a Governmental Agency;

(ii) a person or a party includes the person’s legal personal representatives, successors, assigns and persons substituted by novation;

(iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

(v) a right includes a benefit, remedy, discretion or power;

(vi) time is to local time in Hong Kong;

(vii) "US$" or US dollars is a reference to the currency of the United States of America;

(viii) "HK$" or HK dollars is a reference to the currency of Hong Kong;

(ix) this or any other document includes the document as novated, varied or replaced in accordance with the terms hereof and thereof and despite any change in the identity of the parties;

(x) this document includes all schedules, annexures and exhibits to it;

(xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;

(xii) a reference to a meeting is a meeting in person, by conference telephone or similar equipment, so long as all of the participants can hear each other; and

(xiii) if the number of Securities the Effective Interest in Securities represents is required to be calculated, if the number is not a whole number, that number will rounded up or down, as appropriate, with .5 or greater rounded up;

(g) if the date on or by which any act shall be done under this document is not a Business Day, the act shall be done on or by the next Business Day;

(h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded; and

(i) the schedules and annexures to this document shall be incorporated by reference herein and constitute a part hereof.

1.3 Headings

Headings do not affect the interpretation of this document.

2. DIRECTORS

2.1 Melco Directors

(a) Subject to **clause 2.1(b)**, the Melco Shareholders may appoint, from time to time, by Notice to the Company, one Director so long as they hold in aggregate a number of Securities equal to at least 33% but less than 66% of the Melco Original Share Amount, two Directors for so long as they hold in aggregate a number of Securities equal to at least 66% but less than 99% of the Melco Original Share Amount, and three Directors for so long as they hold in aggregate a number of Securities equal to at least 99% of the Melco Original Share Amount, including to fill vacancies created by removals under **clause 2.1(c)** or vacancies created under **clause 2.4** of Directors appointed by the Melco Shareholders.

(b) Despite **clause 2.1(a)**, the Melco Shareholders may, from time to time, by notice to the Company, appoint up to three Directors for so long as they hold in aggregate:

(i) a number of Securities equal to more than 66% of the Melco Original Share Amount; and

(ii) more Securities in issue than any other Shareholder and its Affiliates to whom Securities have been issued or Transferred in accordance with this document, in the aggregate, provided that for the purposes of this clause 2.1(b)(ii), the depositary bank for the ADSs shall be deemed not to be a Shareholder ;

including to fill vacancies created under **clause 2.1(c)**, or vacancies created under **clause 2.4** of Directors appointed by the Melco Shareholders.

(c) Subject to **clause 2.1(d)**, the Melco Shareholders may remove any Director appointed by them under **clauses 2.1(a)** or **2.1(b)** (as applicable) by notice to the Company.

(d) Any notice under **clauses 2.1(a), 2.1(b) or 2.1(c)** shall be signed by Shareholders holding a majority of the Securities in issue held by all of the Melco Shareholders as at the date of the notice.

2.2 Minority Directors

(a) New Cotai may, for so long as it holds in aggregate, a number of Securities equal to:

(i) 50% or more of the New Cotai Original Share Amount, appoint two Directors; and

(ii) 25% or more, but less than 50% of the New Cotai Original Share Amount, (y) appoint one Director, including in each case to fill vacancies created by removals under **clause 2.2(c)** or vacancies created under **clause 2.4** of Directors appointed by New Cotai**,** in each case by written notice to the Company; and (z) to the extent not prohibited by applicable Laws or the listing or exchange rules of any stock exchange on which the Securities are listed, appoint one Observer to the Board, including to fill vacancies created by removals under **clause 2.2(c)** or death or resignation of an Observer, in each case by written notice to the Company.

(b) New Cotai may, for so long as it has the right to appoint at least one Director pursuant to **clause 2.2(a)**, appoint a Director (who is already a member of the Board of the Company and appointed pursuant to Clause 2.2(a)) to sit on any committee of the Board (other than (i) a committee formed to evaluate a transaction between the Company and the Minority Shareholders or their Affiliates or (ii) a committee that the Board has determined as a matter of good corporate governance should be comprised solely of independent directors and, at such time, no Director appointed by the Minority Shareholders is independent under applicable stock exchange rules), to the extent any such appointment is not prohibited by applicable Laws or the listing or exchange rules of any stock exchange on which the Securities are listed; provided, however, that a simple majority will be sufficient to approve such committees' decisions and, provided further, that such Director will not be required to form a quorum at meetings of any committee so long as due notice of the meeting has been provided.

(c) Subject to **clause 2.2(d)**, New Cotai may remove any Director or Observer appointed under **clause 2.2(a)** or remove from any committee any Director appointed by it to such committee under **clause 2.2(b)** by notice to the Company.

(d) Any notice under **clauses 2.2(a), 2.2(b) or 2.2(c)** shall be signed by New Cotai.

(e) New Cotai's rights under **clauses 2.2(a) through 2.2(d)** shall terminate at such time when New Cotai no longer holds at least 5% of the Securities in issue.

(f) New Cotai shall amend Schedule II from time to time to ensure, at all times, that (i) it only includes Shareholders that satisfy the definition of Minority Shareholders herein, (ii) the number of Class B Ordinary Shares and/or Exchange Shares set out next to each Minority Shareholder in Schedule II is accurate and (iii) the number of Minority Shareholders does not exceed twenty-five (25). The amendment of Schedule II will be effective upon the receipt by Melco and the Company of a copy of such amendment in accordance with **clause 10.7**.

(g) New Cotai represents and warrants to the Company and Melco on the date hereof and on the date of each amendment of Schedule II that (i) each Minority Shareholder set out in Schedule II is a Permitted Transferee, (ii) Schedule II accurately sets out the number of Class B Ordinary Shares and Exchange Shares held by each of the Minority Shareholders, and (iii) each Minority Shareholder acquired and holds the Exchange Shares set out next to such Minority Shareholder's name in Schedule II either (x) as a result of exercising (including in connection with a Mandatory Exchange (as defined in the Participation Agreement) its Exchange Rights pursuant to which Class A Ordinary Shares were received, or (y) through a transfer from New Cotai or another Permitted Transferee, who in either case acquired them as described in the immediately preceding clause (x) and subsequently transferred them to such Shareholder directly or indirectly through multiple transfers (on successive occasions) so long as (aa) each of such transfers were made by and between a transferor and transferee who were, at the time of such subsequent transfers, Permitted Transferees and (bb) there were no other intervening Transfers of such Class A Ordinary Shares that were not between Permitted Transferees.

2.3 Eligibility and rights of Observers

(a) An Observer is entitled to attend each meeting of the Board.

(b) An Observer shall be given the same notice of each meeting of the Board, at the same time and in the same form, as given to the Directors.

(c) An Observer shall be provided with all of the information provided to Directors at the same time as such information is provided to the Directors, including all board packs, agendas and any information to be presented to the Board.

(d) An Observer is not entitled to vote at meetings of the Board.

(e) It is a condition of the designation of an Observer under **clause 2.2(a)** that the Observer enters into, or is already covered by, a confidentiality deed with the Company on terms substantially the same as the Confidentiality Deed or otherwise acceptable to the Company.

2.4 Vacation of office

The office of a Director will be vacated if:

(a) a Director resigns his office by notice in writing to the Company;

(b) a Director dies;

(c) an order is made by any competent court or official on the grounds that a Director is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and a majority of the Directors resolve that his office be vacated;

(d) without leave, a Director is absent from meetings of the Board (unless an alternate Director appointed by him attends in his place) for a continuous period of 6 months, and a majority of the Directors resolve that his office be vacated;

(e) a Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(f) a Director ceases to be or is prohibited from being a Director by law or by virtue of any provisions in the Memorandum and Articles of Association;

(g) a Director is removed from office by notice in writing served upon him signed by not less than a majority in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office; provided that a Director appointed by a Shareholder may only be removed by that Shareholder pursuant to **clauses 2.1, 2.2 and 2.5**; or

(h) a Director is removed under **clause 2.1(c)** or **2.2(c)** (as applicable);

2.5 Removal of Directors

(a) If the number of Directors appointed by a person under **clauses 2.1** or **2.2** is greater than the number of Directors entitled to be appointed by that person under the relevant clause, then that person shall, within two Business Days of ceasing to be so entitled, give notice to the Company removing that number of Directors in excess of its entitlement.

(b) If any person to whom **clause 2.5(a)** applies does not give notice removing the required number of Directors within the period specified in that clause, any person entitled to appoint a Director under **clauses 2.1** or **2.2** may give such a notice removing any such Directors.

2.6 Alternate directors

(a) A Director (other than any independent Director under applicable stock exchange rules) may, with the prior written approval of the Board, appoint an alternate director by notice to the Company.

(b) An alternate director may attend any Board meeting and vote on any resolution of the Board provided the Director that appointed the alternate is not present at the meeting and is a Director at the time of the meeting.

(c) An alternate director is entitled to a separate vote for each Director the alternate director represents in addition to any vote that alternate director may have as a Director if that alternate director is also a Director.

2.7 Director duties

Each Director and director of a Company Subsidiary shall be required to have regard to, and act in the best interests of, the Company and all of its Shareholders; provided that, to the maximum extent permitted by law and without detracting from or limiting the foregoing obligation, Directors and directors of Company Subsidiaries shall be permitted to also have regard to the interests of the Shareholder Group that appointed that Director in carrying out his or her duties as a Director or a director of any Company Subsidiary to the extent that those interests are consistent with the best interests of the Company and all of its Shareholders.

2.8 Fees and expenses of Directors

(a) The Company shall:

(i) pay the reasonable expenses properly incurred by Directors in relation to the business of the Group, including accommodation expenses in travelling to and from meetings of the Board or any committee of the Board, any Group Company, or any committee of any such company, and provided such expenses are supported by valid receipts; and

(ii) pay the cost of any insurance policies taken out by the Company in respect of the Directors.

(b) No Director that is not independent within the meaning of the listing or exchange rules of any stock exchange on which the Securities are listed is entitled to be paid any fees in connection with his or her appointment or role as a Director.

2.9 D&O Policy

The Company shall:

(a) maintain a D&O Policy in respect of each Director and each director of a Company Subsidiary that provides a level of coverage consistent with that maintained by similarly sized companies that engage in activities similar to those undertaken by the Company and the Company Subsidiaries; and

(b) pay the premiums in respect of that D&O Policy in relation to the Director’s term in office and for six years after the expiry of the Director’s term (to the maximum extent permitted by Law).

2.10 Indemnity deed

Each Group member shall enter into a deed of access and indemnity with each director of such a company (on terms acceptable to the Board) under which it indemnifies the directors to the maximum extent permitted by Law and gives each director a right (subject to certain limitations) to have access to and make copies of Board papers and minutes in respect of the period during which the relevant director is or was a director of such a company.

2.11 Post IPO

Following an underwritten public offering of the Company's Equity Securities, or American depositary shares representing the Company's Equity Securities, related party transactions shall be approved by an audit committee of independent Directors, unless the rules of the relevant exchange require or permit an alternative approval process by independent Directors (in which case that process will apply).

3. SHARED VENDOR CONTRACTS

3.1 Shared Vendor Contracts

The parties acknowledge that Melco and its Affiliates may from time to time enter into Contracts with a supplier, vendor or other party or its Affiliates or related parties (**Shared Vendors**) for the provision of various goods and services to more than one Melco Casino (**Shared Vendor Contracts**).

3.2 Obligation

Subject to **clause 3.3**, Melco shall, for so long as New Cotai holds 5% or more of the Securities in issue, use commercially reasonable endeavours:

(a) to obtain on behalf of the Group, to the extent possible, economic and other terms at least as favourable (when taken as a whole and after taking into account, among other things, the passing of time, inflation and the then prevailing economic conditions) to the Group as the economic and other terms it obtains from the applicable Shared Vendor for any of the other Melco Casinos in respect of similar goods and services; and

(b) to utilise the services of, and obtain goods from, the Shared Vendors and to obtain volume and pricing discounts on such services and goods from such Shared Vendors for the benefit of the Group.

3.3 Application

(a) The parties agree that **clause 3.2** will not apply in respect of any the following Shared Vendors:

(i) any utility operators (water, electricity, gas and telephone and whether public or private) in Hong Kong or Macau;

(ii) a financier or lender to Melco or any of its Affiliates;

(iii) a Governmental Agency;

(iv) a Gaming Promoter; or

(v) an Other Casino.

(b) The parties agree that **clause 3.2(b)** does not apply to any Shared Vendor Contract which is the subject of any dispute, claim, or other proceedings or the performance of which, or the goods provided under which, do not in the reasonable opinion of Melco or any of its Affiliates, meet appropriate standards of performance.

3.4 Gaming Promoters

Melco will use commercially reasonable efforts to ensure that there is no bias or discrimination by or at the direction of Melco or any of its Affiliates against the Group with respect to:

(a) the use or selection of Gaming Promoters;

(b) the allocation of customers by Gaming Promoters (to the extent it is within the control of Melco); or

(c) the commissions, commission rate policies or extensions of credit in respect of Gaming Promoters for the Group as compared to commissions, commission rate policies or extensions of credit in respect of Gaming Promoters for any of the other Melco Casinos (excluding Other Casinos).

3.5 Audit rights

(a) If **clause 3.2** applies, New Cotai may on an annual basis jointly request the Company to instruct the Company's auditors to audit the compliance by Melco with its obligations under **clause 3.2** and to share the results thereof with the Director(s) appointed by New Cotai.

(b) The parties agree that any audit conducted under **clause 3.5(a)** will be limited to a review of a random sample of Shared Vendor Contracts of an appropriate size to be determined by the auditor to verify compliance by Melco with **clause 3.2(a)**.

(c) Any work conducted by the Company's auditors in respect of **clause 3.5(a)** will be at the expense of the Company.

(d) Melco shall instruct the auditors of the other Melco Casinos (other than Other Casinos) to reasonably cooperate with the Company's auditors in connection with any work conducted by the Company's auditors under **clause 3.5(a)** (but subject to **clause 3.5(b)**).

4. CASINO OPERATION

4.1 Casino operation

(a) The Subconcessionaire is the holder of the Subconcession under which the Subconcessionaire is authorised by the Macau government to conduct the operation of casino games of chance and other casino games in Macau.

(b) The parties acknowledge that the Subconcessionaire shall operate the Studio City Casino within the Subconcession pursuant to the terms of the Casino Management Agreement.

(c) The Subconcessionaire shall apply for a Gaming Authorisation to operate in Macau prior to any expiration of the Subconcession from time to time, or at such other time determined by the Macau government, and, in any event, continue to operate the Studio City Casino for as long as the Subconcession is in effect.

4.2 Gaming tables

(a) The parties acknowledge that the initial number of gaming tables authorised by the Macau government for operation at Studio City Casino on Opening is 250 mass gaming tables.

(b) Any additional gaming tables authorised by the Macau government to be utilised by the Subconcessionaire after initial allocation of gaming tables by the Macau government to the Studio City Casino will (to the extent permitted by the Macau government) be allocated by the Subconcessionaire to the Studio City Casino and the other Melco Casinos:

(i) in proportion to the number of tables the Studio City Casino and the other Melco Casinos have (or have allocated to them) at that time; and

(ii) if the number of additional gaming tables authorised by the Macau government to be utilised by the Subconcession is disproportionately more than the number of gaming tables authorised to other concession and subconcession holders in Macau (based on the number of gaming tables held by each of them and including circumstances in which the percentage of additional gaming tables allocated to the Subconcessionaire exceeds the percentage of gaming tables allocated to other gaming concession or subconcession holders in Macau under the table cap regime implemented by the Macau government from time to time), the amount of the excess will (to the extent permitted by the Macau government) be allocated by the Subconcessionaire between the Studio City Casino and the other Melco Casinos based on:

(A) the relative gaming expansion plans approved by the Macau government; or

(B) if no such plans exist, pro rated based on the respective number of tables at (or allocated to) the Studio City Casino and the other Melco Casinos.

(c) In the event that, after initial allocation of gaming tables by the Macau government to the Studio City Casino, the number of gaming tables authorised by the Macau government to be utilized by the Subconcession is reduced, Melco and New Cotai shall discuss in good faith whether there is to be any reduction in the number of gaming tables at the Studio City Casino having regard to (among other things) a fair and appropriate allocation of gaming tables to all Melco Casinos and after taking into account any Macau government requirement and the capital expenditures of each of the Melco Casinos and, in any event, the number of gaming tables at the Studio City Casino shall not be disproportionately reduced relative to the reduction of gaming tables at other Melco Casinos (unless the Melco Shareholders and New Cotai agree otherwise).

5. OTHER ADMINISTRATIVE MATTERS

5.1 For so long as any Shareholder, holder of Upstream Securities in a Shareholder, or any of their respective Affiliates, is required to provide information to any Gaming Regulator in relation to their interest in the Company (including any information about another Shareholder or any holder of Upstream Securities in that Shareholder), the Company will and will procure that each Company Subsidiary will, to the extent permitted by law, cooperate in good faith to obtain and endeavour to provide that information where requested in writing by that person.

5.2 Despite **clause 5.1(a)**, if reasonable to do so, the Company may limit the information provided to such information as is required by the Gaming Regulator or otherwise customarily provided to any such Gaming Regulator.

5.3 Any person to whom information is provided under **clause 5.1(a)** shall agree, as a condition of being provided with that information, to cooperate with the Company to seek to limit or protect the information required to be provided, if the Company determines (acting reasonably) that providing such information would:

(a) materially compromise the competitiveness of the Studio City Property; or

(b) be prohibited by applicable Laws or the listing or exchange rules of any stock exchange on which the Securities or Melco's equity securities are listed.

5.4 The parties agree to be bound by and comply with the provisions as set out in Annexures G and H of the Original Shareholders Agreement, which shall apply mutatis mutandis hereto, referring to Newco instead of the Company where applicable.

6. PRE-EMPTIVE RIGHTS

6.1 Pro rata offer

If the Company proposes to offer Equity Securities of the Company for subscription (other than issuances in connection with a public offering, under any Equity Plan or "assured entitlement" arrangements pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited (as it may be amended from time to time)), solely or primarily to Melco or any of its Affiliates, each Entitled Minority Shareholder is entitled to subscribe for up to its Respective Proportion of the Equity Securities proposed to be issued, and the Company shall give written notice to New Cotai of the proposed issuance, describing the type of Equity Securities, the cash price per Equity Security, the number of Equity Securities, and the general terms upon which the Company proposes to issue the same (**Offer**).

6.2 Offer Notice

The Company shall make the Offer to each Entitled Minority Shareholder by giving a notice in writing (**Offer Notice**) to New Cotai specifying:

(a) the total number of Equity Securities proposed to be issued to Melco and/or its Affiliates;

(b) the number of Equity Securities each Entitled Minority Shareholder is entitled to subscribe for (up to its Respective Proportion of the aggregate of all Equity Securities to be issued to Melco and its Affiliates); and

(c) the terms of issue of the Equity Securities (including the issue price which shall be the same price for all of the Equity Securities being offered).

The Company shall provide such Offer Notice as soon as reasonably practicable (but not less than fifteen (15) business days) prior to the date of the closing of the issue of the Equity Securities; provided that if the Company determines that such advance notice is not practical under the circumstances, the Company may provide notice as soon as practicable after such closing.

6.3 Response to Offer

Within fifteen (15) business days after the date the Offer Notice is deemed given in accordance with **clause 10**, New Cotai shall give notice to the Company stating, with respect to each Entitled Minority Shareholder, whether such Entitled Minority Shareholder accepts all or any portion of the Equity Securities offered to it in the Offer Notice or it declines the Offer in full.

6.4 Failure to Respond

If New Cotai does not give notice to the Company stating whether an Entitled Minority Shareholder accepts all or a portion of the Equity Securities offered to such Entitled Minority Shareholder in the Offer within the period stated in **clause 6.3**, any such Entitled Minority Shareholder shall be deemed to have declined all of the Equity Securities offered to it in the Offer.

6.5 Payment by Accepting Entitled Minority Shareholders

If an Entitled Minority Shareholder accepts all or any portion of the Equity Securities offered to such Entitled Minority Shareholder in the Offer, upon the closing of the issuance of the Equity Securities as specified in the Offer Notice, such Entitled Minority Shareholder shall pay to the Company an amount in cash (in U.S. dollars) equal to the aggregate purchase price for the number of Equity Securities specified in the notice of acceptance of such Entitled Minority Shareholder's Offer (the **Cash Purchase Price**) on the terms specified in the Offer Notice. If an Entitled Minority Shareholder fails to make a timely payment of the Cash Purchase Price in full in accordance with the terms specified in the Offer Notice, such Entitled Minority Shareholder shall be deemed to have declined all of the Equity Securities offered to it in the Offer.

6.6 Termination of Pre-Emptive Rights

Clauses 6.1 through 6.5 shall terminate and be of no further force or effect (**Termination of Pre-Emptive Rights**) upon which time (a) the Participation Agreement is no longer in effect and (b) either (i) the combined value of the Exchange Shares held by all Minority Shareholders no longer equals at least US$40,000,000 based on a 20-Day VWAP or (ii) the total sum of the number of Exchange Shares held by all Minority Shareholders is less than 1.00% of the outstanding Class A Ordinary Shares.

7. CONFIDENTIALITY AND DISCLOSURE

7.1 Disclosure by Directors

(a) Each Director shall not disclose any Confidential Information except, to the extent not prohibited by Law:

(i) to any officer, manager, employee, director (or equivalent) or financial, legal or accounting adviser of or lender to a Shareholder or holder of Upstream Securities; and

(ii) in the case of a Director employed by an investment fund or a management company of an investment fund (as applicable) that holds, or has any Affiliates that hold, an Effective Interest in Securities, to any partner, officer, manager, employee or director (or equivalent) of that investment fund or management company.

(b) Each Shareholder shall procure that the Director appointed by them complies with the Director's obligations under this **clause 7** (subject to such Director's fiduciary duties).

7.2 Restrictions on disclosure

A person (other than a Director) shall not disclose any Confidential Information except, to the extent not prohibited by Law:

(a) in the case of a Shareholder or holder of Upstream Securities, where permitted under **clauses 7.3**, **7.4**, **7.5** or **7.6**; or

(b) in any other case, where permitted under **clauses 7.4**, **7.5** or **7.8**.

7.3 Disclosure by Shareholders and holders of Upstream Securities

Each Shareholder and holder of Upstream Securities, as applicable, may, subject to **clause 7.6**, disclose any Confidential Information to the extent not prohibited by Law:

(a) (i) to Oaktree Capital Management, L.P., or any investment fund or account or entity managed by Oaktree Capital Management, L.P. that is a holder of Upstream Securities or (ii) to Silver Point Capital, L.P., or any investment fund or account or entity managed by Silver Point Capital, L.P. that is a holder of Upstream Securities, in the case of each of clauses (i) and (ii), so long as those persons own Effective Interests in Securities that correspond to a number of Securities equal to least 10% of the New Cotai Original Share Amount in aggregate; or

(b) to any officer, manager, employee, representative, director (or equivalent) or financial, legal or accounting adviser of or lender to a Shareholder or holder of Upstream Securities or any of the other persons specified in the applicable paragraphs of this **clause 7.3**.

7.4 Disclosure generally

A person may disclose any Confidential Information received by it, to the extent not prohibited by Law:

(a) in the case of a person that is an investment fund, to any partner in that fund;

(b) to any officer, manager, employee, director (or equivalent) or financial, legal, valuation or accounting adviser of or lender to a Shareholder or holder of Upstream Securities or any of the other persons specified in this **clause 7.4**; and

(c) to any Project Lender.

7.5 Exceptions

(a) Despite any other provision of this clause to the contrary, but subject to **clause 7.5(b)**, a person may disclose Confidential Information to:

(i) any person to whom it is required to disclose the Confidential Information by Law;

(ii) any person to the extent necessary in connection with the exercise of any remedy hereunder;

(iii) any Governmental Agency where required by that agency; or

(iv) any stock exchange on which its securities, or the securities of any of its Affiliates, are listed if required by the listing or exchange rules of such stock exchange.

(b) A party who is required to disclose Confidential Information under **clause 7.5(a)** shall use commercially reasonable endeavours to, and to the maximum extent permitted by Law to, limit the form and content of that disclosure.

7.6 Conditions to disclosure

Each Shareholder shall be responsible for ensuring that each holder of its Upstream Securities does not disclose Confidential Information that is not permitted to be disclosed under **clauses 7.3**, **7.4** and **7.5** unless the Company, acting in its reasonable discretion at the request of a Shareholder, executes a Confidentiality Deed or other similar agreement with any particular holder of Upstream Securities.

7.7 Prospective Purchaser

(a) A Shareholder (**Disclosing Shareholder**) shall not disclose, and shall procure that no holder of Upstream Securities discloses, any Confidential Information to a prospective purchaser of Securities or Upstream Securities (**Prospective Purchaser**) unless the Prospective Purchaser, prior to being provided with any such information, enters into a confidentiality agreement on terms no less onerous to the Prospective Purchaser than those set out in the Confidentiality Deed or otherwise reasonably acceptable to the Company.

(b) The Disclosing Shareholder shall require that a Prospective Purchaser return or destroy any information provided by the Disclosing Shareholder to the Prospective Purchaser under **clause 7.2** (subject to customary exceptions) if the Prospective Purchaser has not purchased the Disclosing Shareholder's Securities or the Upstream Securities on or before the date six (6) months after the date of entry into the confidentiality agreement referred to in **clause 7.7(a)**.

7.8 Information to be held confidential

Each Shareholder shall procure that any person to whom information is disclosed by that Shareholder or any Director appointed by that Shareholder under **clauses 7.1** and **7.2** keeps that information confidential and, except as permitted by this **clause 7**, does not disclose the information to any other person.

7.9 Prohibition

A Shareholder shall not, and, subject to **clause 7.6**, shall procure that the holder of Upstream Securities in respect of such Shareholder does not, knowingly disclose any information to any Competitor or an Unsuitable Person, or any of their directors, officers or employees.

7.10 Disclosure document

The obligations of confidentiality in this **clause 7** do not apply to any information concerning the Group, its business or its assets in any document publicly available in connection with an underwritten public offering of the Company's Equity Securities, or American depositary shares representing the Company's Equity Securities.

8. DISPUTE

8.1 Dispute

(a) If a dispute (**Dispute**) arises out of or relates to this document (including any dispute as to the existence, breach or termination of this document or as to any claim in tort, in equity or pursuant to any statute) a party to the document may only commence arbitration proceedings relating to the Dispute if the procedures set out in **clauses 8.1(b)** to **8.1(h)** have been fulfilled.

(b) A party to this document claiming the Dispute has arisen under or in relation to this document shall give written notice (**Dispute Notice**) to the other parties to the Dispute specifying the nature of the Dispute.

(c) On receipt of the Dispute Notice by the other parties, all the parties to the Dispute (**Disputing Parties**) shall endeavour in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques such as mediation, expert evaluation or determination or similar techniques agreed by them.

(d) If the Disputing Parties do not resolve the Dispute within twenty (20) days of receipt of the Dispute Notice the Dispute shall be determined by way of arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in force on the date when the notice of arbitration is submitted in accordance with these rules.

(e) The number of arbitrators shall be three and the nationality or residence of the chairman of the arbitral tribunal shall not be the United States, Hong Kong or Macau.

(f) The arbitral proceedings shall be conducted in the English language and the place of arbitration shall be Hong Kong.

(g) By agreeing to arbitration pursuant to **clause 8.1(d)**, the parties do not intend to deprive any court of its jurisdiction to issue an interim injunction or other interim relief in aid of the arbitration proceedings, provided that the parties agree that they may seek only such relief as is consistent with their agreement to resolve the Dispute by way of arbitration. Without prejudice to such relief that may be granted by a national court, the arbitral tribunal shall have full authority to grant interim or provisional remedies or to order a party to seek modification or vacation of the relief granted by a national court. For purposes of this **clause 8.1(g)**, the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Hong Kong and any courts which have jurisdiction to hear appeals from those courts and waive any right to object to any proceedings being brought in those courts.

(h) Any dispute that arises under this document shall be resolved in accordance with this **clause 8**.

8.2 Proper exercise of rights not a Dispute

For the avoidance of doubt, the proper exercise by a Shareholder or Shareholder Group of its rights hereunder shall not constitute a Dispute merely because such exercise is contrary to the interests of the Company or another Shareholder or Shareholder Group.

9. TERMINATION

9.1 Term

Subject to **clause 9.2**, this document continues in full force and effect until:

(a) terminated by written agreement between the parties; or

(b) in the case of a Shareholder, that Shareholder ceases to hold any Securities.

9.2 Certain provisions continue

The termination of this document with respect to a party does not affect:

(a) any obligation of that party which accrued prior to that termination and which remains unsatisfied or which has been breached; and

(b) any provision of this document which is expressed to come into effect on, or to continue in effect after, that termination, including those specified in **clause 13.10**.

10. NOTICES

10.1 General

A notice, demand, certification, process or other communication relating to this document shall be in writing in English and may be given by an agent of the sender.

10.2 How to give a communication

A communication shall be given by being:

(a) personally delivered;

(b) left at the party's current delivery address for notices;

(c) sent to the party's current postal address for notices by reputable international delivery service for delivery within five days; or

(d) sent by fax to the party's current fax number for notices,

provided that any communication hereunder may also be sent by e-mail (which shall not constitute notice).

10.3 Particulars for delivery of notices

(a) The particulars for delivery of notices for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different than delivery address), (iii) facsimile number for notices, (iv) e- mail address for notices, and (v) designated person or office to whom notices are to be addressed, are as initially set out below and in the Deed of Accession (as the case may be):

Melco Resorts & Entertainment Limited
36/F, The Centrium
60 Wyndham Street, Central
Hong Kong
facsimile number: +852-2537-3618
e-mail address: [•]
attention: Company Secretary

with copy to (which copy will not constitute notice for the purposes of this **clause 10**):

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
facsimile number: +852-2912-2600
e-mail address: Helena.Kim@lw.com
attention: Ji-Hyun Helena Kim

MCE Cotai Investments Limited
c/o Melco Resorts & Entertainment Limited at its address set out herein for delivery of notices
facsimile number: +852-2537-3618
e-mail address: [•]
attention: Company Secretary

with copy to (which copy will not constitute notice for the purposes of this **clause 10**):

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
facsimile number: +852-2912-2600
e-mail address: Helena.Kim@lw.com
attention: Ji-Hyun Helena Kim

New Cotai, LLC
c/o New Cotai Holdings, LLC
Two Greenwich Plaza
Greenwich, Connecticut 06830
United States of America

facsimile number: +1-203-542-4133
e-mail address: dreganato@silverpointcapital.com
attention David Reganato

facsimile number: +1-203-542-4314
e-mail address: tlavelle@silverpointcapital.com
attention Timothy Lavelle

with copy to (which copy will not constitute notice for the purposes of this **clause 10**):

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071-3144
facsimile number: + 1-213-621-5288
email address: jeffrey.cohen@skadden.com
attention: Jeffrey H. Cohen

Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street, Central
Hong Kong
facsimile number: +852-2537-3618
e-mail address: [•]
attention: Company Secretary

with copy to (which copy will not constitute notice for the purposes of this **clause 10**):

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
facsimile number: +852-2912-2600
e-mail address: Helena.Kim@lw.com
attention: Ji-Hyun Helena Kim

(b) Each party may change its particulars for delivery of notices by notice to each other party.

10.4 Communications by post

Subject to **clause 10.6**, a communication is deemed given five days after being sent under **clause 10.2(c)**.

10.5 Communications by fax

Subject to **clause 10.6**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

10.6 After hours communications

If a communication is given:

(a) after 5.00pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in that place.

10.7 Receipt of notice

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

11. NOTICES UNDER NEWCO MEMORANDUM AND ARTICLES OF ASSOCIATION, COMPANY MEMORANDUM AND ARTICLES OF ASSOCIATION AND DEPOSIT AGREEMENT

11.1 The Company irrevocably covenants that it shall or shall cause Newco to, as applicable, promptly provide a person designated by New Cotai with a copy of any notice or other communication or document that Newco is required to deliver to the Company under the Newco Memorandum and Articles of Association in its capacity as a Shareholder (as such term is defined in the Newco Memorandum and Articles of Association) of Newco.

11.2 The Company irrevocably covenants that it shall promptly provide a person designated by New Cotai with a copy of any notice or other communication that a holder of Equity Securities of the Company (other than Class B Ordinary Shares) or ADSs is entitled to receive under the Memorandum and Articles of Association or the Deposit Agreement; provided that this **clause 11.2** shall not require a separate or duplicate notice to be provided to the extent that (a) New Cotai or any person designated by New Cotai is already entitled to receive a substantially similar notice under another agreement to which the Company is a party or (b) the information set out in such notice is publicly available.

12. DUTIES, COSTS AND EXPENSES

12.1 Fees and costs

(a) The Company shall pay the reasonable legal and other costs and expenses incurred by the parties in negotiating, preparing, executing, and registering this document and the other Transaction Documents and provided that receipts for such expenses are provided to the Company prior to such payment.

(b) If a party other than the Company pays the reasonable legal and other costs and expenses incurred by it of negotiating, preparing, executing, and registering this document or any of the other Transaction Documents then the Company shall reimburse that amount to the paying party on demand.

(c) Except as otherwise expressly stated in this document, each party shall pay its own legal and other costs and expenses of performing its obligations under this document and of any dispute that may arise in connection with any amendment to this document.

12.2 Duties

(a) The Company, as between the parties, is liable for and shall pay all Duty (including any fine or penalty except where it arises from default by another party) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it except in respect of any Transfer of Securities, where unless otherwise agreed by the parties to such Transfer, Duty in respect of such Transfer will be borne by the transferee.

(b) If a party other than the Company pays any Duty (including any fine or penalty) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it, the Company shall reimburse that amount to the paying party on demand provided that such costs and/or expenses are reasonable.

13. GENERAL

13.1 Amendment

No amendment to this document will be effective unless it is:

(a) in writing; and

(b) signed by each party;

provided that New Cotai may amend Schedule II, subject to the requirements of **clauses 2.2(f)** and representations and warranties set forth in **2.2(g)**, in its sole discretion without the consent of any other party in accordance with the definition of Minority Shareholders.

13.2 Counterparts

This document may consist of a number of counterparts and if so the counterparts taken together constitute one document.

13.3 Assignment

(a) Except to the extent expressly permitted under this document, a party shall not Transfer any right under this document without the prior written consent of the other parties.

(b) Any purported Transfer in breach of this **clause 13.3** is of no effect.

(c) The Company may assign its rights, and the Shareholders may assign their rights, under this document to any Project Lender if required by that lender in connection with, providing any such financing.

(d) For the avoidance of doubt, without limitation of the provisions governing the requirements applicable to a transferee to be a Minority Shareholder, this document does not restrict the transfer of Class A Ordinary Shares to a transferee.

13.4 Entire understanding

(a) This document together with the other Transaction Documents constitutes the entire understanding between the parties as to the subject matter of this document.

(b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

(c) No oral explanation or information provided by any party to another:

(i) affects the meaning or interpretation of this document; or

(ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

13.5 Further steps

Each party shall promptly do whatever any other party reasonably requires of it to give effect to this document (including voting their Securities in favour of any resolution).

13.6 Attorneys

Each of the attorneys executing this document declares that the attorney has no notice of the revocation of the power of attorney under which the attorney executes this document.

13.7 Inconsistency with Memorandum and Articles of Association

(a) If there is any inconsistency between this document and the Memorandum and Articles of Association, this document prevails as between the Shareholders only to the extent of that inconsistency.

(b) At the written request of any party, all parties shall take all necessary steps, including voting in favour of any resolution, to amend the Memorandum and Articles of Association to remove the inconsistency specified in **clause 13.7(a)**.

(c) Each Shareholder and the Company acknowledges and agrees that the terms of this document (i) are enforceable between the Shareholders and the Company (and between the Shareholders inter se) and (ii) are not rendered invalid solely due to any inconsistency between this document and the Memorandum and Articles of Association.

13.8 Relationship of parties

This document is not intended to create a partnership, joint venture, fiduciary or agency relationship between the parties.

13.9 Rights cumulative

Except as otherwise expressly stated in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

13.10 Survival of obligations after termination

Clauses 1 (Interpretation), **2.8** (Fees and expenses of Directors), **2.9** (D&O Policy), **2.10** (Indemnity deed), **5.2** (Other Administrative Matters), **8** (Dispute), **9.2** (Certain provisions continue), **10** (Notices), **13.3** (Assignment), **13.7** (Inconsistency with Memorandum and Articles of Association), **13.9** (Rights cumulative), **13.10** (Survival of obligations after termination), **13.11** (Waiver and exercise of rights), **13.12** (Consent), **13.13(b)** (Equitable relief), **13.14** (Governing law and jurisdiction) and **13.15** (No Third Party Rights) of this document will remain in full force and effect and survive the expiry or termination of this document.

13.11 Waiver and exercise of rights

(a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

(c) A right relating to this document may only be waived in writing signed by the party or parties waiving the right.

13.12 Consent

Unless this document expressly provides otherwise, a party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion.

13.13 Equitable relief

The parties acknowledge that:

(a) damages or an account of profits may be an inadequate remedy to compensate a Shareholder for a breach of this document; and

(b) a party is entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by a party of this document, in addition to any other remedies available to them at law or in equity.

13.14 Governing law and jurisdiction

This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong.

13.15 No Third Party Rights

A person who is not a party to this document shall have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any of its terms.

13.16 New Cotai Ownership Determination

In determining the number of Securities held by New Cotai at the relevant time for purposes of any threshold in this document, including for purposes of the New Cotai Original Share Amount, the Securities held by the Minority Shareholders as set out in Schedule II at such relevant time shall be deemed to be held by New Cotai.

13.17 Effectiveness

This document and the rights and obligations herein are not binding and effective until the consummation of an underwritten public offering of the Company’s Equity Securities, or American depositary shares representing the Company’s Equity Securities.

IN WITNESS WHEREOF, the parties have caused this document to be duly executed as a deed as of the date first above written.

MCE Cotai Investments Limited

By: _____

Position: _____

Date: _____

In the presence of:

Signature: _____

Name: _____

Address: _____

_____

New Cotai, LLC

By: _____

Position: _____

Date: _____

In the presence of:

Signature: _____

Name: _____

Address: _____

_____

[Signature Page – Shareholders' Agreement]

Melco Resorts & Entertainment Limited

By: _____

Position: _____

Date: _____

In the presence of:

Signature: _____

Name: _____

Address: _____

_____

Studio City International Holdings Limited

By: _____

Position: _____

Date: _____

In the presence of:

Signature: _____

Name: _____

Address: _____

_____

SCHEDULE I

Melco Shareholders	[*To insert the number of shares that represents 60% of the outstanding shares of SCIH immediately prior to the IPO*]
New Cotai	[*To insert the number of shares that represents 40% of the outstanding shares of SCIH immediately prior to the IPO*]

SCHEDULE II

Minority Shareholders

Name of Minority Shareholder	Class B Ordinary Shares	Exchange Shares
New Cotai LLC	[•]	Nil

Annexure A

Confidentiality Deed

[Discloser]

[Recipient]

Confidentiality Deed

Contents

Date

Parties

[•] of [•]; facsimile number: [•]; e-mail address: [•]; attention: [•] (**Discloser**)

[•] of [•]; facsimile number: [•]; e-mail address: [•]; attention: [•] (**Recipient**)

Background

A The Discloser possesses Confidential Information.

B The Discloser proposes to disclose Confidential Information to the Recipient.

C The Recipient agrees to maintain the confidentiality of the Confidential Information that is disclosed to it, on the terms of this document.

Agreed terms

1 Interpretation

1.1 Definitions

In this document, the following terms have the following meanings:

Affiliate has the meaning given to that term in the Shareholders' Agreement.

Business Day means a day which is not a Saturday, Sunday or bank or public holiday in Hong Kong or New York, nor a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9.00am and 5.00pm.

Company means Studio City International Holdings Limited, a company incorporated in the Cayman Islands.

Competitor has the meaning given to that term in the Shareholders' Agreement.

Confidential Information means any confidential, non-public or proprietary information relating to the business, assets or affairs of the Group; provided, however, that Confidential Information shall not include information that:

(a) is or becomes generally available to the public other than as a result of disclosure in violation of this document;

(b) is or becomes available to the receiving person on a non-confidential basis prior to its disclosure to such person;

(c) is or has been independently developed or conceived by the receiving person without use of Confidential Information; or

(d) becomes available to the receiving person on a non-confidential basis from a source other than the Discloser; provided that such source is not known by such person to be bound by a confidentiality agreement with the Discloser.

Effective Interest in Securities has the meaning given to that term in the Shareholders' Agreement.

Governmental Agency means:

(a) a government, whether foreign, federal, state, territorial or local;

(b) a department, office, or minister of a government acting in that capacity; or

(c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary, regulatory, fiscal or tax authority, whether statutory or not.

Group has the meaning given to that term in the Shareholders' Agreement.

Law means any law or legal requirement, including at common law, in equity, under any statute, regulation or by-law and any decision, directive, guidance, guideline or requirement of any Governmental Agency or the relevant stock exchange.

MRE means Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands.

New Cotai Original Share Amount has the meaning given to that term in the Shareholders' Agreement.

Permitted Transferee has the meaning given to that term in the Shareholders' Agreement.

Project Lender has the meaning given to that term in the Shareholders' Agreement.

Security has the meaning given to that term in the Shareholders' Agreement.

Shareholders' Agreement means the Amended and Restated Shareholders' Agreement by and among MCE Cotai Investments Limited, New Cotai, LLC, MRE, and the Company dated [•] 2018, as may be amended from time to time.

Subsidiary has the meaning given to that term in the Shareholders' Agreement.

Unsuitable Person has the meaning given to that term in the Shareholders' Agreement.

Upstream Securities has the meaning given to that term in the Shareholders' Agreement.

1.2 Construction

Unless expressed to the contrary, in this document:

(a) words in the singular include the plural and vice versa;

(b) any gender includes the other genders;

(c) if a word or phrase is defined its other grammatical forms have corresponding meanings;

(d) a party may give or withhold any consent to be given under this document in its absolute discretion and may impose any conditions on that consent;

(e) "includes" means includes without limitation;

(f) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;

(g) a reference to:

(i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a Governmental Agency;

(ii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;

(iii) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;

(iv) a right includes a benefit, remedy, discretion or power;

(v) this or any other document includes the document as novated, varied or replaced in accordance with the terms of this document or the other document and despite any change in the identity of the parties;

(vi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;

(vii) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions; and

(viii) this document includes all schedules and annexures to it;

(ix) if the number of Securities the Effective Interest in Securities represents is required to be calculated, if the number is not a whole number, that number will be rounded up or down, as appropriate, with .5 or greater rounded up;

(h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

(i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

2 Confidential Information

2.1 Duty of confidentiality

(a) The Recipient must keep the Confidential Information disclosed by the Discloser to the Recipient confidential and must not disclose any Confidential Information except:

(i) in the case where the Recipient is a holder of Upstream Securities, where permitted under **clause 2.2**, **2.3**, or **2.4**; or

(ii) in any other case, where permitted under **clause 2.3** or **2.4**.

(b) The Recipient must not knowingly disclose any information to any Competitor or an Unsuitable Person, or any of their respective directors, officers, or employees.

2.2 Disclosure by holders of Upstream Securities

If the Recipient is a holder of Upstream Securities, the Recipient may disclose any Confidential Information to the extent not prohibited by Law:

(a) (i) to Oaktree Capital Management, L.P., or any investment fund or account or entity managed by Oaktree Capital Management, L.P. that is a holder of Upstream Securities or (ii) to Silver Point Capital, L.P., or any investment fund or account or entity managed by Silver Point Capital, L.P. that is a holder of Upstream Securities, in the case of each of clauses (i) and (ii), so long as those persons own Effective Interests in Securities that correspond to a number of Securities equal to at least 10% of the New Cotai Original Share Amount in aggregate; or

(b) to any officer, manager, employee, representative, director (or equivalent) or financial, legal or accounting adviser of or lender to the Recipient or any of the other persons specified in the applicable paragraphs of this **clause 2.2**.

2.3 Disclosure generally

The Recipient may disclose any Confidential Information received by it:

(a) if the Recipient is an investment fund, to any partner in that fund;

(b) to any officer, manager, employee, director (or equivalent) or financial, legal, valuation or accounting adviser of or lender to the Recipient or any of the other persons specified in this **clause 2.3**; and

(c) to any Project Lender.

2.4 Exceptions

(a) Despite any other provision of this clause to the contrary, but subject to **clause 2.4(b)**, the Recipient may disclose Confidential Information to:

(i) any person to whom it is required to disclose the information by Law;

(ii) any person to the extent necessary in connection with the exercise of any remedy hereunder;

(iii) any Governmental Agency where required by that agency; or

(iv) any stock exchange on which its securities, or the securities of any of its Affiliates, are listed if required by the listing or exchange rules of such stock exchange.

(b) If the Recipient is required to disclose information under **clause 2.4(a)**, the Recipient must use commercially reasonable endeavours to, and to the maximum extent permitted by Law to, limit the form and content of that disclosure.

2.5 Copies and extracts of Confidential Information

(a) The Recipient may only copy or extract any Confidential Information to the extent reasonably required by the Recipient.

(b) Where the Recipient copies or extracts Confidential Information, the Recipient must comply with **clause 3** in respect of any copy or extract.

3 Return or destruction of Confidential Information

3.1 Return or destruction

Subject to **clause 3.2** and except as required by Law, the Recipient must within three Business Days of [**the Discloser requesting in writing[1]/the Recipient ceasing to be a holder of Upstream Securities[2]**] return to the Discloser (or if the Discloser requests, destroy) all material containing any Confidential Information that is in the possession or control of the Recipient (including any Confidential Information disclosed by that person under **clause 2.2** or **2.3**, as applicable) unless such Confidential Information is in electronic form, in which case the Recipient must use all reasonable endeavours to destroy such Confidential Information.

3.2 Retained papers

The Recipient may retain board papers, board presentations, board minutes, and any reports containing Confidential Information but must ensure that such information is kept confidential and used only to the extent required by the Recipient.

3.3 Obligations to continue after materials returned

The obligations of the Recipient under this document will, from the date of this document, continue and be enforceable at any time by the Discloser and its Affiliates, even if the materials containing the Confidential Information are returned to the Discloser or destroyed, pursuant to **clause 3.1**.

1 This will apply in the case where the Recipient is a Prospective Purchaser.
2 This will apply in all cases other than where the Recipient is a Prospective Purchaser.

3.4 The Recipient must certify destruction of materials

If the Discloser requests the Recipient to destroy any materials containing Confidential Information pursuant to **clause 3.1**:

(a) without limiting **clause 3.1**, all electronic or computer data or programs containing Confidential Information must be permanently deleted from the magnetic or other storage media on which it is stored so that it cannot be recovered or reconstructed in any way; and

(b) the Recipient must certify in writing to the Discloser within five Business Days that the Confidential Information has been permanently and irretrievably deleted.

4 Indemnity

4.1 Indemnity

(a) The Recipient must indemnify and keep indemnified the Discloser from and against:

(i) any cost, expense, loss, liability or damage; and

(ii) any liability whatsoever in respect of any action, claim or proceeding brought or threatened to be brought (including all costs and expenses which the Discloser may suffer or incur in disputing any such action, claim or proceeding),

in respect of or in connection with any breach of this document.

(b) This indemnity survives termination of this document.

5 Liability

5.1 Discloser does not warrant Confidential Information is accurate

The Recipient acknowledges that:

(a) the Discloser does not represent that the Confidential Information is accurate or complete; and

(b) the Confidential Information may:

(i) have been prepared without any particular standard of care;

(ii) be speculative;

(iii) be forward looking and relatively uncertain;

(iv) be based on assumptions (stated or unstated) which may not be realised; and

(v) contain material which has not been audited or verified.

5.2 Liability

Subject to any written agreement between the parties to the contrary, the Discloser is not liable to the Recipient or any other person in relation to the use of the Confidential Information by the Recipient or any other person.

5.3 Release

Subject to any written agreement between the parties to the contrary, the Recipient releases the Discloser to the fullest extent permitted by law from any claim regarding any person's reliance on the Confidential Information.

6 Injunctive relief

The Recipient acknowledges that:

(a) because of the nature of the Confidential Information, damages or an account of profit may be an inadequate remedy for the Discloser in the event of an unauthorised use or disclosure of the Confidential Information; and

(b) the Discloser is entitled to seek an ex parte interlocutory or final injunction to restrain any actual or threatened unauthorised use or disclosure of the Confidential Information by the Recipient.

7 [Termination

(a) **The Discloser may terminate this document at any time by giving written notice to the Recipient.**

(b) **Any notice given to terminate this document will be taken to be a request to return or destroy all material containing any Confidential Information in accordance with clause 3.1.][3]**

8 General

8.1 Severance

(a) Subject to **clause 8.1(b)**, if a provision of this document is illegal or unenforceable in any relevant jurisdiction, it may be severed for the purposes of that jurisdiction without affecting the enforceability of the other provisions of this document.

(b) **Clause 8.1(a)** does not apply if severing the provision:

(i) materially alters:

(A) the scope and nature of this document; or

(B) the relative commercial or financial positions of the parties; or

(ii) would be contrary to public policy.

8.2 Amendment

This document may only be varied or replaced by a document executed by the parties.

3 This will apply where the Recipient is a Prospective Purchaser only.

8.3 Waiver and exercise of rights

(a) A single or partial exercise or waiver of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.

(b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

8.4 Governing law and jurisdiction

This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong.

8.5 Assignment

Neither party may assign any right or obligation under this document without the other party's prior written consent. Any dealing in breach of this clause is of no effect.

8.6 Entire understanding

This document and the Shareholders' Agreement (if applicable) contain the entire understanding between the parties as to the subject matter of this document.

8.7 Legal costs

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

8.8 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

8.9 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

8.10 Counterparts and facsimile copies

(a) This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

(b) This document may be entered into and becomes binding on the parties upon one party (**Sender**) signing the document and sending a facsimile copy of the signed document to the other party (**Receiver**) and the Receiver either:

(i) signing the document received by it and sending it by facsimile transmission to the Sender; or

(ii) signing a counterpart of the document received by it and sending it by facsimile transmission to the Sender.

8.11 Relationship of parties

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

8.12 Ownership thresholds

In determining the number of Upstream Securities held by a person in an entity for the purposes of any threshold in this document, Upstream Securities held by an Affiliate of that person in that same entity shall be deemed to be held by that person.

9 Notices

9.1 General

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

9.2 How to give a communication

A communication must be given by being:

(a) personally delivered;

(b) left at the party's current delivery address for notices;

(c) sent to the party's current postal address for notices by reputable international delivery service for delivery within three days; or

(d) sent by fax to the party's current fax number for notices,

provided that any communication hereunder may also be sent by e-mail (which shall not constitute notice).

9.3 Particulars for delivery of notices

(a) The particulars for delivery of notices for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different than delivery address), (iii) facsimile number for notices, (iv) e-mail address for notices, and (v) the person or office to whom notices are to be addressed, are initially as set out opposite such party's name at the commencement of this document.

(b) Each party may change its particulars for delivery of notices by notice to each other party.

9.4 Communications by post

Subject to **clause 9.6**, a communication is deemed given five days after being sent under **clause 9.2(c)**.

9.5 Communications by fax

Subject to **clause 9.6**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

9.6 After hours communications

If a communication is given:

(a) after 5.00pm in the place of receipt; or

(b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in that place.

9.7 Receipt of notice

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

Executed as a deed.

Signed, Sealed and Delivered)
as a deed in the name of)
[**Discloser**] acting by)
)
_____)
its duly authorised representative)
with authority of the board)
in the presence of:)

_____
Authorised Representative

_____
Name of witness:
Title of witness:

Signed, Sealed and Delivered)
as a deed in the name of)
[**Recipient**] acting by)
)
_____)
its duly authorised representative)
with authority of the board)
in the presence of:)

_____
Authorised Representative

_____
Name of witness:
Title of witness:

Annexure B

Deed of Accession

Deed poll dated

By

[ ]
of **[ ]** (**Acceding Party**)

Background

A This document is supplemental to an Amended and Restated Shareholders Agreement dated [•], 2018 (**Agreement**) by and among MCE Cotai Investments Limited, a company incorporated in the Cayman Islands, c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1 - 9005, Cayman Islands, New Cotai, LLC, a limited liability company formed in Delaware, United States of America, c/o New Cotai Holdings, LLC, of Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America, Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands, c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1 - 9005, Cayman Islands, and Studio City International Holdings Limited, a company incorporated in the Cayman Islands, with its registered office at [•], Cayman Islands.

Declarations

1 Acceding party to be bound

The Acceding Party covenants with all parties to the Agreement from time to time (whether original or by accession) (**Parties**) to observe, perform and be bound by all the terms of the Agreement in so far as they remain to be observed and performed, as if the Acceding Party had been an original party to the Agreement as [**Shareholder**].

2 Copy of the Deed

The Acceding Party confirms that it has been supplied with a copy of the Agreement.

3 Representations and warranties

The Acceding Party represents and warrants to the Parties that:

(a) (**registration**): it is a corporation, partnership, limited liability company, or other organization, as applicable, duly incorporated, formed, or organized, as applicable, and validly existing under the laws of the country of its registration, formation, or organization, as applicable;

(b) (**corporate power**): it has the corporate, partnership, limited liability company, or other organizational, as applicable, power to enter into and perform its obligations under this document and to carry out the transactions contemplated by the Agreement.

(c) (**corporate action**): it has taken all necessary corporate, partnership, limited liability company, or other organizational, as applicable, action to authorise the entry into and performance of this document and to carry out the transactions contemplated by the Agreement;

(d) (**binding obligation**): the obligations in this document are valid and binding obligations of the Acceding Party.

This deed poll is governed by the laws applicable in Hong Kong.

Executed as a deed.

Exhibit 10.22

PARTICIPATION AGREEMENT

This PARTICIPATION AGREEMENT (as it may be amended from time to time in accordance with the terms hereof, this "Agreement"), dated [●], 2018, is made by and among Studio City International Holdings Limited (formerly known as CYBER ONE AGENTS LIMITED), a business company limited by shares incorporated in the British Virgin Islands (the "Pre-Migration Company" and, following the proposed transfer by way of continuation (redomiciling) of the Pre-Migration Company as an exempted company with limited liability under the laws of the Cayman Islands, the "Company"), MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands ("Newco"), and New Cotai, LLC, a Delaware limited liability company ("New Cotai"). Any capitalized term used and not otherwise defined herein shall have the meaning given to it in Article I.

WHEREAS, New Cotai owns 72,511,760 Class A ordinary shares of the Pre-Migration Company, representing a 40% equity interest in the Pre-Migration Company (the "New Cotai Shares"), and MCE Cotai Investments Limited ("MCE Cotai"), a wholly-owned subsidiary of Melco Resorts & Entertainment Limited ("Melco"), owns 108,767,640 Class A ordinary shares of the Pre-Migration Company, representing a 60% equity interest in the Pre-Migration Company (the "MCE Cotai Shares");

WHEREAS, the Pre-Migration Company, Newco, MCE Cotai, Melco, and New Cotai have entered into that certain Implementation Agreement, dated as of [●], 2018 pursuant to which, and subject to the premises thereof, Newco has agreed to enter into this Participation Agreement pursuant to which the Participant accedes to certain rights, interests, entitlements, and obligations as set forth in this Agreement (all of such rights, interests, entitlements, and obligations, together with those under the Tax Side Letter, the "Participation");

WHEREAS, as set forth in the Implementation Agreement and subject to the premises thereof, the parties hereto have, among other things, agreed to take certain other actions in anticipation of the Continuation and the contemplated initial public offering (the "IPO") by the Company of American Depositary Shares ("ADS"), each ADS representing a certain number of Class A Ordinary Shares; and

WHEREAS, the Boards of Directors of the Pre-Migration Company, Newco, and New Cotai have each approved this Agreement and determined that the transactions contemplated herein are in the best interests of the Pre-Migration Company, Newco, and New Cotai, as the case may be.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions.

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

"Adjusted Class A Ordinary Shares Amount" means, with respect to an Exchanged Participation Interest, a number of Class A Ordinary Shares equal to the product of (i) the Participation Percentage corresponding to such Exchanged Participation Interest and (ii) the number of Class A Ordinary Shares issued and outstanding immediately prior to the effectiveness of the Exchange of such Exchanged Participation Interest; provided that, for purposes of calculating the number of Class A Ordinary Shares issued and outstanding immediately prior to the effectiveness of the Exchange, any Adjustment Event the record date of which was prior to the effectiveness of such Exchange but which was effective after the effectiveness of such Exchange shall be deemed to have occurred immediately prior to the effectiveness of such Exchange with respect to such Exchanged Participation Interest for purposes of the above calculation.

"Adjustment Change" has the meaning set forth in Section 2.5(a) to this Agreement.

"Adjustment Change Calculations" has the meaning set forth in Section 2.5(a) to this Agreement.

"Adjustment Change Notice" has the meaning set forth in Section 2.5(a) to this Agreement.

An "Adjustment Event" shall be deemed to have occurred upon either of the following:

(i) the Company (a) paying (whether or not declared) a dividend on its outstanding Class A Ordinary Shares wholly or partly in Class A Ordinary Shares or making a distribution to all holders of its outstanding Class A Ordinary Shares wholly or partly in Class A Ordinary Shares, (b) splitting or subdividing its outstanding Class A Ordinary Shares, or (c) effecting a reverse share split, consolidation, or otherwise combining its outstanding Class A Ordinary Shares into a smaller number of Class A Ordinary Shares; or

(ii) the Company completing a Recapitalization.

"ADS" has the meaning set forth in the recitals to this Agreement.

"Affiliate" means, with respect to any Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Average Class A Ordinary Share Price" means the volume-weighted average trading price of an ADS for the five (5)-trading day period immediately preceding (a) the date on which an Exchange Notice is delivered pursuant to Section 3.1(b), (b) the effective date of the applicable Mandatory Exchange pursuant to Section 3.1(e), or (c) the applicable date of determination pursuant to Section 2.7, Section 2.8, Section 3.1(a), or the definition of "Termination Event", as the case may be, based on quotations as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if such ADSs are not listed or admitted to trading on the New York Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such ADSs are listed or admitted to trading, in each case, divided by the number of Class A Ordinary Shares that one ADS represents; provided that, for purposes of the definition of "Termination Event", "five (5)-trading day period" shall be replaced with "twenty (20)-trading day period".

"business days" means any day other than a Saturday, a Sunday or a day on which banking institutions in the United States, Hong Kong, Cayman Islands or British Virgin Islands are authorized by law, regulation or executive order to remain closed and, in the case of Hong Kong, other than a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted at any time between 9:00 am and 5:00 pm. If a date on which an event is to occur is a non-business day at a place at which the event is to occur, the event may be made at that place on the next succeeding day that is a business day, and no interest shall accrue on such payment for the intervening period.

"Cash Change of Control" means any Change of Control; provided that holders of the Class A Ordinary Shares or ADSs do not (i) receive (or have the right to receive) securities of a class that is registered under the Exchange Act in such Change of Control or (ii) retain (or have the right to retain) Class A Ordinary Shares or ADSs following such Change of Control.

"Cash Settlement" means immediately available funds in U.S. dollars in an amount equal to the product of (i) the number of shares of Class A Ordinary Shares that would otherwise be delivered to a Participant in an Exchange pursuant to clauses (i) or (iv) of Section 3.1(e), and (x) in the case of a Cash Change of Control, the amount of cash consideration (and the fair market value, as determined by members of the Company's board of directors that are disinterested in the transaction, of any non-cash consideration) per share each holder of Class A Ordinary Shares is to receive in the applicable Cash Change of Control, or (y) in the case of an Unsuitability Determination, the Average Class A Ordinary Share Price.

A "Change in Control" shall be deemed to have occurred upon:

(i) the sale, lease, or transfer, in one or a series of related transactions, of all or substantially all of the Company's assets (determined on a consolidated basis) to a Third Party; provided, that, for clarity and notwithstanding anything to the contrary, neither the approval of nor consummation of (A) a transaction treated for U.S. federal income tax purposes as a liquidation of Newco into the Company or a wholly-owned Subsidiary of the Company or (B) a merger or consolidation of Newco into the Company or a wholly-owned Subsidiary of the Company will constitute a Change in Control; or

(ii) a merger or consolidation (including by way of scheme of arrangement or plan of arrangement) of the Company with another Person in which the holders of Class A Ordinary Shares receive solely cash in exchange for their Class A Ordinary Shares; or

(iii) a merger or consolidation of the Company or any Subsidiary of the Company with any other person, other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 50.1% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the acquisition, directly, or indirectly, by any Third Party (other than (a) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (b) a corporation or other entity owned, directly or indirectly, by all of the shareholders of the Company in substantially the same proportions as their ownership of shares in the Company) of beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of at least 50.01% of the aggregate voting power of the Voting Securities of the Company pursuant to a Tender Offer; provided, that the Company's board of directors determines that such Tender Offer is in the best interests of the Company and its shareholders, approves such transaction and recommends to the shareholders of the Company that they tender their Equity Securities of the Company in such Tender Offer.

"Class A Ordinary Shares" means the Class A ordinary shares, par value US$0.0001 per share, of the Company.

"Class A Ordinary Shares Amount" means, with respect to an Exchanged Participation Interest, a number of Class A Ordinary Shares equal to the product of (i) the Participation Percentage corresponding to such Exchanged Participation Interest and (ii) the number of Class A Ordinary Shares issued and outstanding immediately prior to the effectiveness of the Exchange of such Exchanged Participation Interest.

"Class B Adjustment" has the meaning set forth in Section 2.4(g) to this Agreement.

"Class B Ordinary Shares" means the Class B ordinary shares, par value US$0.0001 per share, of the Company.

"Class B Ordinary Shares Amount" means, with respect to a Participant's Participation Interest at any given time, the number of Class B Ordinary Shares equal to the product of (i) the Participation Percentage corresponding to such Participation Interest and (ii) the number of Class A Ordinary Shares issued and outstanding at such time.

"Company" has the meaning set forth in the preamble to this Agreement.

"Company Material Adverse Effect" means a material adverse effect on the Gaming License.

"Company Shareholders Agreement" means the Amended and Restated Shareholders' Agreement by and among MCE Cotai, Melco, New Cotai, and the Company, to be entered into after the consummation of the Continuation pursuant to the Implementation Agreement.

"Commencement of Enforcement" means the commencement by any Person of any declaration, action, procedure or proceeding to enforce the rights of any representative or agent (including a trustee, collateral agent or security agent) or any lender(s) with respect to any Excluded Lien.

"Continuation" means the transfer by way of continuation of the Pre-Migration Company from the British Virgin Islands to the Cayman Islands as described in Section [1.1(f)] of the Implementation Agreement.

"Corresponding Class B Ordinary Shares Amount" means, (a) with respect to an Exchanged Participation Interest, a number of Class B Ordinary Shares equal to the product of (i) the number of aggregate Class B Ordinary Shares outstanding immediately prior to the effectiveness of the Exchange with respect to such Exchanged Participation Interest and (ii) the quotient of (x) such Exchanged Participation Interest divided by (y) the Total Participation Percentage, and (b) with respect to any Transfer of Participation Interest, a number of Class B Ordinary Shares equal to the product of (i) the number of aggregate Class B Ordinary Shares outstanding at the time of such Transfer of Participation Interest and (ii) the quotient of (x) such Participation Interest being transferred divided by (y) the Total Participation Percentage; provided that, to the extent that the Corresponding Class B Ordinary Shares Amount would include a fractional Class B Ordinary Share, such fractional amount shall be rounded up to one (1).

"Corresponding Payment" has the meaning set forth in Section 2.5(a) to this Agreement.

"Corresponding Securities" has the meaning set forth in Section 6.2(a) to this Agreement.

"Deemed Distributed Rights" has the meaning set forth in Section 2.8(a).

"Discount" has the meaning set forth in Section 6.4 to this Agreement.

"Dispute" has the meaning set forth in Section 7.10(a) of this Agreement.

"Dispute Notice" has the meaning set forth in Section 7.10(b) of this Agreement.

"Distributed Right" means any right, option, or warrant granted by the Company to all holders of its Class A Ordinary Shares to subscribe for, purchase, or otherwise acquire Class A Ordinary Shares, or other securities or rights convertible into, or exchangeable or exercisable for, Class A Ordinary Shares.

"Disputing Parties" has the meaning set forth in Section 7.10(c) of this Agreement.

"Enforcement of Excluded Lien" means any representative or agent (including a trustee, collateral agent or security agent) or any lender(s) (x) taking possession of, or (y) following a judgment, order, decree or similar judicial or governmental action to such effect that remains unstayed and in effect for 60 consecutive days or is final and non-appealable, becoming entitled to take possession of, the Participation Interest or Class B Ordinary Shares subject to an Excluded Lien or the Class A Ordinary Shares Amount related thereto.

"Equity Plan" means any compensation plan, agreement, or other arrangement that provides for the grant or issuance of equity or equity-based awards (including share options) and that is approved by the Company for the benefit of any of the employees of the Company, Newco, or any Subsidiaries or Affiliates of Newco or other service providers (including directors, advisers, and consultants), or the employees or other services providers (including directors, advisers, and consultants) of any of their respective Affiliates or Subsidiaries.

"Equity Securities" means, with respect to any Person, equity securities or any securities convertible into or exchangeable or exercisable for any equity securities of such Person. For the purposes of Article IV of this Agreement, any Distributed Rights are not included in the definition of Equity Securities.

"Exchange" has the meaning set forth in Section 3.1(a) of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Date" has the meaning set forth in Section 3.1(b) of this Agreement.

"Exchange Notice" has the meaning set forth in Section 3.1(b) of this Agreement.

"Exchange Notice Withdrawal Date" has the meaning set forth in Section 3.1(b) of this Agreement.

"Exchange Right" has the meaning set forth in Section 3.1(a) of this Agreement.

"Exchanged Participation Interest" has the meaning set forth in Section 3.1(a) of this Agreement.

"Exchanging Participant" has the meaning set forth in Section 3.1(b) of this Agreement.

"Excluded Lien" means, solely with respect to New Cotai, a charge, pledge, encumbrance or security interest over New Cotai's Participation Interest (and, if applicable, the Corresponding Class B Ordinary Shares Amount) granted by New Cotai to a Person in connection with the incurrence of New Cotai Debt, provided that (i) such charge, pledge, encumbrance or security interest shall be an Excluded Lien only for so long as New Cotai's obligations and voting rights arising under or relating to this Agreement and the Class B Ordinary Shares are not impaired or limited by such charge, pledge, encumbrance or security interest and (ii) New Cotai satisfies all conditions under Section 7.1(b) of this Agreement at the time of the grant of such charge, pledge, encumbrance or security interest.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Gaming License" means the license, concession, subconcession, or other authorization from any Governmental Authority which authorizes, permits, concedes, or allows any Affiliate of the Company, the Company or any of its Subsidiaries, at the relevant time, to own or manage casino or gaming areas or operate casino games of fortune and chance, in each case, on the Company's or any of its Subsidiaries' premises.

"Governmental Authority" means (i) any court or tribunal in any jurisdiction (domestic or foreign) or any governmental or regulatory body (whether domestic, national, federal, state, provincial, municipal, local, foreign, or multinational), agency, department, commission, central bank, board, bureau, or other authority or instrumentality, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental body exercising, or entitled to exercise, any regulatory, administrative, executive, judicial, legislative, police, expropriation, or Tax authority under or for the account of any of the above.

"ICC Rules" has the meaning set forth in Section 7.10(d) of this Agreement.

"Impermissible Transfer" has the meaning set forth in Section 3.1(e) to this Agreement.

"Implementation Agreement" means the Implementation Agreement, dated as of [●], 2018, by and among the Pre-Migration Company, MCE Cotai, Melco, and New Cotai.

"Initial Calculations" has the meaning set forth in Section 2.5(a) to this Agreement.

"IPO" has the meaning set forth in the recitals to this Agreement.

"Joinder Agreement" shall have the meaning set forth in Section 7.1(a) of this Agreement.

"Lock-Out Period" means the period that ends on the date that is 180 days after the date of the prospectus relating to the IPO or, if earlier, another date that marks the end of the "Lock-Up Period" contained in the lock-up agreement that the applicable Participant entered into in connection with the IPO (such lock-up agreement, the "Lock-up Agreement"), including as a result of a full or partial waiver or termination of the lock-up restrictions contained in the Lock-up Agreement.

"Mandatory Contribution" has the meaning set forth in Section 6.1(a) of this Agreement.

"Mandatory Exchange" has the meaning set forth in Section 3.1(e) of this Agreement.

"MCE Cotai" has the meaning set forth in the recitals to this Agreement.

"MCE Cotai Shares" has the meaning set forth in the recitals to this Agreement.

"Melco" has the meaning set forth in the recitals to this Agreement.

"Minimum Exchange Participation Interest" means, with respect to a Participant, the portion of a Participation Interest such that, if such Participant exercised its Exchange Right for such portion, such Participant would receive the number of Class A Ordinary Shares representing 0.05% of the voting rights of the Voting Securities of the Company.

"Negotiation Period" has the meaning set forth in Section 2.5(c) of this Agreement.

"New Cotai" has the meaning set forth in the preamble to this Agreement.

"New Cotai Debt" means, solely with respect to New Cotai, any indebtedness of New Cotai used to amend, modify, restructure, extend or refinance all or any portion of the 10.625% Senior Pay-In-Kind Notes due 2019 issued by New Cotai and New Cotai Capital Corp., as may from time to time be amended, modified, restructured, extended or refinanced.

"New Cotai Shares" has the meaning set forth in the recitals to this Agreement.

"Newco" has the meaning set forth in the preamble to this Agreement.

"Newco Cash Distribution" has the meaning set forth in Section 2.2(a) of this Agreement.

"Newco Charter" has the meaning set forth in Section 6.3(a)(i) of this Agreement.

"Newco Employee" means an employee or director of (or any other service provider to) Newco or any of its Subsidiaries, including any employee of an Affiliate of Newco that provides services for the business and operations of Newco and its Subsidiaries, or the Company acting in such capacity; provided that any such employee of the Company is an executive officer of the Company and such employment is directly related to the Company's status as the holder of the Newco Shares or the Company's listing on the New York Stock Exchange.

"Newco In-Kind Distribution" has the meaning set forth in Section 2.2(b) of this Agreement.

"Newco Liquidation Date" has the meaning set forth in Section 2.2(c) of this Agreement.

"Newco Repurchase" has the meaning set forth in Section 6.2(c) of this Agreement.

"Newco Shares" means the ordinary shares, par value US$0.0001 per share, of Newco.

"Newco Share Issuance" means an issuance of shares by Newco to the Company in exchange for the contribution (or any deemed contribution) by the Company in accordance with this Agreement of all of the cash proceeds and/or property received by the Company (net of any underwriting fees, discounts, and selling commissions, or similar fees or related expenses, and costs) from (a) a public offering or a Person that is a Third Party, (b) a Person that is an Affiliate of the Company in a transaction between the Company and such Person that has been approved by members of the Company's board of directors that are disinterested in the transaction, (c) the issuance of Class A Ordinary Shares or ADSs to a Person with respect to "assured entitlement" arrangements pursuant to Practice Note 15 of the Listing Rules of The Stock Exchange of Hong Kong Limited (as it may be amended from time to time), (d) the issuance of Class A Ordinary Shares or ADSs pursuant to an Equity Plan in accordance with Section 2.7, or (e) the issuance of Class A Ordinary Shares or ADSs in connection with the exercise of any Distributed Right.

"Notional Equity Securities" has the meaning set forth in Section 4.2(b) of this Agreement.

"Notified Party" means the Company, Newco, or any Affiliate of either or both.

"Objection Calculations" has the meaning set forth in Section 2.5(b) of this Agreement.

"Objection Period" has the meaning set forth in Section 2.5(b) of this Agreement.

"Offer" has the meaning set forth in Section 4.1 of this Agreement.

"Offer Notice" has the meaning set forth in Section 4.2 of this Agreement.

"Participant" means New Cotai in its capacity as the recipient of the Participation Interest under this Agreement and each other Person that becomes a party to this Agreement pursuant to Section 7.1(a).

"Participants Representative" means, at any given time (a) a member of the board of directors of the Company at such time that has been appointed by New Cotai pursuant to the Company Shareholders Agreement or (b) if there is no such member of the board of directors at the relevant time, the Participant that holds the greatest Participation Percentage at such time.

"Participation" has the meaning set forth in the recitals to this Agreement.

"Participation Interest" means, with respect to any Participant, such Participant's interest in the Participation.

"Participation Percentage" means, with respect to each Participant, the number of percentage points represented by such Participant's Participation Interest, subject to adjustment from time to time as set forth in this Agreement (it being understood that, after each such adjustment, the Participation Percentage, as so adjusted, shall be the Participation Percentage with respect to such Participant for purposes of this Agreement for any periods thereafter until the next adjustment as provided by this Agreement). As of the date of this Agreement and immediately prior to the IPO, the Participation Percentage of New Cotai is 66-2/3%.

"Participation Rights" has the meaning set forth in Section 2.8(a).

"Payment Notice" has the meaning set forth in Section 2.5(a) to this Agreement.

"Permitted Transferee" means any one or more investment funds or other entities directly or indirectly owned, managed or advised by Oaktree Capital Management, L.P. or Silver Point Capital, L.P. (for so long as the transferee continues to be directly or indirectly owned, managed, or advised by Oaktree Capital Management, L.P. or Silver Point Capital, L.P.).

"Person" means an individual, a partnership (including a limited partnership), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association, or other entity or a Governmental Authority.

"Pre-Migration Company" has the meaning set forth in the preamble to this Agreement.

"Pro Rata Share" has the meaning set forth in Section 4.1 of this Agreement.

"Recapitalization" means, with respect to any Person, a merger, consolidation, business combination, scheme of arrangement, or plan of arrangement by a Person or with or into another Person or the transfer of all or substantially all of the Person's assets to another Person, other than a Change in Control. For the avoidance of doubt, the Transfer Agreement and the transactions undertaken thereunder are not included in the definition of "Recapitalization".

"Registration Rights Agreement" means the amended and restated registration rights agreement by and among the Company and the shareholders party thereto, to be entered into after the consummation of the Continuation pursuant to the Implementation Agreement.

"Registration Statement" means the Company's registration statement on Form F-1 related to the IPO, initially filed with the Securities and Exchange Commission on [●], 2018 (File No. [●]).

"Relevant Review Event Date" has the meaning set forth in Section 3.1(e) of this Agreement.

"Reviewable Materials" has the meaning set forth in Section 2.5(c) of this Agreement.

"Review Event" means the requirement after the date hereof by a Governmental Authority having jurisdiction over the Company or any of its Subsidiaries (or any of their Affiliates holding a Gaming License) that the Participants exchange all Participation Interests for the Class A Ordinary Shares Amount or any notice by such Governmental Authority determining that the continued performance of this Agreement in accordance with its terms is not permitted (or, as permitted, is not viable) or that such continued performance could have a Company Material Adverse Effect.

"Rights Purchase Price" has the meaning set forth in Section 2.8(b).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Settlement Notice" has the meaning set forth in Section 3.1(c).

"Subsidiary" means, with respect to any Person:

(i) any corporation, association, or other business entity of which (i) more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders' agreement that effectively transfers voting power) to vote in the election of directors, managers, or trustees of the corporation, association, or other business entity that is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof) or (ii) the composition of its board of directors is directly or indirectly controlled by such Person; and

(ii) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests, or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special, or limited partnership interests or otherwise and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Tax" shall mean tax, levy, duty, or other charge or withholding of a similar nature imposed by a Governmental Authority (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Side Letter" has the meaning set forth in Section 7.9 to this Agreement.

"Tender Offer" means a tender offer under Rule 14e-1 of the Exchange Act.

"Termination Event" means the earlier of the time at which (a) the combined value of the Class A Ordinary Shares issuable if all Participants exercised their Exchange Rights with respect to the entirety of the remaining Participation Interests would no longer equal at least US$40,000,000 based on the Average Class A Ordinary Share Price or (b) the number of Class A Ordinary Shares issuable if all Participants exercised their Exchange Rights with respect to the entirety of the remaining Participation Interests would be less than 1.00% of the outstanding Class A Ordinary Shares.

"Third Party" means, with respect to a Person, any Person that is not an Affiliate of such Person. Unless the context otherwise requires, "Third Party" refers to a Third Party with respect to the Company.

"Third Party Expert" has the meaning set forth in Section 2.5(c) of this Agreement.

"Total Participation Percentage" means, at any time, the aggregate Participation Percentage represented by the Participation Interests held by the Participants at such time (it being understood that, after each adjustment to the Participation Percentage of a Participant pursuant to this Agreement, the Total Participation Percentage, determined after giving effect to such adjustment, shall be the Total Participation Percentage for purposes of this Agreement for any periods thereafter until the next adjustment as provided by this Agreement). As of the date of this Agreement and immediately prior to the IPO, the Total Participation Percentage is 66-2/3%.

"Transfer" means to transfer, sell, exchange, hypothecate, assign, charge, pledge, encumber, gift, convey (including in trust) or otherwise dispose of.

"Transfer Agreement" means the Transfer Agreement, dated as of [●], 2018, by and between the Pre-Migration Company and Newco.

"Unsuitable Person Determination" shall mean the receipt by Newco or any of its Subsidiaries or Affiliates of a written notice (an "Unsuitable Person Notice") from a Governmental Authority to whose jurisdiction Newco, such Subsidiary or such Affiliate is subject, setting forth the name of a Person who is considered to be an Unsuitable Person; provided that a Review Event shall not constitute an Unsuitable Person Determination.

"Unsuitable Person" means a Person who (i) is determined by a Governmental Authority to be unsuitable to have any Participation Interest in Newco, whether directly or indirectly, (ii) causes Newco, the Company, or any of their respective Subsidiaries or Affiliates to lose or to be threatened by a Governmental Authority with the loss of any Gaming License, or (iii) in the sole discretion of the board of directors of the Company, is deemed likely to jeopardize Newco's or any of its Subsidiaries' or Affiliates' application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License, and "Unsuitability" and "Unsuitable" shall be construed accordingly.

"US$" and "U.S. dollars" mean the lawful currency of the United States of America.

"Voting Securities" mean any securities of the Company which are entitled to vote generally in matters submitted for a vote of the Company's shareholders or generally in the election of the Company's board of directors.

Section 1.2 Interpretation. In this Agreement, unless otherwise provided:

(a) A reference to an Article, Section, Schedule or Exhibit is a reference to an Article or Section of, or Schedule or Exhibit to, this Agreement, and references to this Agreement include any recital in or Schedule or Exhibit to this Agreement. The Exhibits form an integral part of and are hereby incorporated by reference into this Agreement.

(b) Headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

(c) The word “shall” shall be obligatory and the word “may” shall be permissive.

(d) Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing the masculine include the feminine and vice versa, and words importing persons include corporations, associations, partnerships, joint ventures, and limited liability companies and vice versa.

(e) The words “hereof” and “herein”, and words of similar meaning shall refer to this Agreement as a whole and not to any particular Article, Section, or clause, and the words “include”, “includes,” and “including” shall be deemed to be followed by the words “without limitation.”

(f) Except as otherwise specified herein, a reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all rules, regulations, and statutory instruments issued thereunder or pursuant thereto.

(g) Except as otherwise specified herein, a reference herein to any other agreement or document shall be to such agreement or document as it may have been or may hereafter be amended, modified, supplemented, waived, or restated from time to time in accordance with its terms and, to the extent applicable, the terms of this Agreement, and shall include all annexes, exhibits, schedules, and other documents or agreements attached thereto.

Section 1.3 Calculations. Any calculations undertaken pursuant to this Agreement shall be carried out to the fourth decimal place.

ARTICLE II
PARTICIPATION RIGHTS

Section 2.1 Participation. Each of Newco and the Company acknowledges and agrees that, with respect to a Participant’s Participation Interest, such Participant shall participate in the profits and losses and business and assets and properties of Newco to the extent set forth in this Agreement (it being understood that this Agreement shall not confer upon any Participant any right (a) to participate in the management of, or any management rights with respect to, Newco or (b) to be a shareholder of, or any voting rights with respect to, or other rights as a shareholder of, Newco).

Section 2.2 Payments on the Participation.

(a) Newco shall not pay (whether or not declared) any dividend or other distribution in cash in respect of or on account of Newco Shares (a "Newco Cash Distribution") unless, contemporaneously with any such payment, Newco pays to each Participant as of the record date for such Newco Cash Distribution, and each such Participant shall be entitled to receive in respect of its Participation Interest as of such record date, an amount in cash (in U.S. dollars) equal to the product of (x) such Participant's Participation Percentage as of such record date and (y) the aggregate amount of the Newco Cash Distribution. At any time Newco declares and sets aside any funds for the payment of any dividend or other distribution (whether or not declared) in cash in respect of or on account of Newco Shares, Newco shall set aside the corresponding amount that would be required to be paid to all Participants, as of the record date for such Newco Cash Distribution, with respect to, and at the time that, the Newco Cash Distribution is paid. Notwithstanding the first sentence of this Section 2.2(a), at the time the amount set aside for distribution to Participants pursuant to the immediately preceding sentence is otherwise to be paid pursuant to the first sentence of this Section 2.2(a), such amount may be paid pursuant to Section 3.3 to the extent the effectiveness of an applicable Exchange occurs after such amount is set aside and prior to the applicable Newco Cash Distribution.

(b) Newco shall not pay (whether or not declared) any dividend or other distribution of assets other than cash in respect of or on account of Newco Shares (a "Newco In-Kind Distribution") unless, contemporaneously with any such payment, dividend, or distribution, Newco pays or transfers to each Participant as of the record date for such Newco In-Kind Distribution, and each such Participant shall be entitled to receive in respect of its Participation Interest as of such record date, the portion of such distributed assets equal to the difference of (i) the aggregate amount of such Newco In-Kind Distribution, minus (ii) the quotient of (x) the aggregate amount of such Newco In-Kind Distribution divided by (y) the sum of 100% and such Participant's Participation Percentage as of such record date.

(c) Immediately prior to the earlier of (i) the date of commencement (as prescribed in this context under the laws of the British Virgin Islands or other applicable law) of any voluntary or involuntary liquidation, dissolution, or winding up of Newco and (ii) any record date for any payment of any distributions in respect of or on account of the Newco Shares in connection with such liquidation, dissolution, or winding up (such earlier date of (i) and (ii), the "Newco Liquidation Date"), the Exchange of all Participation Interests held by all Participants for the Class A Ordinary Shares Amount shall be effected, and all Class B Ordinary Shares shall be deemed to have been surrendered for cancellation and cancelled. An Exchange pursuant to this Section 2.2(c) shall be effected in accordance with the provisions of Section 3.1(e).

Section 2.3 Contributions to Newco. A Participant shall have no obligation under any circumstances to make any contribution to Newco.

Section 2.4 Adjustments to Participation Percentage. The Participation Percentage of a Participant shall be adjusted as follows:

(a) At such time as any Participant exercises the Exchange Right under Section 3.1(a) of this Agreement with respect to all or part of such Participant's Participation Interest, the Participation Percentage of each Participant (as in effect immediately prior to such exercise) shall be adjusted to equal the quotient (expressed as a percentage) of (x) the number of Class A Ordinary Shares that such Participant would be entitled to receive pursuant to the terms of this Agreement if, immediately after the exercise of such Exchange Right, such Participant were to exercise its Exchange Rights in accordance with the terms of this Agreement with respect to the entirety of its Participation Interest (as determined immediately after the exercise of such Exchange Right and, for the avoidance of doubt, excluding the number of Class A Ordinary Shares delivered in connection with the exercise of such Exchange Right) divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately after the exercise of such Exchange Right, which, for the avoidance of doubt, shall include any Class A Ordinary Shares delivered upon the exercise of such Exchange Right but shall not include any Class A Ordinary Shares described in clause (x) of this Section 2.4(a). For the purposes of this Section 2.4(a), the time of any exercise of the Exchange Right by any Participant shall be deemed to be the time of the relevant Exchange is effective, as determined pursuant to Section 3.1(a).

(b) Immediately after a Newco Share Issuance, the Participation Percentage of each Participant (as in effect immediately prior to such Newco Share Issuance) shall be adjusted to equal the quotient (expressed as a percentage) of (x) the number of Class A Ordinary Shares that such Participant would have been entitled to receive pursuant to the terms of this Agreement if, immediately prior to such Newco Share Issuance, such Participant had exercised its Exchange Rights in accordance with the terms of this Agreement with respect to the entirety of its Participation Interest divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately after such Newco Share Issuance, which, for the avoidance of doubt, shall not include any Class A Ordinary Shares described in clause (x) of this Section 2.4(b).

(c) The Participation Percentage of any Participant shall not be adjusted as a result of Newco effecting (A) a split, subdivision, reverse split, or consolidation of a class of shares issued by Newco or (B) a dividend or distribution in respect of the Newco Shares payable in the form of Newco Shares.

(d) Subject to Section 2.4(b) and so long as the Company is in compliance with Section 6.3(b), no adjustment shall be made to the Participation Percentage of any Participant if there is any capital reorganization of Newco or any reclassification or recapitalization of the Newco Shares.

(e) At such time as Newco engages in a Newco Repurchase that is permitted by Section 6.2(c), the Participation Percentage of each Participant (as in effect immediately prior to such Newco Repurchase) shall be adjusted to equal the quotient (expressed as a percentage) of (x) the number of Class A Ordinary Shares that such Participant would have been entitled to receive pursuant to the terms of this Agreement if, immediately prior to such Newco Repurchase, such Participant had exercised its Exchange Rights in accordance with the terms of this Agreement with respect to the entirety of its Participation Interest divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately after such Newco Repurchase, which, for the avoidance of doubt, shall not include any Class A Ordinary Shares described in clause (x) of this Section 2.4(e).

(f) Without duplication for any adjustment effected pursuant to Section 2.4(b), the Participation Percentage of each Participant shall be adjusted as required by Section 2.8 or Section 4.6 and as required by the transactions that occur or are deemed to have occurred pursuant to Section 2.7.

(g) The number of Class B Ordinary Shares held by each Participant shall be adjusted by the Company (the "Class B Adjustment") from time to time so that, at all times, such number of Class B Ordinary Shares shall equal such Participant's Class B Ordinary Shares Amount at such time.

Section 2.5 Adjustment and Payment Notices; Disputed Calculations.

(a) Newco shall deliver to the Participants, (i) promptly (but in no event later than five (5) business days) following the occurrence of an event resulting in an adjustment to the Participation Percentage of the Participants pursuant to Section 2.4(a), (b) or (e), Section 2.7, Section 2.8, or Section 4.6 of this Agreement or a Class B Adjustment (in each case, an "Adjustment Change"), a notice (an "Adjustment Change Notice") which shall set forth Newco's good faith determination of the Adjustment Change and include reasonable supporting details and good faith calculations of such Adjustment Change (the "Adjustment Change Calculations") and (ii) at least five (5) business days prior to Newco making any Newco Cash Distribution or Newco In-Kind Distribution, a notice (a "Payment Notice") which shall set forth Newco's good faith determination of the corresponding payment (the "Corresponding Payment") to be made hereunder in respect of the Participation Interest, if any, and include reasonable supporting details and good faith calculations of such payment (together with Adjustment Change Calculations, the "Initial Calculations").

(b) If, within twenty (20) days following the receipt of an Adjustment Change Notice described in Section 2.5(a)(i) or within ten (10) days following the receipt of a Payment Notice described in Section 2.5(a)(ii) (the "Objection Period"), the Participants do not provide a written objection to such determination (which must be provided through the Participants Representative), together with reasonable supporting calculations, that the Initial Calculations were not in accordance with this Agreement (the "Objection Calculations") then the determination of Newco with respect to such Adjustment Change or Corresponding Payment, as the case may be, and the Initial Calculations shall be deemed final and binding on the Participants; provided, however, that the time limitations set forth in this sentence shall not apply in the event Newco has engaged in fraud or intentional misconduct in connection with its determination of whether a proper Adjustment Change or Corresponding Payment, as the case may be, has occurred.

(c) If the Participants Representative delivers a written objection to the Adjustment Change Notice or Payment Notice under Section 2.5(b) within the applicable Objection Period, the Participants Representative and Newco shall promptly endeavor in good faith to resolve such dispute. In the event that a written agreement has not been reached within thirty (30) days after the date of receipt by Newco of the objection, or such later date as Newco and the Participants Representative may mutually agree to (the "Negotiation Period"), then the Participants Representative and Newco shall promptly submit for review to an internationally recognized independent valuation or accounting firm agreed between Newco and the Participants Representative or, failing agreement, to KPMG International Cooperative and if KPMG International Cooperative is unwilling or is unavailable to serve in such capacity to BDO International Limited (the "Third Party Expert") the Adjustment Change Notice or Payment Notice, as applicable, the Initial Calculations and the Objection Calculations (*i.e.*, no independent review) (the "Reviewable Materials"), and the Third Party Expert shall consider solely the provisions of this Agreement and the Reviewable Materials and shall select either the Initial Calculations or the Objection Calculations (in its totality and without modification). Each of the Participants Representative and Newco shall use commercially reasonable efforts to cause the Third Party Expert to render a decision in accordance with this Section 2.5, along with a statement of reasons therefor, within thirty (30) days of the submission of the Reviewable Materials, or a reasonable time thereafter, to the Third Party Expert. The decision of the Third Party Expert shall be final and binding upon the Participants and Newco (absent fraud or manifest error), and the decision of the Third Party Expert shall constitute an arbitral award that is final, binding, and non-appealable and upon which a judgment may be entered by a court having jurisdiction thereover.

(d) In the event the Participants Representative and Newco submit any Reviewable Materials to the Third Party Expert for resolution pursuant to this Section 2.5, each of the Participants and Newco shall pay its costs and expenses incurred under this Section 2.5; and the fees and costs of the Third Party Expert shall be borne by Newco, on the one hand, if the Third Party Expert selects the Objection Calculations, and the Participants, on the other hand, if the Third Party Expert selects the Initial Calculations.

Section 2.6 Transfer of Participation Interest. If a Participant Transfers all or any portion of its Participation Interest to a Permitted Transferee in accordance with the terms and conditions of this Agreement (including the satisfaction of the conditions set out in Section 7.1(a) and the limitations set out in Section 6.5), such Participant's Participation Percentage shall be reduced by the number of percentage points equal to the Participation Percentage represented by the transferred Participation Interest (as set out in the Joinder Agreement) and the Corresponding Class B Ordinary Shares Amount shall be accordingly transferred on the business day immediately following the date on which the fully completed and executed Joinder Agreement is delivered and received by Newco and the Company in accordance with Section 7.2. In the agreement governing the transfer of a Participation Interest and the Joinder Agreement, the Participant shall indicate the number of percentage points equal to the Participation Percentage represented by the Participation Interest to be transferred and the applicable Corresponding Class B Ordinary Shares Amount.

Section 2.7 Equity Plans.

(a) Share Options Granted to Persons other than Newco Employee. If, at any time or from time to time, in connection with any Equity Plan, an option to purchase Class A Ordinary Shares granted to a Person other than a Newco Employee is duly exercised, then:

(i) the Company shall, as soon as practicable after such exercise, make a contribution to the capital of Newco in an amount equal to the exercise price paid, if any, to the Company by such exercising party in connection with the exercise of such share option and, in exchange for such contribution to the capital of Newco, Newco shall issue to the Company a number of Newco Shares equal to the number of Class A Ordinary Shares issued by the Company in connection with the exercise of such share option; and

(ii) the Company shall be deemed to have contributed to Newco as a contribution an amount equal to the product of the Average Class A Ordinary Share Price as of the date of exercise and the number of Class A Ordinary Shares then being issued in connection with the exercise of such share option.

(b) Share Options Granted to Newco Employees. If, at any time or from time to time, in connection with any Equity Plan, an option to purchase Class A Ordinary Shares granted to a Newco Employee is duly exercised, then:

(i) the Company shall issue to the Newco Employee exercising such option the number of Class A Ordinary Shares required to be issued as a result of such exercise and Newco shall issue to the Company in exchange for the exercise price paid, if any, by the Newco Employee to Newco (reduced by any payment in respect of payroll taxes or other withholdings made by the Company) a number of Newco Shares equal to the number of Class A Ordinary Shares issued by the Company to such Newco Employee as a result of such exercise; and

(ii) the following events will be deemed to have occurred:

(1) the Company shall be deemed to have sold to Newco, and Newco shall be deemed to have purchased from the Company, the number of Class A Ordinary Shares as to which such stock option is being exercised in exchange for a purchase price per Class A Ordinary Share equal to the Average Class A Ordinary Share Price as of the date of exercise;

(2) Newco shall be deemed to have sold to the Newco Employee for a cash price per share equal to the Average Class A Ordinary Share Price as of the date of exercise the number of Class A Ordinary Shares equal to the quotient of (a) the exercise price paid to the Company by the exercising party in connection with the exercise of such share option divided by (b) the Average Class A Ordinary Share Price as of the date of exercise; and

(3) Newco shall be deemed to have transferred to the Newco Employee the number of Class A Ordinary Shares equal to the number of Class A Ordinary Shares described in Section 2.7(b)(ii)(1) less the number of Class A Ordinary Shares described in Section 2.7(b)(ii)(2).

(c) Class A Ordinary Shares Issued to Newco Employees Under Equity Plans. If, at any time or from time to time, in connection with any Equity Plan (other than in respect of the exercise of a share option), any Class A Ordinary Shares are issued to a Newco Employee (including any Class A Ordinary Shares that are subject to surrender or forfeiture in the event specified vesting conditions are not achieved and any Class A Ordinary Shares issued in settlement of a restricted share unit or similar award) in consideration for services performed for Newco or any of its Subsidiaries, then:

(i) the Company shall issue such number of Class A Ordinary Shares as are to be issued to the Newco Employee in accordance with the Equity Plan and Newco shall issue to the Company in exchange for any amounts paid by the Newco Employee (reduced by any payment in respect of payroll taxes or other withholdings made by the Company) a number of Newco Shares equal to the number of Class A Ordinary Shares issued by the Company to such Newco Employee at such time pursuant to the Equity Plan; and

(ii) the following events will be deemed to have occurred:

(1) the Company shall be deemed to have sold such Class A Ordinary Shares to Newco for a purchase price per share equal to the Average Class A Ordinary Share Price on such date,

(2) Newco shall be deemed to have delivered the Class A Ordinary Shares to the Newco Employee, and

(3) the Company shall be deemed to have contributed the purchase price to Newco as a contribution to the capital of Newco.

(d) Class A Ordinary Shares Issued to Persons other than Newco Employees Under Equity Plans. If, at any time or from time to time, in connection with any Equity Plan (other than in respect of the exercise of a share option), any Class A Ordinary Shares are issued to a Person other than a Newco Employee (including any Class A Ordinary Shares that are subject to surrender or forfeiture in the event specified vesting conditions are not achieved and any Class A Ordinary Shares issued in settlement of a restricted share unit or similar award) in consideration for services performed for the Company, Newco, or any Subsidiary of Newco, then:

(i) the Company shall issue such number of Class A Ordinary Shares as are to be issued to such Person in accordance with the Equity Plan and Newco shall issue to the Company in exchange for any amounts paid by such Person (reduced by any payment in respect of withholdings made by the Company) a number of Newco Shares equal to the number of Class A Ordinary Shares issued by the Company to such Person at such time pursuant to the Equity Plan; and

(ii) the Company shall be deemed to have contributed the product of the Average Class A Ordinary Share Price as of such date and the number of Class Ordinary Shares issued by the Company to such Person to Newco as a contribution to the capital of Newco.

(e) If any holder of Class A Ordinary Shares under any Equity Plan surrenders or forfeits all or a portion of such Class A Ordinary Shares for no payment, an equivalent number of Newco Shares held by the Company shall be surrendered or forfeited and the Participation Percentage of each Participant shall be adjusted to equal the quotient (expressed as a percentage) of (x) the number of Class A Ordinary Shares that such Participant would have been entitled to receive pursuant to the terms of this Agreement if, immediately prior to such surrender or forfeiture, such Participant had exercised its Exchange Rights with respect to the entirety of its Participation Interest divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately after such surrender or forfeiture, which, for the avoidance of doubt, shall not include any surrendered or forfeited Class A Ordinary Shares and shall not include Class A Ordinary Shares described in clause (x) of this Section 2.7(e).

Section 2.8 Grants of Distributed Rights

(a) If, at any time or from time to time, the Company grants a Distributed Right (other than in connection with any Equity Plan) (i) at a price per share less than the Average Class A Ordinary Share Price on the record date for such grant or (ii) that does not expire by the thirty (30) days after such grant, then Newco shall grant to each Participant similar rights, options, or warrants ("Participation Rights"), as applicable, with the same terms and conditions as such Distributed Rights mutatis mutandis, such that each Participant shall have the right to subscribe for, to purchase, or to otherwise acquire, as the case may be, an increase in its Participation Interest that would increase the Class A Ordinary Share Amount with respect to its Participation Interest (as determined immediately before such grant) by the same number of Class A Ordinary Shares as such Participant would have been entitled to subscribe for, to purchase, or to otherwise acquire on the exercise of the Distributed Rights that such Participant would have been granted if, immediately prior to the record date for such Distribution Right, such Participant, in accordance with the terms of this Agreement, had exercised its Exchange Rights with respect to the entirety of its Participation Interest (the "Deemed Distributed Rights"). For the avoidance of doubt, if the effectiveness of an Exchange occurs prior to or on the record date for such grant with respect to all or a portion of the Participation Interest of an Exchanging Participant, then notwithstanding anything in this Section 2.8, Newco shall not grant any Participation Rights to such Participant with respect to its Exchanged Participation Interest.

(b) Each Participant shall have the right (subject to any applicable exercise conditions contained in the Distributed Rights) to exercise all or a portion of its Participation Rights by paying to Newco an amount (the "Rights Purchase Price") equal to the product of (x) the total price that such Participant would have had to pay to exercise all of its Deemed Distributed Rights and (y) a fraction (1) the numerator of which shall be the Participation Rights being exercised by such Participant, and (2) the denominator of which shall be the Participation Rights received by such Participant; provided that, if the Distributed Rights included a "cashless exercise" or similar feature, such "cashless exercise" or similar feature shall also apply to the Participation Rights.

(c) Upon a Participant's exercise of any of its Participation Rights and payment of the Rights Purchase Price, such Participant's Participation Percentage shall be adjusted to equal the quotient (expressed as a percentage) of (x) the sum of (1) the number of Class A Ordinary Shares that such Participant would be entitled to receive pursuant to the terms of this Agreement if, immediately prior to such exercise of its Participation Rights, such Participant had exercised its Exchange Rights in accordance with the terms of this Agreement with respect to the entirety of its Participation Interest and (2) the number of Class A Ordinary Shares that such Participant would have been entitled to purchase for the Rights Purchase Price payable by such Participant upon such exercise of its Participation Rights if such Participant held Distribution Rights divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately prior to such exercise of Participation Rights, which, for the avoidance of doubt, shall not include any Class A Ordinary Shares described in clause (x) of this Section 2.8(c).

(d) If such Participation Rights are not exercisable prior to the time a Participant exchanges all of its Participation Interests, the Participant shall continue to hold such Participation Rights. Notwithstanding anything to the contrary in this Section 2.8, with respect to any Participation Rights held by a Participant that would not otherwise have been exercisable prior to a Termination Event, upon such Termination Event, Newco shall procure a Distribution Right of the Company with the same terms and conditions as such Participation Rights mutatis mutandis, and deliver such Distribution Rights to such Participant in exchange for such Participation Rights.

ARTICLE III
EXCHANGE RIGHTS

Section 3.1 Exchange of Participation Interest.

(a) Subject to Section 3.1(i), each Participant shall be entitled at any time and from time to time, upon the terms and subject to the conditions hereof, to exchange all or part of its Participation Interest subject to the surrender to the Company for cancellation of the Corresponding Class B Ordinary Shares Amount (such right to exchange, the "Exchange Right", and such portion of the Participation Interest proposed to be exchanged, expressed as a number of percentage points equal to the Participation Percentage represented by such portion, the "Exchanged Participation Interest") for the Class A Ordinary Shares Amount, provided that, to the extent that a Participant would receive a fractional Class A Ordinary Share in respect of the Exchanged Participation Interest, Newco shall pay to such Participant an amount in cash (in U.S. dollars) equal to the product of (i) such fractional share and (ii) the Average Class A Ordinary Share Price as of the date of the applicable Exchange Notice (such an exchange of Participation Interests and the surrender to the Company for cancellation of the Corresponding Class B Ordinary Shares Amount for Class A Ordinary Shares, an "Exchange"). Upon the effectiveness of such Exchange, the Company shall update the register of members and books and records of the Company to indicate that the Corresponding Class B Shares Amount set out in the Exchange Notice has been cancelled, effective at the time such Exchange is effective. For purposes of this Agreement, the effectiveness of an Exchange shall be deemed to be the time the Class A Ordinary Shares Amount are delivered by Newco to an Exchanging Participant, and delivery of the Class A Ordinary Shares shall be deemed to occur at the time when the register of members of the Company has been duly updated in accordance with Section 3.1(b)(iv).

(b) A Participant (an "Exchanging Participant") shall exercise its right to effect an Exchange as set forth in Section 3.1(a) above by delivering to Newco (i) a written election of exchange in respect of the Exchanged Participation Interest substantially in the form of Exhibit A hereto (the "Exchange Notice"), duly executed by the Exchanging Participant, delivered to Newco to its electronic mail address and confirmed by mail at its address set forth in Section 7.2, (ii) any share certificates representing the Corresponding Class B Ordinary Shares Amount, and (iii) if applicable, Internal Revenue Service Form W-9. Upon the effectiveness of an Exchange, all rights of the exchanging Participant in the Exchanged Participation Interest and the Corresponding Class B Ordinary Shares Amount that are being surrendered to the Company shall be free and clear of any pledges, liens, security interests, encumbrances, rights of first refusal, equities, claims and the like, and cancelled pursuant to the Exchange shall cease.

(i) An Exchange Notice from an Exchanging Participant shall specify the future date on which the Exchange is to be effected; provided that such Exchange Notice may be contingent (including as to the timing or date of the Exchange) upon the consummation of a purchase by another Person of Class A Ordinary Shares into which the Exchanged Participation Interest is exchangeable (whether in a tender or exchange offer, an underwritten offering or otherwise); provided that an Exchange may not be effective, under any circumstances, on a date that is earlier than the fifth business day, or later than a date that is ninety (90) days, following delivery of the Exchange Notice to Newco (such date upon which the Exchange is to be effective, whether by specification of a date or the satisfaction of certain contingencies, the "Exchange Date"); provided further that any contingency is required to be satisfied within ninety (90) days of the date of the Exchange Notice. In the event any contingency set out in an Exchange Notice remains unsatisfied on the ninetieth day after the Exchange Notice (the "Exchange Notice Withdrawal Date"), such Exchange Notice shall be deemed to have been withdrawn by the Exchanging Participant pursuant to Section 3.1(b)(iii) on the Exchange Notice Withdrawal Date.

(ii) Upon the delivery by Newco of the Class A Ordinary Shares Amount to an Exchanging Participant pursuant to an Exchange Notice and the surrender of the Corresponding Class B Ordinary Shares Amount by such Exchanging Participant to the Company for cancellation, a Corresponding Class B Ordinary Shares Amount of such Exchanging Participant shall be cancelled and the Exchanging Participant shall be automatically deemed to no longer be the holder of such Class B Ordinary Shares, without any further action on the part of the Exchanging Participant or Newco; provided that the register of members of the Company shall forthwith be updated accordingly. Notwithstanding anything in this Agreement to the contrary, the Participants hereby agree that, upon the effectiveness of an Exchange, pursuant to the applicable Exchange Notice, each Exchanging Participant shall be deemed to have surrendered its Corresponding Class B Ordinary Shares for cancellation, and the Company hereby agrees that such surrender shall be effective upon the effectiveness of the Exchange without any action on part of the Participant.

(iii) An Exchanging Participant may amend an Exchange Notice at any time prior to the Exchange Date by delivery of a written notice of amendment to Newco; provided that the Exchange Date may not be earlier than on the fifth business day following delivery of such notice of amendment to Newco; provided further that such amendment notice may not change, as the case may be, the future date or the period for satisfaction of the contingency referred to in Section 3.1(b)(i) beyond ninety (90) days of the date of the initial Exchange Notice. An Exchanging Participant may withdraw an Exchange Notice at any time prior to the Exchange Date by delivery of a written notice of withdrawal to Newco, in which event such Exchange Notice shall be null and void; provided that, upon request by Newco, such Exchanging Participant shall promptly reimburse Newco for all reasonable out-of-pocket expenses (including any expenses of the registrar for the Company and Newco) incurred by Newco and the Company in connection with such proposed Exchange prior to receipt of such withdrawal notice. Such obligation of the Exchanging Participant to reimburse Newco shall also apply to any deemed withdrawal of the Exchange Notice pursuant to Section 3.1(b)(i).

(iv) An Exchanging Participant shall be entered in the register of members of the Company as the holder of the Class A Ordinary Shares Amount deliverable to such Exchanging Participant in connection with an Exchange upon the effectiveness of such Exchange, and such Exchanging Participant shall be deemed to be the holder of such Class A Ordinary Shares from and after the effectiveness of such Exchange; upon the effectiveness of such Exchange, Newco shall deliver or procure the delivery of a copy of the register of members of the Company showing (or, if the Exchanging Participant so elects, as soon as reasonably practicable after any such election, share certificates representing) the Class A Ordinary Shares Amount deliverable upon the effectiveness of such Exchange to the Exchanging Participant, registered in the name of such Exchanging Participant.

(c) Within three (3) business days following the business day on which Newco has received the Exchange Notice or, (i) in the case of a Mandatory Exchange (other than as a result of a Termination Event pursuant to clause (v) of Section 3.1(e) or an Enforcement of Excluded Lien pursuant to clause (vi) of Section 3.1 (e)), at least five (5) business days prior to the date of such Mandatory Exchange, (ii) in the case of a Mandatory Exchange that is the result of a Termination Event pursuant to clause (v) of Section 3.1(e), no more than two (2) business days after the date of such Termination Event, or (iii) in the case of a Mandatory Exchange that is the result of an Enforcement of Excluded Lien pursuant to clause (vi) of Section 3.1(e), one (1) business day prior to such Mandatory Exchange, Newco shall give written notice (the "Settlement Notice") to each Exchanging Participant (with a copy to the Company) (or in the case of a Mandatory Exchange, all Participants) of a good faith estimate of the Class A Ordinary Shares Amount (or in the case of a Mandatory Exchange that is the result of either a Cash Change of Control pursuant to clause (i) of Section 3.1(e) or an Unsuitable Person Determination pursuant to clause (iv) of Section 3.1(e), the Cash Settlement, if applicable) such Participant will receive and the corresponding Class B Ordinary Shares Amount, which shall include reasonable supporting documentation and calculations to allow such Participants to determine compliance with this Agreement. If a record date for an Adjustment Event occurs prior to the effectiveness of any Exchange and a previously delivered Settlement Notice with respect to such Exchange did not reflect such Adjustment Event, the Company shall provide an updated Settlement Notice within five (5) business days of such record date.

(d) Notwithstanding anything herein to the contrary, with respect to any Exchange pursuant to this Section 3.1:

(i) Without the consent of Newco, a Participant may not effect an Exchange for less than the Minimum Exchange Participation Interest.

(ii) After delivery of the Exchange Notice in respect of an Exchanged Participation Interest, a Participant shall continue to hold such Exchanged Participation Interest subject to an Exchange and, for the avoidance of doubt, shall have no rights as a shareholder of the Company with respect to the Class A Ordinary Shares issuable in connection with the Exchange until the effectiveness of such Exchange.

(iii) In the case of a Mandatory Exchange pursuant to clause (iv) (Unsuitable Person Determination) of Section 3.1(e), the relevant Participant shall not be entitled to (aa) receive any payment of any kind (other than (A) to the extent permitted by law and the Unsuitable Person Notice, for any payment owed to such Participant pursuant to this Agreement on account of any Newco Cash Distribution or Newco In-Kind Distribution declared prior to the receipt of the related Unsuitable Person Notice but not yet paid to such Participant and (B) the Cash Settlement), with respect to its Participation Interest, (bb) receive any remuneration in any form from Newco, the Company or any of their Affiliates for services rendered after the date of the related Unsuitable Person Notice, or (cc) exercise, directly or indirectly or through any proxy, trustee, or nominee, any other right conferred by such Participation Interest.

(e) Notwithstanding any other provision of this Agreement, in the event of (i) a Change in Control, (ii) a Review Event, (iii) a Newco Liquidation Date, (iv) an Unsuitable Person Determination, (v) a Termination Event, or (vi) an Enforcement of Excluded Lien, the Participants (or, in case of an Unsuitable Person Determination, the relevant Participant and, in case of an Enforcement of Excluded Lien, New Cotai) shall be deemed to have delivered an Exchange Notice to exchange all of their Participation Interests (or in the case of clause (vi), New Cotai's Participation Interests that are subject to the applicable Enforcement of Excluded Lien) for the Class A Ordinary Shares Amount, free and clear of any pledges, liens, security interests, encumbrances, rights of first refusal, equities, claims and the like, and, upon such Mandatory Exchange, all Corresponding Class B Ordinary Shares shall be accordingly deemed surrendered and automatically cancelled; provided, such Mandatory Exchange shall occur, as applicable, on (aa) the closing of such Change in Control, (bb) the date indicated or required by the relevant Governmental Authority or regulation (the "Relevant Review Event Date"), (cc) the date required pursuant to Section 2.2(c) in the case of a Newco Liquidation Date, (dd) with respect to an Unsuitable Person Determination, the date determined by Newco as the date required by the relevant Governmental Authority, (ee) with respect to a Termination Event, the date specified by Newco as the settlement date in the Settlement Notice so long as such settlement date is no later than fifteen (15) business days after the Termination Date, or (ff) with respect to an Enforcement of Excluded Lien, the date specified by Newco as the settlement date in the Settlement Notice so long as such settlement date is no earlier than five (5) business days prior to the Enforcement of Excluded Lien and no later than five (5) business days after the Enforcement of Excluded Lien; provided that, in the event of a Review Event, promptly following the occurrence of the Review Event and until the Relevant Review Event Date, Newco and any relevant Affiliates will, to the extent practicable in consideration of the applicable legal and timing requirements, engage in good faith discussions with the Participants Representative and, if appropriate, the relevant Governmental Authority, to find an alternative arrangement that may address the Review Event and provide the Participants with similar corporate, U.S. tax and organizational consequences as this Agreement. To the extent practicable and permitted by law, Newco shall provide to the Participants at least thirty (30) days prior written notice of the date on which such Mandatory Exchange (other than in case of a Termination Event or Enforcement of Excluded Lien) shall occur; provided that if such notice is not practicable or permitted by law, Newco shall use its reasonable best efforts to provide Newco with as much advance notice of such Mandatory Exchange (other than in case of a Termination Event or Enforcement of Excluded Lien) as reasonably practicable and in no event less than five (5) business days or such shorter period if so required by law. Newco, at its option, may elect to settle a Mandatory Exchange that is the result of either a Cash Change of Control pursuant to clause (i) above or an Unsuitable Person Determination pursuant to clause (iv) above, by providing the Cash Settlement instead of the Class A Ordinary Shares Amount; provided that in the case of a Mandatory Exchange that is a result of a Cash Change of Control pursuant to clause (i) above, Newco must notify all applicable Participants that it has elected such Cash Settlement in the applicable Settlement Notice and that the Cash Settlement shall apply to all Participants; provided, further, that, in case of a Mandatory Exchange that is a result of an Unsuitable Person Determination pursuant to clause (iv) above, Newco must notify the relevant Participants that it has elected such Cash Settlement in the applicable Settlement Notice and, in the case of a Cash Change of Control, the Cash Settlement shall apply to all Participants. An Exchange pursuant to this Section 3.1(e) is referred to herein as a "Mandatory Exchange." A Mandatory Exchange shall be effected in accordance with the relevant provisions of this Article III. Additionally, immediately prior to any Transfer of Participation Interests (and the Corresponding Class B Ordinary Shares, as the case may be) to a Person that is not a Permitted Transferee (an "Impermissible Transfer") pursuant to a Chapter 11 plan of reorganization confirmed by order of a U.S. bankruptcy court, or as a result of any other bankruptcy or insolvency proceedings (including, without limitation, by way of a scheme of arrangement) in another court of competent jurisdiction, then, notwithstanding anything to the contrary in this Agreement, such Participation Interests shall immediately and automatically be exchanged (and, if not immediately and automatically exchanged, shall be deemed to have been immediately and automatically exchanged) for the Class A Ordinary Shares Amount (and the Corresponding Class B Ordinary Shares Amount shall be surrendered) as if a Mandatory Exchange with respect to such Participation Interests had occurred on the date such Impermissible Transfer would have otherwise occurred without further notice or action of the parties other than those actions required by Section 3.1(b)(iv) to evidence such Exchange, and such Person that is the non-Permitted Transferee will receive such Class A ordinary Shares Amount and not be a Participant under this Agreement nor have any rights under this Agreement.

(f) Subject to Section 3.2(c), if any Class A Ordinary Shares issued in an Exchange shall be issued in certificated form, the certificates evidencing such Class A Ordinary Shares shall bear a legend in substantially the following form:

THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED OTHER THAN IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (OR OTHER APPLICABLE LAW), OR AN EXEMPTION THEREFROM. THESE SECURITIES REPRESENT "EXCHANGE SHARES" UNDER THAT CERTAIN AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT BY AND AMONG STUDIO CITY INTERNATIONAL HOLDINGS LIMITED AND THE SHAREHOLDERS PARTY THERETO, DATED AS OF [●], AS AMENDED FROM TIME TO TIME.

(g) If (i) any Class A Ordinary Shares may be sold pursuant to a registration statement that has been declared effective by the Securities and Exchange Commission, (ii) all of the applicable conditions of Rule 144 are met, or (iii) if a Participant otherwise requests removal of the legend, the Company, upon the written request of the Participant and, in the case of clauses (ii) and (iii), receipt of an opinion of counsel addressed to such Participant (any cost related thereto to be borne by the Participant) and the Company reasonably acceptable to the Company, shall take all necessary action promptly to remove such legend and, if the Class A Ordinary Shares are certificated, issue to such Participant new certificates evidencing such Class A Ordinary Shares without the legend.

(h) Except as specifically provided herein, Newco and each Participant shall bear their own expenses related to any Exchange; provided that Newco shall bear all transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, any Exchange (which, for the avoidance of doubt, shall not include any income or similar taxes imposed on any Participant); provided, however, that, if any Class A Ordinary Shares are to be registered in a name other than that of the Participant that requested the Exchange, then such Participant and/or the person in whose name such shares are to be registered shall pay to the Company the amount of any transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, such Exchange or shall establish to the reasonable satisfaction of the Company that such tax has been paid or is not payable. In the event that an Exchange fails to be consummated due to the failure of one or more conditions set forth by this Agreement, the Exchanging Participant shall promptly reimburse Newco for all reasonable out-of-pocket expenses incurred by Newco and the Company in connection with such proposed Exchange prior to the failure of such conditions to be known to Newco.

(i) Notwithstanding anything to the contrary in this Article III, a Participant shall not be entitled to effect an Exchange (and, if attempted, any such Exchange shall be void *ab initio*), and Newco shall have the right to refuse to honor any request to effect an Exchange, at any time or during any period, if Newco shall reasonably determine that such Exchange would be prohibited by any applicable law (including the unavailability of any requisite registration statement filed under the Securities Act or any exemption from the registration requirements thereunder), provided this Section 3.1(i) shall not limit Newco's obligations under Section 3.2(c). Upon such determination, Newco shall promptly provide the Participant requesting the Exchange written notice of such determination, and such notice shall include an explanation in reasonable detail as to the reason that the Exchange has not been effected.

Section 3.2 Validity of Class A Ordinary Shares; Procurement of Class A Ordinary Shares.

(a) Each of Newco and the Company covenants that all Class A Ordinary Shares issued upon an Exchange will, upon delivery in accordance with this Agreement, be validly issued, fully paid, and non-assessable. Upon the receipt of an Exchange Notice, unless Newco has determined, at its option, to effect such a Mandatory Exchange that is the result of either a Cash Change of Control pursuant to clause (i) of Section 3.1(e) or an Unsuitable Person Determination pursuant to clause (iv) of Section 3.1(e), by means of a Cash Settlement, Newco covenants that it will procure the Class A Ordinary Shares to be delivered by Newco to the applicable Participant upon the effectiveness of such Exchange.

(b) In connection with an Exchange, Newco shall be permitted under this Agreement to acquire newly-issued Class A Ordinary Shares in exchange for the issuance to the Company of Newco Shares on a one-for-one basis.

(c) Upon the terms of and subject to the conditions of the Registration Rights Agreement, Newco covenants and agrees to deliver the Class A Ordinary Shares, if requested, in a transaction registered pursuant to an effective registration statement under the Securities Act with respect to any Exchange to the extent that a registration statement is effective and available for such shares.

Section 3.3 No Impairment of Payments; No Duplications. No Exchange shall impair the right of a Participant that delivers an Exchange Notice to receive any payment, dividend, or distribution payable with respect to such Participant's Exchanged Participation Interest pursuant to Section 2.2 of this Agreement. If a Participant delivers an Exchange Notice prior to the record date for a payment, dividend, or distribution in respect of Newco Shares and the Exchange is effective after such record date, then the Participant who delivered such an Exchange Notice shall be entitled to receive such payment, dividend, or distribution with respect to the Exchanged Participation Interest on the payment date from Newco notwithstanding the Exchange of the Exchanged Participation Interest on the Exchange Date; provided that such Participant shall not be entitled to receive such payment, dividend, or distribution if such Participant would otherwise receive such payment, dividend, or distribution in respect of any Class A Ordinary Shares received in exchange for the Exchanged Participation Interest. For the avoidance of doubt, to the extent that any payment, distribution, adjustment, or consideration has been applied to the Participant's entire Participation Percentage in connection with an event pursuant to this Agreement, such Participant shall not receive, nor be entitled to receive, any payment, distribution, adjustment, or consideration with respect to the same event under any circumstances, including in case of an Exchange. In the event that a Participant receives any payment, distribution, or adjustment with respect to the same event in breach of the provisions of this Section 3.3, Newco and the Company reserves its right to set-off against such Participant's payment, distribution, adjustment, or consideration.

Section 3.4 Adjusted Class A Ordinary Shares Amount. With respect to any Exchanging Participant in an Exchange, if the effectiveness of such Exchange occurs after the record date for an Adjustment Event and prior to such Adjustment Event, (A) if the Adjusted Class A Ordinary Shares Amount is greater than the Class A Ordinary Share Amount, the Company shall issue to such Exchanging Participants the excess of the Adjusted Class A Ordinary Share Amount over the Class A Ordinary Shares Amount, and (B) if the Class A Ordinary Shares Amount is greater than the Adjusted Class A Ordinary Share Amount, such Exchanging Participant shall surrender, for no consideration, the excess of the Class A Ordinary Share Amount over the Adjusted Class A Ordinary Shares Amount.

ARTICLE IV
RIGHTS RELATING TO CERTAIN ISSUANCES AFFECTING PARTICIPATION

Section 4.1 Rights Relating to Certain Issuances Affecting Participation. If the Company proposes to offer Equity Securities for subscription (other than issuances in connection with a public offering, under any Equity Plan or "assured entitlement" arrangements pursuant to Practice Note 15 of the Listing Rules of The Stock Exchange of Hong Kong Limited (as it may be amended from time to time)) solely or primarily to Melco or any of its Affiliates, Newco hereby grants to each Participant the right, subject to and in accordance with the provisions of this Article IV, to maintain its Participation Percentage based on such Participant's pro rata share of such Equity Securities that are offered to Melco and/or its Affiliates. A Participant's pro rata share shall be equal to the fraction, the numerator of which shall be the number of Class A Ordinary Shares that such Participant would be entitled to receive pursuant to the terms of this Agreement if such Participant exercised its Exchange Rights with respect to all of such Participant's Participation Interests pursuant to Section 3.1(a), and the denominator of which shall be the sum of (i) the number of issued and outstanding Class A Ordinary Shares held by Melco and its Affiliates (excluding the Company and its Subsidiaries), (ii) the number of Exchange Shares (as defined in the Company Shareholders Agreement) held by all Entitled Minority Shareholders (as defined in the Company Shareholders Agreement), and (iii) the number of Class A Ordinary Shares issuable if all Participants exercised their Exchange Rights with respect to the entirety of the remaining Participation Interests (such fraction, the "Pro Rata Share"). If the Company proposes to undertake an issuance of Equity Securities to which the rights under this Article IV apply, Newco shall give written notice to each Participant of the proposed issuance, describing the type of Equity Securities, the cash price per Equity Security, the number of Equity Securities, and the general terms upon which the Company proposes to issue the same (an "Offer").

Section 4.2 Offer Notice. Newco shall make the Offer to each Participant by giving a notice in writing (an "Offer Notice") to each Participant specifying:

(a) the total number of Equity Securities proposed to be issued to Melco and/or its Affiliates;

(b) the number of Equity Securities the Participant would have been entitled to subscribe for (up to its Pro Rata Share of the aggregate of all Equity Securities to be issued to Melco and its Affiliates) if such Participant had exercised its Exchange Rights with respect to all of its Participation Interests as if the Participant held pre-emptive rights from the Company that correspond to the pre-emptive rights set forth under this Article IV (the "Notional Equity Securities"); and

(c) the terms of issue of the Equity Securities (including the issue price which shall be the same price for all of the Equity Securities being offered) and Newco shall provide such Offer Notice as soon as reasonably practicable (but not less than fifteen (15) business days) prior to the date of the closing of the issue of the Equity Securities; provided that if Newco determines that such advance notice is not practical under the circumstances, Newco may provide notice as soon as practicable after such closing.

Section 4.3 Response to Offer. Within fifteen (15) business days after the date the Offer Notice is deemed given in accordance with Section 7.2, each Participant shall give notice to Newco stating that such Participant accepts all or any portion of the Notional Equity Securities offered to it in the Offer Notice or declines the Offer in full.

Section 4.4 Failure to Respond. If a Participant does not give notice to Newco within the period stated in Section 4.3, the Participant shall be deemed to have declined the Offer in full.

Section 4.5 Payment by Accepting Participants. If a Participant accepts all or any portion of the Notional Equity Securities offered to such Participant in the Offer, upon the closing of the issuance of the Equity Securities as specified in the Offer Notice, such Participant shall pay to Newco an amount in cash (in U.S. dollars) equal to the aggregate purchase price for the number of Notional Equity Securities specified in its notice of acceptance of its Offer on the terms specified in the Offer Notice. If a Participant fails to make a timely payment of such aggregate purchase price in full for the number of Notional Equity Securities specified in its notice of acceptance of its Offer in accordance with the terms specified in the Offer Notice, such Participant shall be deemed to have declined the Offer.

Section 4.6 Adjustments to Participation Percentage. Upon the issuance and sale of the Equity Securities that constitute Class A Ordinary Shares by the Company and the timely payment by a Participant of the amounts payable to Newco pursuant to Section 4.5 in full, such Participant's Participation Percentage shall be adjusted to equal the quotient (expressed as a percentage) of (x) the number of Class A Ordinary Shares that such Participant would be entitled to receive pursuant to the terms of this Agreement if, immediately after such issuance and sale of Equity Securities, such Participant were to exercise its Exchange Rights in accordance with the terms of this Agreement with respect to the entirety of its Participation Interest (determined after giving effect to this Article IV) divided by (y) the number of Class A Ordinary Shares issued and outstanding immediately after such issuance and sale of Equity Securities, which, for the avoidance of doubt, shall not include any Class A Ordinary Shares that Participants would be entitled to receive pursuant to the exercise of Exchange Rights described in clause (x) of this Section 4.6. Upon the issuance and sale of the Equity Securities that do not constitute Class A Ordinary Shares by the Company and the payment by a Participant of the amounts payable to Newco pursuant to Section 4.5, such Participant shall be granted a participation right corresponding thereto similar to that granted pursuant to this Agreement, mutatis mutandis.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Newco. Newco represents and warrants that (i) it is a business company duly incorporated and existing in good standing under the laws of its jurisdiction of organization; (ii) it has all requisite corporate power and authority to enter into and perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby, including causing the delivery of the Class A Ordinary Shares in accordance with the terms hereof; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby, including causing the delivery of the Class A Ordinary Shares, have been duly authorized by all necessary corporate action on its part; and (iv) this Agreement constitutes a legal, valid, and binding obligation of Newco enforceable against Newco in accordance with its terms.

Section 5.2 Representations and Warranties of the Pre-Migration Company. The Pre-Migration Company represents and warrants that (i) it is an exempted company duly incorporated and is existing in good standing under the laws of its jurisdiction of organization; (ii) it has all requisite corporate power and authority to enter into and perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby, including the issuance of the Class A Ordinary Shares in accordance with the terms hereof; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby, including the issuance of the Class A Ordinary Shares, have been duly authorized by all necessary corporate action on its part; and (iv) this Agreement constitutes a legal, valid, and binding obligation of the Pre-Migration Company enforceable against the Pre-Migration Company in accordance with its terms. The Pre-Migration Company represents and warrants that it has reserved for issuance, solely for the purpose of issuance upon an Exchange, the maximum number of Class A Ordinary Shares as may be deliverable from time to time by Newco to Participants upon exchange of all outstanding Participation Interests.

Section 5.3 Representations and Warranties of the Participants. Each Participant, severally and not jointly, represents and warrants that (i) it is duly organized, as applicable, and, to the extent such concept exists in its jurisdiction of organization, is in good standing under the laws of such jurisdiction; (ii) it has all requisite legal capacity and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate or other entity action on the part of such Participant; and (iv) this Agreement constitutes a legal, valid, and binding obligation of such Participant enforceable against such Participant in accordance with its terms.

ARTICLE VI
COVENANTS

Section 6.1 Covenants of the Company and the Pre-Migration Company.

(a) The Company irrevocably covenants to (i) contribute to Newco: (A) all proceeds (net of any underwriting fees, discounts, and selling commissions, or similar fees or related expenses and costs) received by the Company from the issuance or sale of Equity Securities of the Company, including the net proceeds from the issuance of Equity Securities upon the exercise of equity compensation or the deposit of Equity Securities with a depositary in connection with such equity compensation and (B) all assets acquired by the Company after the date of this Agreement, whether acquired for cash or Equity Securities of the Company (such contributions in clauses (A) and (B), a "Mandatory Contribution"); and (ii) transfer to Newco all proceeds received by the Company from any indebtedness for borrowed money (net of any underwriting fees, discounts, and selling commissions, or similar fees or related expenses and costs), in which event Newco shall issue to the Company an intercompany note equal in principal amount to such indebtedness and otherwise on the same terms as such indebtedness.

(b) The Company irrevocably covenants that the Company shall at all times own all of the issued and outstanding Newco Shares and that the Company shall not own the capital stock, shares, or equity interests of any other Person or any other assets not permitted hereby.

(c) The Pre-Migration Company covenants that, upon the Continuation taking effect, the Company (i) will be an exempted company duly incorporated and will be existing in good standing under the laws of the Cayman Islands; (ii) will have all requisite corporate power and authority to perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby, including the issuance of the Class A Ordinary Shares in accordance with the terms hereof; (iii) the consummation by it of the transactions contemplated hereby, including the issuance of the Class A Ordinary Shares, will have been duly authorized by all necessary corporate action on its part; and (iv) this Agreement will constitute a legal, valid, and binding obligation of the Company enforceable against the Company in accordance with its terms.

(d) If there has been any change in the number of Class A Ordinary Shares or Class B Ordinary Shares issued and outstanding in any given calendar month, the Company shall deliver a certified copy of the register of members within ten (10) business days following the end of such month, showing such change.

(e) The Company irrevocably covenants not to cause or initiate a voluntary liquidation, dissolution, or winding up of Newco; provided that the Company may cause or initiate a voluntary liquidation, dissolution, or winding up of Newco if, substantially concurrently with such liquidation, dissolution, or winding up, the Company is also liquidated, dissolved, or wound-up.

Section 6.2 Covenants of Newco.

(a) Newco irrevocably covenants that Newco shall issue to the Company a number of Newco Shares corresponding to the number of Equity Securities issued by the Company in respect of a Mandatory Contribution; provided that, in the event that any of such Equity Securities issued by the Company are securities convertible into or exchangeable or exercisable for Equity Securities of the Company (including Distributed Rights but excluding any option issued in connection with any Equity Plan), Newco shall, with respect to such convertible, exchangeable, or exercisable securities, issue to the Company a like amount and type of convertible, exchangeable, or exercisable securities ("Corresponding Securities") that shall convert into or be exchanged or exercised for Equity Securities of Newco at the time(s) and in such number(s) as the applicable securities of the Company shall then convert or be exchanged into.

(b) Other than with respect to Corresponding Securities issued in accordance with Section 6.2(a), Newco irrevocably covenants that Newco shall not issue Equity Securities, share equivalents, or any other classes of shares other than the Newco Shares, and that Newco shall not issue any Newco Shares to any Person other than the Company.

(c) Newco irrevocably covenants not to effect any purchase, redemption, cancellation, surrender, or otherwise acquire for value any Newco Shares (a "Newco Repurchase") unless the Company uses the net proceeds of such Newco Repurchase solely to purchase, redeem, cancel, surrender, or otherwise acquire the same number of Class A Ordinary Shares (including by acquiring a corresponding number of ADSs) (i) from holders of the Class A Ordinary Shares or ADSs who are Third Parties, (ii) through open-market purchases of ADSs, or (iii) from Affiliates of the Company provided that the terms of such purchase, redemption, cancellation, surrender, or other acquisition from such Affiliates are approved by the members of the board of directors of the Company who are disinterested in such transaction.

(d) Newco irrevocably covenants that it and its subsidiaries shall not, directly or indirectly, lend, advance funds, issue debt securities, or otherwise extend credit to, or purchase any securities of, the Predecessor Company or the Company; provided that Newco may provide guarantees of indebtedness for borrowed money of the Company; provided, further, that this covenant shall not prohibit the Company from recording as an intercompany loan the amount of any fees or expenses of the Company paid by Newco.

(e) Newco irrevocably covenants that it shall pay all fees and expenses owed by the Company, including pursuant to Section 6.4, unless otherwise directed by the Company.

Section 6.3 Covenants of the Company and Newco.

(a) Each of Newco and the Company irrevocably covenants that, for as long as this Agreement is in effect, it shall not:

(i) amend the following provisions of the (x) Memorandum and Articles of Association of Newco and (y) Articles of Association of Newco, registered on [●], 2018 (together, the "Newco Charter"):

(1) [Paragraphs 15 and 21 of the Memorandum of Association of Newco; and

(2) Articles 9, 19, 116, and 156 of the Articles of Association of Newco,]

(ii) amend the Newco Charter in a manner that adversely affects the rights of a Participant to receive payments pursuant to this Agreement, a Participant's Exchange Rights, or the Class A Ordinary Shares Amount issuable upon exercise thereof or any related definitions; or

(iii) amend any provision in the Newco Charter otherwise protecting the rights set forth in subsections (i) and (ii) above.

(b) The Company and Newco irrevocably covenant not to cause or initiate any capital reorganization of Newco or any redesignation**,** reclassification, or recapitalization of the Newco Shares; provided that the Company or Newco may cause or initiate such a capital reorganization of Newco or reclassification or recapitalization of the Newco Shares if, substantially concurrently therewith, a corresponding capital reorganization of the Company or reclassification or recapitalization of the Company's Class A Ordinary Shares occurs, as applicable.

(c) Upon a capital reorganization of Newco or any reclassification or recapitalization of the Newco Shares; each of the Company and Newco irrevocably covenant that they shall cause a corresponding capital reorganization of the Company or reclassification or recapitalization of the Company's Class A Ordinary Shares, as applicable.

(d) If this Agreement is found to be inconsistent or in conflict with the Newco Charter, the Company and Newco irrevocably covenant that they shall procure an amendment to the Newco Charter such that the Newco Charter, as amended, is neither inconsistent nor in conflict with this Agreement.

Section 6.4 Covenants of Newco, the Company, and the Participants. In consideration of Newco receiving all of the assets of the Company (and assuming all of the Company's liabilities) (other than, in each case, as specifically provided for in the Transfer Agreement) as set forth in the Transfer Agreement and because Newco is and will continue to be a wholly owned Subsidiary of the Company, the ADSs of which will, upon the completion of the IPO, be publicly traded, the parties hereto acknowledge and agree, that Newco will pay all fees and expenses incurred by the Company and that it shall bear or, as necessary, reimburse the Company for any reasonable out-of-pocket expenses incurred by the Company, including all fees, expenses, and costs of the Company being a public company (including public reporting obligations, proxy statements, shareholder meetings, stock exchange fees, transfer agent fees, SEC and FINRA filing fees and offering expenses) and maintaining its corporate existence, and the share based compensation costs in relation to any Equity Plans. In the event that (i) shares of Class A Ordinary Shares were sold to underwriters in the IPO of the Company or are sold to underwriters in any public offering after the IPO, in each case, at a price per share that is lower than the price per share for which such shares of Class A Ordinary Shares are sold to the public in such public offering after taking into account underwriters' discounts or commissions and brokers' fees or commissions (such difference, the "Discount") and (ii) the net proceeds from such public offering are used to fund the cash contributed to Newco, Newco shall reimburse the Company for such Discount by treating such Discount as additional cash contributed by the Company to Newco, and increasing the Company's capital account by the amount of such Discount. To the extent practicable, expenses incurred by the Company that are the subject of this Section 6.4 shall be billed directly to and paid by Newco.

Section 6.5 Covenants of the Participants. Each Participant acknowledges and agrees that the sum of the number of (a) Participants under this Agreement and (b) Minority Shareholders (as defined in the Company Shareholders Agreement) that are not Participants under this Agreement shall not exceed twenty-five (25) at any time, and that any Transfer or request for Transfer in violation of this Section 6.5 or Section 7.1 shall be null and void.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Additional Participants and Excluded Lien.

(a) Subject to Section 6.5, a Participant shall have the right to Transfer, at any time, all or any portion of the Participation Interest (and the related rights hereunder) and Corresponding Class B Ordinary Shares held by such Participant to such Participant's Permitted Transferees subject to the following conditions: (i) the Transfer will not violate registration requirements under any federal or state securities laws; (ii) such Participant has obtained all required authorizations, if any, from each relevant Governmental Authority (x) having jurisdiction over the Company or its Subsidiaries or (y) that regulates the Gaming License; (iii) the Transfer is not made to any Person who lacks the legal right, power, or capacity to own such Participation Interest in Newco; (iv) the Transfer will not cause any portion of the assets of Newco to become "plan assets" of any "benefit plan investor" within the meaning of regulations issued by the U.S. Department of Labor at Section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations as modified by Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended from time to time; (v) the Transfer will not result in Newco being subject to the Investment Company Act of 1940, as amended; (vi) except for any Transfer that would not be prohibited under the Lock-up Agreement, the Transfer is not made prior to the expiration of the Lock-Out Period; (vii) the transferor also Transfers to the same Permitted Transferee the Corresponding Class B Ordinary Shares Amount (in accordance with all required authorizations, if any, from each relevant Governmental Authority (x) having jurisdiction over the Company or its Subsidiaries or (y) that regulates the Gaming License); (viii) the Transferee shall have executed and delivered to Newco, and the transferring Participant shall have acknowledged and confirmed, a joinder to this Agreement substantially in the form of Exhibit B hereto (the "Joinder Agreement"); (ix) the Participation Interest being so Transferred must be no less than the Minimum Exchange Participation Interest; (x) the transferring Participant shall have promptly delivered notice to Newco, the Company, and the other Participants of such Permitted Transferee's execution of a Joinder Agreement; and (xi) such Transfer would not result in a violation of Section 6.5 and, upon the receipt by Newco and the Company of the copy of Joinder Agreement fully and validly executed by such Permitted Transferee (and acknowledged and confirmed by the transferring Participant), such Permitted Transferee shall become a Participant hereunder. Except as set forth in this Section 7.1, a Participant may not assign or Transfer any of its rights or obligations under this Agreement or any Class B Ordinary Shares and each Participant hereby acknowledges and agrees that any Transfer or request for Transfer in violation of this Section 7.1 shall be null and void.

(b) New Cotai shall have the right to grant Excluded Lien, at any time, with respect to all or any portion of the Participation Interest and Corresponding Class B Ordinary Shares held by New Cotai subject to the following conditions: (i) such grant of Excluded Lien will not violate registration requirements under any federal or state securities laws; (ii) New Cotai (and, if applicable, the representative or agent (including a trustee, collateral agent or security agent) or any lender of New Cotai Debt) has obtained all required authorizations, if any, from each relevant Governmental Authority (x) having jurisdiction over the Company or its Subsidiaries or (y) that regulates the Gaming License; (iii) such Excluded Lien is not made for the benefit of any Person who lacks the legal right, power, or capacity to have the rights granted to such Person under such Excluded Lien with respect to New Cotai's Participation Interest or, if applicable, Corresponding Class B Shares; (iv) such Excluded Lien will not cause any portion of the assets of Newco to become "plan assets" of any "benefit plan investor" within the meaning of regulations issued by the U.S. Department of Labor at Section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations as modified by Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended from time to time; (v) such Excluded Lien will not result in Newco being subject to the Investment Company Act of 1940, as amended; (vi) except for any Excluded Lien that would not be prohibited under the Lock-up Agreement, such Excluded Lien is not made prior to the expiration of the Lock-Out Period; (vii) in the event that such Excluded Lien also applies to the Corresponding Class B Ordinary Shares Amount, such Excluded Lien must be made in accordance with all required authorizations, if any, from each relevant Governmental Authority (x) having jurisdiction over the Company or its Subsidiaries or (y) that regulates the Gaming License); (viii) New Cotai shall have promptly delivered a notice to Newco and the Company of the creation of such Excluded Lien and a complete and full copy of the executed agreements and other documentation granting such Excluded Lien, which must include (A) an acknowledgement by the representative or agent (including a trustee, collateral agent or security agent) or the lenders of New Cotai Debt, as the case may be, (1) that, pursuant to the terms of this Agreement, such representative or agent (including a trustee, collateral agent or security agent) or lenders, as the case may be, is not entitled, at any time, to take possession of any Participation Interest or Corresponding Class B Ordinary Shares (except, if applicable, for the limited purpose of effecting the Mandatory Exchange following an Enforcement of Excluded Lien), and (2) of the Mandatory Exchange provisions relating to any Enforcement of Excluded Lien under Section 3.1(e) and Excluded Lien provisions under this Section 7.1(b) of this Agreement; (B) an undertaking by each of New Cotai and the representative or agent (including a trustee, collateral agent or security agent) or the lenders of New Cotai Debt, as the case may be, to provide a written notice to Newco and the Company (1) promptly upon any Commencement of Enforcement and (2) in case of any Enforcement of Excluded Lien, at least five (5) business days prior to such Enforcement of Excluded Lien and (C) an undertaking by the representative or agent (including a trustee, collateral agent or security agent) or the lenders of New Cotai Debt, as the case may be, to not proceed with an Enforcement of Excluded Lien until at least five (5) business days after the notice with respect to Enforcement of Excluded Lien provided in clause (B) is given; and (ix) in the event of any change or amendment to the Excluded Lien or the relevant executed document, New Cotai shall promptly deliver a copy of such change or amendment to Newco and the Company. In the event of any Commencement of Enforcement or Enforcement of Excluded Lien, New Cotai shall promptly, and in any event within three (3) business days of such Commencement of Enforcement and, to the extent practicable, at least five (5) business prior to such Enforcement of Excluded Lien (and if not practicable, as soon as practicable), as the case may be, provide a notice to Newco and the Company of the Commencement of Enforcement or Enforcement of Excluded Lien, as the case may be, and copies of all relevant documentation with respect to the Commencement of Enforcement or Enforcement of Excluded Lien, as the case may be. Except as set forth in this Section 7.1(b), New Cotai may not grant any Excluded Lien and no Excluded Lien may subsist, for the purposes of this Agreement, in violation of this Section 7.1(b). For the avoidance of doubt, none of the representative or agent (including a trustee, collateral agent or security agent) or any lender in connection with any Excluded Lien will, at any time, be a Participant under this Agreement nor have any rights under this Agreement, except for the right to receive the Class A Ordinary Shares Amount, if any, in case of a Mandatory Exchange following an Enforcement of Excluded Lien.

Section 7.2 Addresses and Notices. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given by delivery in person, by courier service, by fax (delivery receipt requested), by electronic mail, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be as specified in a notice given in accordance with this Section 7.2):

(a) If to Newco, to:

MSC Cotai Limited
c/o Studio City International Holdings Limited at its address set out herein for delivery of notices
Fax: +852-2537-3618
E-mail: [ ]
Attention: Company Secretary

With a copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852-2912-2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(b) If to the Company, to:

Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Fax: +852-2537-3618
E-mail: [ ]
Attention: Company Secretary

With a copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852-2912-2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(c) If to New Cotai, to:

New Cotai, LLC
c/o New Cotai Holdings, LLC
Two Greenwich Plaza
Greenwich, Connecticut 06830
United States of America
Fax: +1-203-542-4133
E-mail: tlavelle@silverpointcapital.com
Attention: Timothy Lavelle

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071-3144
Fax: +1 213 621 5288
E-mail: Jeffrey.Cohen@skadden.com
Attention: Jeffrey H. Cohen, Esq.

(d) If to any other Participant, to the address and other contact information set forth in the records of Newco or the Company from time to time.

(e) All notices, requests, claims, demands, and other communications hereunder is deemed given (i) if by delivery in person, by courier service, or by electronic mail, at such time as it is delivered to the addressee (with the delivery receipt or the affidavit of messenger) or at such time as delivery is refused by the addressee upon presentation, (ii) if by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee, and (iii) if by registered or certified mail, five days after being sent; provided that if any communication is given (x) after 5:00 pm in the place of receipt or (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt, it shall be deemed as having been given at 9:00 am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in such place.

Section 7.3 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 7.4 Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their respective successors, executors, administrators, heirs, legal representatives, and permitted assigns; provided, however, neither this Agreement nor any rights or obligations hereunder may be assigned by the Company or Newco, and no rights or obligations of any Participant may be assigned and no Participation Interest of any Participant may be Transferred to any Person other than a Permitted Transferee in compliance and satisfaction of Section 7.1(a), in which event such transferring Participant shall promptly deliver notice of such proposed Transfer to Newco, the Company, and the other Participants.

Section 7.5 Severability. If any term or other provision of this Agreement is held to be invalid, illegal, or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 7.6 Amendment. The provisions of this Agreement may be amended, modified, altered, or supplemented only by a written instrument signed by the Company, Newco, and the Participants Representative.

Section 7.7 Termination of Agreement. This Agreement shall terminate and have no further force and effect upon the earlier of (a) the Mandatory Exchange related to a Termination Event being consummated and (b) no Participation Interest being outstanding (or Total Participation Percentage being zero); provided that (i) Sections 2.2(a), 2.2(b), 2.5(a)(i), 2.5(b), 2.5(c), and 2.5(d) shall survive the termination of this Agreement until (x) Newco has fulfilled all of its obligations thereunder with respect to payments and distributions, and providing notices, to the Participants and (y) the parties hereto have had an opportunity, to the extent provided under this Agreement, to object to, and resolve any disputes with respect to, any calculations pursuant to such sections, and (ii) Section 3.4 shall survive the termination of this Agreement until all Class A Ordinary Shares required to be delivered thereunder have been delivered in accordance therewith Section 3.4 or upon a determination by Newco that no such Class A Ordinary Shares are required to be so delivered; provided, further, that, for so long as any provision of this Agreement survives the termination of this Agreement pursuant to clause (i) or (ii) above, this Article VII (other than Section 7.1) shall also survive the termination of this Agreement.

Section 7.8 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 7.9 Tax Side Letter. Pursuant to Section 1.1(c) of the Implementation Agreement, the Pre-Migration Company, Newco, and New Cotai shall, contemporaneously with the execution and delivery of this Agreement, execute and deliver a side letter with respect to certain United States federal, state, and local Tax matters (the "Tax Side Letter"). Each and every provision of the Tax Side Letter is hereby incorporated into and made a part of this Agreement as if set forth in full herein, and this Agreement and the Tax Side Letter shall be taken together and read and construed as one and the same agreement.

Section 7.10 Dispute; Submission to Jurisdiction.

(a) Except for disputes pursuant to Section 2.5 for which the procedures to resolve disputes are set forth therein, if a dispute (a "Dispute") arises out of or relates to this Agreement (including any dispute as to the existence, breach, or termination of this Agreement or as to any claim in tort, in equity, or pursuant to any statute), a party to this Agreement may only commence arbitration proceedings relating to the Dispute if the procedures set out in Sections 7.10(b) to 7.10(h) have been fulfilled.

(b) A party to this Agreement claiming the Dispute has arisen under or in relation to this Agreement must give written notice (a "Dispute Notice") to the other parties to the Dispute specifying the nature of the Dispute.

(c) On receipt of the Dispute Notice by the other parties, all the parties to the Dispute (the "Disputing Parties") must endeavor in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques, such as mediation, expert evaluation, or determination or similar techniques agreed by them.

(d) If the Disputing Parties do not resolve the Dispute within twenty (20) days of receipt of the Dispute Notice, the Dispute shall be determined by way of arbitration in accordance with the ICC Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules") in force on the date when the request for arbitration is submitted in accordance with these rules.

(e) The number of arbitrators shall be three and the nationality, domicile, or residence of the chairman of the arbitral tribunal shall not be the United States, China, Hong Kong, or Macau. Each party shall nominate in the Request (as defined in the ICC Rules) and the Answer (as defined in the ICC Rules), respectively, one arbitrator for confirmation. If a party fails to nominate an arbitrator, the appointment shall be made by the ICC Court. The two arbitrators so appointed shall nominate a third arbitrator who shall act as the presiding arbitrator of the arbitral tribunal. Failing such designation within 30 days from the confirmation of the second arbitrator, ICC Court shall appoint the presiding arbitrator.

(f) The arbitral proceedings shall be conducted in the English language and the place of arbitration shall be Hong Kong.

(g) By agreeing to arbitration pursuant to Section 7.10(d), the parties do not intend to deprive any court of its jurisdiction to issue an interim injunction or other interim relief in aid of the arbitration proceedings or enforce such arbitration decision of an arbitral tribunal or any arbitral award (including any relief for specific performance or injunctive relief), provided that the parties agree that they may seek only such relief as is consistent with their agreement to resolve the Dispute by way of arbitration. Without prejudice to such relief that may be granted by a national court, the arbitral tribunal shall have full authority to grant interim or provisional remedies or to order a party to seek modification or vacation of the relief granted by a national court. For purposes of this Section 7.10(g), the parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of Hong Kong and any courts which have jurisdiction to hear appeals from those courts and waive any right to object to any proceedings being brought in those courts.

(h) Any dispute that arises under this Agreement must be resolved in accordance with this Section 7.10.

Section 7.11 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or by e-mail delivery of a ".pdf" format data file) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, by e-mail delivery of a ".pdf" format data file or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 7.11.

Section 7.12 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to specific performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 7.13 Independent Nature of Participants' Rights and Obligations. The obligations of each Participant hereunder are several and not joint with the obligations of any other Participant, and no Participant shall be responsible in any way for the performance of the obligations of any other Participant hereunder. The decision of each Participant to enter into this Agreement has been made by such Participant independently of any other Participant. Nothing contained herein, and no action taken by any Participant pursuant hereto, shall be deemed to constitute the Participants as a partnership, an association, a joint venture, or any other kind of entity, or create a presumption that the Participants are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby.

Section 7.14 Participants Representative. If, at any time, there is more than one Participant, the Participants, by executing a Joinder Agreement, hereby designate and appoint the Participants Representative on behalf of the Participants. If any provision of this Agreement requires the decision, action, or consent of the Participants or notice to be delivered to the Participants, the Participants Representative shall have the authority to make any such decision, take any such action, grant any consents, or receive such notices on behalf of the Participants under this Agreement; provided, however, that the Participants Representative shall not be entitled to act on behalf of the Participants with respect to the provisions of Article IV. Newco and the Company shall be entitled to deal exclusively with the Participants Representative, and the decision, action or consent or waiver of the Participants Representative shall be determinative. Newco and the Company shall be entitled to rely upon the Participants Representative's decision, action or consent or waiver on behalf of the Participants.

Section 7.15 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction.

Section 7.16 Acknowledgement and Agreement. Each of the Company and Newco agrees and acknowledges that the Participation Agreement establishes Participation Interests, provides enforceable rights against each of the Company and Newco and is being entered into for due consideration and corporate benefit.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first set forth above.

STUDIO CITY INTERNATIONAL
HOLDINGS LIMITED

By: _____
Name:
Title:

MSC COTAI LIMITED

By: _____
Name:
Title:

NEW COTAI, LLC

By: _____
Name:
Title:

EXHIBIT A

[FORM OF]
EXCHANGE NOTICE

MSC Cotai Limited
c/o Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Attention: Company Secretary

Reference is hereby made to the Participation Agreement, dated as of [●], 2018 (the "Agreement"), among Studio City International Holdings Limited, a business company limited by shares incorporated in the British Virgin Islands (the "Pre-Migration Company" and, following the proposed continuation (redomiciling) of the Pre-Migration Company as an exempted company with limited liability under the laws of the Cayman Islands, the "Company"), MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands with limited liability ("Newco"), and New Cotai, LLC, a Delaware limited liability company ("New Cotai"). Any capitalized term used but not defined herein shall have the meaning given to it in the Agreement.

The undersigned Participant hereby transfers to Newco the Exchanged Participation Interest set forth below in Exchange and hereby surrenders for cancellation the Corresponding Class B Shares Amount for Class A Ordinary Shares to be issued in its name as set forth below, in accordance with the terms of the Agreement.

Legal name of Participant: _____

Address: _____

E-mail: _____

Pre-Exchange Participation Interest owned: _____

Please fill in either A or B but not both. Please fill in both blanks of whichever A or B you select.

A. Exchanged Participation Interest (If you choose to complete A, please fill in both blanks below and DO NOT complete B.)

_____ Exchanged Participation Interest

Participation Interest owned post-exchange (Amount should equal the difference of subtracting the Exchanged Participation Interest from pre-Exchange Participation Interest owned)

_____

B. Percentage of Pre-Exchange Participation Interest Being Exchanged (If you choose to complete B (instead of A), please fill in both blanks below and DO NOT complete A.)

_____ Percentage of Pre-Exchange Participation Interest being exchanged (i.e., X % of your Pre-Exchange Participation Interest)

_____ Percentage of Pre-Exchange Participation Interest not being exchanged (i.e., 100% less the percentage of your Pre-Exchange Participation Interest being exchanged)

Account number: _____

Legal name of account holder: _____

The undersigned hereby represents and warrants that (i) the undersigned has full legal capacity to execute and deliver this Exchange Notice and to perform the undersigned's obligations hereunder; (ii) this Exchange Notice has been duly executed and delivered by the undersigned and is the legal, valid, and binding obligation of the undersigned enforceable against it in accordance with the terms thereof or hereof, as the case may be; (iii) the Exchanged Participation Interest and the Corresponding Class B Shares Amount subject to this Exchange Notice are being transferred to Newco free and clear of any pledges, liens, security interests, encumbrances, rights of first refusal, equities, claims and the like; and (iv) no consent, approval, authorization, order, registration or qualification of any third party or with any court or governmental agency or body having jurisdiction over the undersigned or the Exchanged Participation Interest subject to this Exchange Notice is required to be obtained by the undersigned for the transfer of the Exchanged Participation Interest to Newco.

The undersigned hereby further represents and warrants that (i) the undersigned is an "accredited investor" as that term is defined in Rule 501(a)(3) of Regulation D ("Regulation D") to the Securities Act of 1933, as amended (the "Securities Act"), and the undersigned has not experienced a disqualifying event as enumerated pursuant to Rule 506(d) of Regulation D; (ii) the undersigned is acquiring the Class A Ordinary Shares for the undersigned's own account, for investment purposes only and not with a view towards, or for resale in connection with, any public sale or distribution thereof; (iii) the undersigned understands that the Class A Ordinary Shares are being conveyed to the undersigned in reliance on specific exemptions from the registration requirements of the United States federal and state securities laws and that Newco and the Company are relying upon the truth and accuracy of, and the undersigned's compliance with, the representations and warranties of the undersigned set forth herein in order to determine the availability of such exemptions and the eligibility of the undersigned to receive such Class A Ordinary Shares; (iv) the undersigned understands that its investment in the Class A Ordinary Shares involves a high degree of risk and it has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to the acquisition of the Class A Ordinary Shares; (v) the undersigned understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Class A Ordinary Shares or the fairness or suitability of the investment in the Class A Ordinary Shares by the undersigned nor have such authorities passed upon or endorsed the merits of the offering of the Class A Ordinary Shares; (vi) the undersigned understands that: (a) the Class A Ordinary Shares have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (1) subsequently registered thereunder or (2) sold in reliance on an exemption therefrom; and (b) except as specifically set forth in the Registration Rights Agreement, neither the Company nor any other person is under any obligation to register the Class A Ordinary Shares under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder; (vii) the undersigned has such knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of an investment in the Class A Ordinary Shares and is able to bear the economic risk of an investment in the Class A Ordinary Shares in the amount contemplated hereunder for an indefinite period of time; (viii) the undersigned has adequate means of providing for its current financial needs and contingencies and will have no current or anticipated future needs for liquidity which would be jeopardized by the investment in the Class A Ordinary Shares; and (ix) the undersigned can afford a complete loss of its investment in the Class A Ordinary Shares.

CC: Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Attention: Company Secretary

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Exchange Notice to be executed and delivered by the undersigned or by its duly authorized attorney.

_____

Name

Dated: _____

EXHIBIT B

[FORM OF]
JOINDER AGREEMENT

This Joinder Agreement ("Joinder Agreement") is a joinder to (i) the Participation Agreement, dated as of [●], 2018 (the "Agreement"), among Studio City International Holdings Limited, a business company limited by shares incorporated in the British Virgin Islands (the "Pre-Migration Company" and, following the proposed continuation (redomiciling) of the Pre-Migration Company as an exempted company with limited liability under the laws of the Cayman Islands, the "Company"), MSC Cotai Limited, a business company limited by shares incorporated in the British Virgin Islands ("Newco"), and New Cotai, LLC, a Delaware limited liability company ("New Cotai") and (ii) the Tax Side Letter, dated as of [●], 2018 (the "Tax Side Letter"), among the Pre-Migration Company, Newco, and New Cotai. Any capitalized term used but not defined in this Joinder Agreement shall have the meaning given to it in the Agreement. This Joinder Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction. In the event of any conflict between this Joinder Agreement and the Agreement or the Tax Side Letter, the terms of this Joinder Agreement shall control.

The undersigned, having acquired the Participation Interest and the Corresponding Class B Ordinary Shares, as set out below, represents that it has obtained all required authorizations, if any, from each relevant Governmental Authority (x) having jurisdiction over the Company or its Subsidiaries or (y) that regulates the Gaming License, for such acquisition, and hereby joins and enters into the Agreement and the Tax Side Letter. By signing and returning this Joinder Agreement to Newco and the Company, the undersigned (i) accepts and agrees to be bound by and subject to all of the terms and conditions of and agreements of a Participant contained in the Agreement and the Tax Side Letter, with all attendant rights, duties and obligations of a Participant thereunder, (ii) makes each of the representations and warranties of a Participant set forth in Section 5.3 of the Agreement as fully as if such representations and warranties were set forth herein and (iii) represents and warrants that it is a Permitted Transferee as defined in the Agreement. The parties to the Agreement and the Tax Side Letter shall treat the execution and delivery hereof by the undersigned as the execution and delivery of the Agreement and the Tax Side Letter by the undersigned and, upon receipt of this Joinder Agreement by Newco and the Company, the signature of the undersigned set forth below shall constitute a counterpart signature to the signature page of the Agreement and the Tax Side Letter.

Transferor: _____

Transferee: _____

Participation Interest Transferred by Transferor to Transferee: _____

Participation Interest owned by Transferor post-Transfer (Amount should equal the difference of subtracting the transferred Participation Interest from pre-transfer Participation Interest owned by Transferee): _____

Participation Interest owned by Transferee post-Transfer: _____

Corresponding Class B Ordinary Shares Amount (as defined in the Agreement): _____

Legal Name of Transferee: _____

Transferee's Address for Notices:

With copies to:

Transferee's E-mail for Notices

E-mail for Notices

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed as of the date first set forth above.

TRANSFEREE
NAME:

By: _____
Name:
Title:

Acknowledged and confirmed by:

TRANSFEROR
NAME:

By: _____

Name:

Title:

Exhibit 10.23

IMPLEMENTATION AGREEMENT

This IMPLEMENTATION AGREEMENT executed as a deed (as it may be amended from time to time in accordance with the terms hereof, this "**Agreement**"), dated as of [•], 2018, is made by and among Studio City International Holdings Limited (formerly known as CYBER ONE AGENTS LIMITED), a business company incorporated in the British Virgin Islands with limited liability (the "**Pre-Migration Company**" and, following the proposed transfer by way of continuation (redomiciling) of the Pre-Migration Company as an exempted company with limited liability in the Cayman Islands, the "**Company**"), MCE Cotai Investments Limited, an exempted company incorporated in the Cayman Islands with limited liability ("**MCE Cotai**"), Melco Resorts & Entertainment Limited, an exempted company incorporated in the Cayman Islands with limited liability ("**Melco**"), and New Cotai, LLC, a Delaware limited liability company ("**New Cotai**").

WHEREAS, New Cotai owns 7,251.176 ordinary shares of the Pre-Migration Company, representing a 40% equity interest in the Pre-Migration Company, and MCE Cotai owns 10,876.764 ordinary shares of the Pre-Migration Company, representing a 60% equity interest in the Pre-Migration Company;

WHEREAS, it is contemplated that the Company will effect an underwritten public offering (the "**IPO**") of American Depositary Shares ("**ADS**"), each ADS representing a certain number of Company Class A Ordinary Shares (as defined below);

WHEREAS, in anticipation of the IPO, the Pre-Migration Company intends to transfer by way of continuation from the British Virgin Islands to the Cayman Islands whereupon the Pre-Migration Company shall become the Company for all purposes under this Agreement (the "**Continuation**");

WHEREAS, in anticipation of the Continuation and the IPO, the parties to this Agreement (collectively, the "**Parties**") (i) have agreed to undertake various transactions in order to permit the Company to effect the Continuation and the IPO and (ii) desire to enter into this Agreement to govern their arrangements with respect to such transactions, including the order in which such transactions are to occur; and

WHEREAS, in anticipation of the Continuation and the IPO, the Boards of Directors of the Pre-Migration Company, Melco, MCE Cotai, and New Cotai have each approved this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
IMPLEMENTATION TRANSACTIONS

Section 1.1 Agreement as to Implementation. The Parties hereby agree to implement the transactions in this Section 1.1 in accordance with, and upon the terms and subject to the conditions of this Agreement, as follows:

(a) Following the execution of this Agreement but, in the case of each of clause (vii) and (viii) below, no earlier than the Commencement Date:

(i) the Pre-Migration Company shall (x) form, as a wholly-owned subsidiary, a business company incorporated in the British Virgin Islands with limited liability ("**Newco**") and (y) procure the execution and delivery by Newco of a joinder to this Agreement substantially in the form attached as Exhibit A hereto, pursuant to which Newco shall agree to become a party to, to be bound by and to comply with, the provisions of this Agreement as if Newco were an original signatory to this Agreement;

(ii) Newco shall adopt the Newco Memorandum and Articles of Association substantially in the form attached as Exhibit B hereto (the "**Newco Memorandum and Articles of Association**") and shall make all necessary filings with the Registrar of Corporate Affairs in the British Virgin Islands to bring the Newco Memorandum and Articles of Association into force; and

(iii) (if such assignment has not been effected prior to the date of this Agreement) Studio City (HK) Limited ("**SCHK**") shall assign to the Pre-Migration Company one loan owed to SCHK by a subsidiary of the Pre-Migration Company in partial satisfaction of the debt owed by SCHK to the Pre-Migration Company (the "**SCHK Shareholder Loan**");

(iv) the Pre-Migration Company and Newco shall enter into the Hong Kong Share Purchase Agreement substantially in the form attached as Exhibit C hereto;

(v) the Pre-Migration Company shall sign a share transfer to transfer the outstanding SCHK share and assign the SCHK Shareholder Loan remaining after consummation of the transaction as set out in (iii) above to Newco in consideration of a debt due from Newco to the Pre-Migration Company (the "**Newco Shareholder Loan**");

(vi) the Pre-Migration Company and Newco shall, promptly after the consummation of the transaction as set forth in (iii) above, submit such documents as required to the Stamp Duty Office of the Hong Kong Inland Revenue Department to be submitted for stamp duty adjudication;

(vii) the Pre-Migration Company and Newco shall enter into the Transfer Agreement substantially in the form attached as Exhibit D hereto (the "**Transfer Agreement**," and the transfer by the Pre-Migration Company of such assets and liabilities as set forth in the Transfer Agreement and the assumption by Newco of such obligations and liabilities of the Pre-Migration Company as set forth in the Transfer Agreement, in each case, in accordance with the Transfer Agreement, the "**Contribution**"; for the avoidance of doubt, (A) such assets shall include (1) the Newco Shareholder Loan, (2) any amounts owed to the Pre-Migration Company by any of the subsidiaries (direct or indirect) of the Pre-Migration Company, and (3) any cash on hand under the name of the Pre-Migration Company and (B) such liabilities shall include all amounts owed by the Pre-Migration Company to Melco and its subsidiaries, other than any subsidiaries (direct or indirect) of the Pre-Migration Company; and

(viii) Register of members of SCHK shall be updated by SCHK's company secretary after any stamp duty assessed by the Stamp Office is fully paid.

(b) Immediately following the Contribution, the Pre-Migration Company shall adopt the Amended and Restated Memorandum and Articles of Association substantially in the form attached as Exhibit E hereto (the "**Charter Amendment**") and shall make all necessary filings with the Registrar of Corporate Affairs in the British Virgin Islands as is required to effectuate the Charter Amendment.

(c) In connection with the Charter Amendment, the Pre-Migration Company shall amend and subdivide its authorized share capital (the "**Pre-IPO Share Amendment**"), which shall cause each issued and outstanding ordinary share, par value US$1.00 per share, of the Pre-Migration Company to be converted into 10,000 Class A Ordinary Shares, par value US$0.0001 per share, of the Pre-Migration Company (the "**Class A Ordinary Shares**"). Upon the Charter Amendment taking effect, New Cotai shall own 72,511,760 Class A Ordinary Shares (the "**New Cotai Shares**") and MCE Cotai shall own 108,767,640 Class A Ordinary Shares (the "**MCE Cotai Shares**").

(d) The Pre-IPO Share Amendment and the Charter Amendment shall also authorize Class B Ordinary Shares, par value US$0.0001 per share, of the Pre-Migration Company (the "**Pre-Migration Company Class B Shares**").

(e) Immediately following the effectiveness of the Charter Amendment (i) New Cotai and the Pre-Migration Company shall enter into the NC Share Exchange Agreement substantially in the form attached as Exhibit F hereto (the "**NC Share Exchange Agreement**") and (ii) the Pre-Migration Company, Newco and New Cotai shall execute and deliver each of the Participation Agreement substantially in the form attached as Exhibit G hereto (the "**Participation Agreement**") and the Tax Side Letter substantially in the form attached as Exhibit H hereto (the "**Tax Side Letter**"). Immediately upon execution and delivery of the NC Share Exchange Agreement, the Participation Agreement, and the Tax Side Letter and in accordance therewith, upon the terms and subject to the conditions of the applicable document, (x) New Cotai shall transfer the New Cotai Shares to the Pre-Migration Company in exchange for (the "**New Cotai Exchange**") (A) the Pre-Migration Company procuring Newco's grant of the Participation (as defined below) to New Cotai and (B) the Pre-Migration Company's issuance to New Cotai of (1) 72,511,760 Pre-Migration Company Class B Shares and (2) the right to receive, immediately following the effectiveness of the Continuation (i) the rights, interests, and entitlements granted to New Cotai under the Amended and Restated Company Shareholders Agreement in the form attached as Exhibit I hereto (the "**Amended and Restated Company Shareholders Agreement**"), (ii) the rights, interests, and entitlements granted to New Cotai under the Amended and Restated Registration Rights Agreement in the form attached as Exhibit J hereto (the "**Amended and Restated Registration Rights Agreement**"), (iii) the rights, interests, and entitlements granted to New Cotai under the PFIC Side Letter in the form attached as Exhibit K hereto (the "**PFIC Side Letter**") and (iv) the rights, interests, and entitlements granted to New Cotai under the Finance Cooperation Side Letter in the form attached as Exhibit L hereto (the "**Finance Cooperation Side Letter**") and (y) the Participant (as defined in the Participation Agreement) shall accede to certain rights, interests, entitlements, and obligations of a "Participant" holding all of the Participation Percentage as determined pursuant to the Participation Agreement (all of such rights, interests, entitlements and obligations, together with those under the Tax Side Letter, the "**Participation**"). Upon the New Cotai Exchange, the Pre-Migration Company shall update its register of members to reflect the issuance of such Pre-Migration Company Class B Shares and the transfer of the New Cotai Shares to the Pre-Migration Company and deliver to New Cotai a certified copy of such updated register of members.

(f) One (1) business day following (i) the grant of the Participation to New Cotai and (ii) the consummation of the New Cotai Exchange, the Pre-Migration Company shall commence the Continuation by filing the Continuation Documents substantially in the form attached as Exhibit M hereto (the "**Continuation Documents**") with the Registrar of Corporate Affairs in the British Virgin Islands and the Registrar of Companies in the Cayman Islands. The Pre-Migration Company and the Company, as appropriate, shall take such steps and execute such documents listed on Schedule A hereto, in the time period indicated in such schedule, as is necessary for the discontinuation of the Pre-Migration Company in the British Virgin Islands and the continuation of the Company in the Cayman Islands.

(g) Upon the effectiveness of the Continuation, the Company shall adopt the Memorandum and Articles of Association substantially in the form attached as Exhibit N hereto (the "**Company Memorandum and Articles of Association**"), and shall make any necessary filings with the Registrar of Companies in the Cayman Islands required under the Companies Law (2018 Revision) (as amended and revised) of the Cayman Islands in respect of the Company Memorandum and Articles of Association.

(h) Immediately following the effectiveness of the Continuation, (i) the Company shall (x) execute a confirmation with respect to the Participation Agreement and the Tax Side Letter in the form attached as Exhibit O hereto (the "**Participation Agreement and Tax Side Letter Confirmation**"), pursuant to which the Company shall confirm that it shall continue to remain a party to, to be bound by and to comply with, the provisions of the Participation Agreement and the Tax Side Letter, and deliver the Participation Agreement and Tax Side Letter Confirmation to the other parties to the Participation Agreement and the Tax Side Letter and (y) execute and deliver the PFIC Side Letter to New Cotai, (ii) the Company shall deliver to New Cotai a certified copy of the register of members of the Company showing New Cotai as the registered holder of 72,511,760 Class B ordinary shares, par value US$0.0001 per share, of the Company ("**Company Class B Ordinary Shares**"), (iii) New Cotai shall not hold any Pre-Migration Company Class B Shares as a result of the Continuation, (iv) MCE Cotai shall, by operation of law on the Continuation, have exchanged all of its right, title and interest in and to the MCE Cotai Shares with the Company for 108,767,640 Company Class A Ordinary Shares, (v) the Company, MCE Cotai, Melco, and New Cotai shall enter into the Amended and Restated Company Shareholders Agreement, (vi) the Company, MCE Cotai, and New Cotai shall enter into the Amended and Restated Registration Rights Agreement, and (vii) the Company, Melco, and New Cotai shall enter into the Finance Cooperation Side Letter.

Section 1.2 Order of Transaction Steps. The Parties hereby agree that it is the mutual understanding and intention of the Parties that the transactions in Section 1.1 (save for the transaction set forth in Section 1.1(a)(iii) if already effected prior to the date of this Agreement) shall be deemed to occur in the order provided for therein, and that the deemed chronological order of such transactions is of the essence with respect to the performance by the Parties of their obligations hereunder.

Section 1.3 Company Share Issuances. The Company agrees that it shall contribute to Newco any proceeds received by it from the sale of its Company Class A Ordinary Shares or ADSs in the IPO (net of any underwriting fees, discounts and selling commissions, or similar fees or related expenses, and costs) in exchange for a number of ordinary shares of Newco equal to the number of Company Class A Ordinary Shares issued by the Company in the IPO (including Company Class A Ordinary Shares that underlie any ADSs issued by the Company in the IPO) and Newco agrees that it shall accept such contribution and issue such number of Newco Shares to the Company.

Section 1.4 Waiver of Certain Provisions in Existing Shareholders Agreement. Each of Melco and MCE Cotai hereby waives the compliance by New Cotai with its obligations under clause 22.1 (Shareholders) and clause 24 (Minority Shareholders) of the Shareholders' Agreement, dated July 25, 2011, by and among the Pre-Migration Company, New Cotai, MCE Cotai and Melco, as amended and in effect as of the date of this Agreement (the "**Existing Shareholders Agreement**"), solely with respect to the transfer and delivery by New Cotai to the Pre-Migration Company, and the repurchase and acceptance by the Pre-Migration Company, of New Cotai's right, title and interest in and to the New Cotai Shares, in each case pursuant to the NC Share Exchange Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Parties. Each of the Parties, severally and not jointly, represents and warrants that (i) it is duly incorporated, formed or organized, as applicable, and, to the extent such concept exists in its jurisdiction of organization, is in good standing under the laws of such jurisdiction; (ii) it has all requisite corporate or other legal power and authority to enter into and perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary corporate or other entity action on its part; and (iv) this Agreement constitutes the valid and binding obligation of such Party enforceable against such Party in accordance with its terms.

ARTICLE III
TAX MATTERS

Section 3.1 Tax Elections

(a) Immediately after the New Cotai Exchange, the Company shall promptly file IRS Form SS-4 to obtain an employer identification number ("**EIN**") for the Company and shall file IRS Form 8832 and the accompanying cover letter, each substantially in the form attached hereto as Exhibit P-1, electing pursuant to Treasury Regulations section 301.7701-3 to be classified for U.S. Tax Purposes as a partnership for as long as it is considered to have two or more owners for U.S. Tax Purposes and as an entity disregarded as separate from its owner (a "disregarded entity") in all other instances, such classification to be effective as of the first day after the date of the New Cotai Exchange. Such filing shall be made by certified mail, return receipt requested, no later than seven (7) days following the consummation of the New Cotai Exchange, and the Company shall promptly deliver evidence of such filing to New Cotai.

(b) The Company shall, promptly following the IPO, file an IRS Form 8832 and the accompanying cover letter, each substantially in the form attached hereto as Exhibit P-2, electing pursuant to Treasury Regulations section 301.7701-3 to change its classification to that of an association taxable as a corporation for U.S. Tax Purposes effective as of the first day after the Continuation. Such filing shall be made by certified mail, return receipt requested, no later than seven (7) days following the consummation of the IPO.

(c) Newco shall, promptly following the NC Share Exchange, file IRS Form 8832 (using the Pre-Migration Company's EIN, which shall be Newco's EIN (the "**Legacy EIN**")) and the accompanying cover letter, each substantially in the form attached hereto as Exhibit Q, confirming (as the successor to the Pre-Migration Company) pursuant to Treasury Regulations section 301.7701-3 to be classified for U.S. Tax Purposes as a partnership for as long as it is considered to have two or more owners for U.S. Tax Purposes and as an entity disregarded as separate from its owner (a "disregarded entity") in all other instances, effective as of the day immediately following the NC Share Exchange. Such filing shall be made by certified mail, return receipt requested, no later than seven (7) days following the NC Share Exchange, and Newco shall promptly deliver evidence of such filing to New Cotai.

(d) The Company shall not use the Legacy EIN with respect to any elections, forms, returns, schedules, or other documents filed with the IRS or any other Governmental Authority for any period beginning after the date of the execution of the New Cotai Exchange.

ARTICLE IV
UNWINDING

Section 4.1 Failure to Complete the IPO.

(a) The Parties hereby agree that, if, following the execution of the Transfer Agreement, (i) the Company does not consummate the IPO by the later of December 31, 2018 (or such later date as may be agreed by the Parties in writing) and the latest closing date for the IPO permitted by an underwriting or similar agreement executed on or prior to December 31, 2018; provided that such closing date shall not be later than five business days after December 31, 2018 or (ii) at any time after September 30, 2018 and prior to the earlier of December 31, 2018 (or such later date as may be agreed by the Parties in writing) and the date the Company commences the Road Show, a Change in Law occurs that would reasonably be expected to have a material adverse tax consequence to the holder of a Participation (or any holder of an interest, direct or indirect, in such holder of a Participation) (the occurrence of clause (i) or (ii), the "**IPO Cut-off Date**"), then the following transactions shall occur in the order listed in subsections (i)-(iv) below (collectively, the "**Unwinding**"), with the purpose of reversing certain elements of the restructuring effected by the Transaction Documents:

(i) As promptly as reasonably practicable (but in no event later than five (5) business days following the IPO Cut-off Date), the Company and Newco shall enter into a plan of merger and, upon the terms and subject to the conditions therein, the Company shall merge with and into Newco, with Newco as the surviving entity (the "**Merger**").

(ii) Upon the effectiveness of the Merger, (1) Newco shall adopt a new memorandum and articles of association having the same provisions as the memorandum and articles of association of the Pre-Migration Company as in effect on the date of this Agreement, (2) each Company Class A Ordinary Share and each Company Class B Ordinary Share shall be converted into one ten-thousandth of an ordinary share of Newco, such ordinary shares of Newco shall have the same provisions and rights as the ordinary shares of the Pre-Migration Company outstanding as of the date of this Agreement, and (3) the Participation Agreement (including the Tax Side Letter) (other than (x) Article VII of the Participation Agreement (excluding Sections 7.1, 7.7, 7.13, and 7.14), (y) paragraphs 1 and 5 of the Tax Side Letter, and (z) any definitions in Section 1.1 of the Participation Agreement or in paragraph 22 of the Tax Side Letter necessary to effect the foregoing) shall be automatically terminated and shall have no further effect, and any Participation then outstanding shall be cancelled and cease to exist.

(iii) Immediately following the effectiveness of the Merger, (x) Melco, MCE Cotai, New Cotai, and Newco shall enter into a shareholders' agreement (the "**Newco Shareholders Agreement**") with respect to Newco, effective as of the effective date of the Merger, having the same terms, rights, interests, entitlements, and obligations as those contained in the Existing Shareholders Agreement, with all references to the "Company" thereunder referring to Newco following the Merger, (y) Newco and New Cotai shall enter into a registration rights agreement with respect to Newco's securities, effective as of the effective date of the Merger, having the same terms, rights, interests, entitlements, and obligations as those contained in the Registration Rights Agreement, dated July 27, 2011, by and between the Pre-Migration Company and New Cotai, as amended and in effect as of the date of this Agreement, with all references to the "Company" thereunder referring to Newco following the Merger and (z) Newco, Melco, and New Cotai shall enter into a finance cooperation side letter having the same terms, rights, interests, entitlements, and obligations as those contained in the Finance Cooperation Side Letter, with all references to the "Company" thereunder referring to Newco following the Merger; provided, however, the parties shall not be obligated to enter into such finance cooperation letter unless New Cotai shall have executed and delivered all documents, and performed all of its obligations, in each case as required hereunder (and in the manner and at the time as required to be executed and delivered or performed) and shall have not taken any action in violation of this Agreement, and such Unwinding was not caused by, and did not result from any failure or delay after the date hereof by New Cotai to take any action, provide any approval or consent or execute any document, in each case, necessary to consummate the IPO, including, but not limited to, such actions, approvals, consents or documents required or requested to be provided or executed by the underwriters of the IPO (provided that New Cotai's failure to take any action, provide any approval or consent or execute any document relating to an extension of the IPO Cut-Off Date shall not relieve any obligation to enter into such finance cooperation letter).

(iv) Immediately following the completion of steps (i)-(iii) above, the Amended and Restated Company Shareholders Agreement, the Amended and Restated Registration Rights Agreement, the Tax Side Letter (other than to the extent set forth in step (ii) above), the Participation Agreement and Tax Side Letter Confirmation, the PFIC Side Letter, and the Finance Cooperation Side Letter shall terminate and have no further force and effect.

(b) The Parties hereby agree that, in the event of an Unwinding (i) Newco shall continue to be treated for U.S. Tax Purposes as the successor to the Pre-Migration Company and, as such, shall use for all U.S. Tax Purposes (including its U.S. federal, state and local Tax Returns) the Legacy EIN and (ii) to take all actions consistent, and no actions inconsistent, with such treatment, in each case, for U.S. Tax Purposes.

(c) The Parties hereby agree to cooperate and take all actions reasonably necessary to effect the Unwinding.

(d) The Parties hereby agree that, if this Agreement is terminated pursuant to Section 5.13 without the Transfer Agreement having been executed, Newco, Melco, and New Cotai shall enter into a finance cooperation side letter having the same terms, rights, interests, entitlements, and obligations as those contained in the Finance Cooperation Side Letter, with all references to the "Company" thereunder referring to Newco following the Merger; provided, however, the parties shall not be obligated to enter into the Finance Cooperation Letter pursuant to this Section 4.1(d) unless New Cotai shall have executed and delivered all documents, and performed all of its obligations, in each case as required hereunder (and in the manner and at the time as required to be executed and delivered or performed) and shall have not taken any action in violation of this Agreement, and such termination was not caused by, and did not result from any failure or delay after the date hereof by New Cotai to take any action, provide any approval or consent or execute any document, in each case, necessary to consummate the IPO, including, but not limited to, such actions, approvals, consents or documents required or requested to be provided or executed by the underwriters of the IPO (provided that New Cotai's failure to take any action, provide any approval or consent or execute any document relating to an extension of the IPO Cut-Off Date shall not relieve any obligation to enter into the Finance Cooperation Letter).

ARTICLE V
MISCELLANEOUS

Section 5.1 Further Action. The Parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including effectuating the transactions described herein in the order identified herein and, if applicable, the Unwinding.

Section 5.2 Definitions. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

(a) "**business day**" means any day other than a Saturday, a Sunday or a day on which banking institutions in the United States, Hong Kong, Cayman Islands or British Virgin Islands are authorized by law, regulation or executive order to remain closed and, in the case of Hong Kong, other than a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted at any time between 9:00am and 5:00pm. If a date on which an event is to occur is a non-business day at a place at which the event is to occur, the event may be made at that place on the next succeeding day that is a business day.

(b) "**Change in Law**" means any of the following: (i) the adoption, entry into effect, or issuance of any U.S. tax statute, treaty, regulation (whether final, proposed, or temporary), or other official pronouncement, including notices or announcements, or (ii) any material change in any U.S. tax statute, treaty, regulation (whether final, proposed, or temporary), or other official pronouncement, including notices or announcements.

(c) "**Commencement Date**" means the date on which the Board of Directors of the Company, or a pricing committee appointed by the Board of Directors of the Company, determines that, based on indications from the managing underwriters of the IPO, the pricing of the IPO is reasonably likely to occur within three (3) business days following such date; provided that in no event shall the Commencement Date occur prior to the commencement of the Road Show.

(d) "**Company Class A Ordinary Shares**" means the Class A ordinary shares, par value US$0.0001 per share, of the Company.

(e) "**Continuation**" means the transfer by way of continuation of the Pre-Migration Company from the British Virgin Islands to the Cayman Islands as described in Section 1.1 of this Agreement.

(f) "**Governmental Authority**" means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, the Financial Industry Regulatory Authority, Inc. and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

(g) "**Road Show**" means a road show (as such term is defined in Rule 433(h)(4) promulgated under the Securities Act of 1933, as amended) related to the IPO.

(h) "**Tax**" means tax, levy, duty, or other charge or withholding of a similar nature imposed by a Governmental Authority (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

(i) "**U.S. Tax Purposes**" means, as the context requires, U.S. federal, state, and/or local income Tax purposes.

Section 5.3 Interpretation. In this Agreement, unless otherwise provided:

(a) A reference to an Article, Section, Schedule or Exhibit is a reference to an Article or Section of, or Schedule or Exhibit to, this Agreement, and references to this Agreement include any recital in or Schedule or Exhibit to this Agreement. The Exhibits form an integral part of and are hereby incorporated by reference into this Agreement.

(b) Headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

(c) The word "shall" shall be obligatory and the word "may" shall be permissive.

(d) Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing the masculine include the feminine and vice versa, and words importing persons include corporations, associations, partnerships, joint ventures and limited liability companies and vice versa.

(e) The words "hereof" and "herein", and words of similar meaning shall refer to this Agreement as a whole and not to any particular Article, Section or clause, and the words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation."

(f) Except as otherwise specified herein, a reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all rules, regulations and statutory instruments issued thereunder or pursuant thereto.

(g) Except as otherwise specified herein, a reference herein to any other agreement or document shall be to such agreement or document as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms and, to the extent applicable, the terms of this Agreement, and shall include all annexes, exhibits, schedules and other documents or agreements attached thereto.

Section 5.4 Addresses and Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax (delivery receipt requested), by electronic mail or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be as specified in a notice given in accordance with this Section 5.4):

(a) If to the Company, to:

Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong

Fax: +852-2537-3618
E-mail: [•]
Attention: Company Secretary

with copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852 2912 2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(b) If to MCE Cotai, to:

MCE Cotai Investments Limited
c/o Melco Resorts & Entertainment Limited at its address set out herein for delivery of notice
Fax: +852-2537-3618
E-mail: [•]
Attention: Company Secretary

with copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852 2912 2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(c) If to Melco, to:

Melco Resorts & Entertainment Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Fax: +852-2537-3618
E-mail: [•]
Attention: Company Secretary

with a copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852 2912 2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(d) If to New Cotai, to:

New Cotai, LLC
c/o New Cotai Holdings, LLC
Two Greenwich Plaza
Greenwich, Connecticut 06830
United States of America
Fax: +1-203-542-4133
E-mail: tlavelle@silverpointcapital.com
Attention: Timothy Lavelle

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071-3144
Fax: +1 213 621 5288
E-mail: Jeffrey.Cohen@skadden.com
Attention: Jeffrey H. Cohen, Esq.

Section 5.5 Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their respective successors, executors, administrators, heirs, legal representatives and permitted assigns; provided, however, neither this Agreement nor any rights or obligations hereunder may be assigned by any of the Parties without the prior written consent of the other Parties.

Section 5.6 Severability. If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 5.7 Amendment. The provisions of this Agreement may be amended, modified, altered or supplemented only by a written instrument signed by each of the Parties.

Section 5.8 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 5.9 Submission to Jurisdiction. The parties irrevocably consent to the non-exclusive jurisdiction of the courts of the Cayman Islands in connection with any action relating to this Agreement.

Section 5.10 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or by e-mail delivery of a ".pdf" format data file) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, by e-mail delivery of a ".pdf" format data file or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 5.10.

Section 5.11 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms, including the order of the transactions contemplated hereby, or were otherwise breached. It is accordingly agreed that the parties shall be entitled to specific performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 5.12 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the law of the Cayman Islands, without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction.

Section 5.13 Termination. If the IPO is not consummated prior to the IPO Cut-off Date, this Agreement shall terminate and have no further force and effect; provided that Article IV and this Article V shall remain in full force and effect.

Section 5.14 Fees and Expenses.

(a) Newco agrees to pay or reimburse all fees and expenses incurred by the Company in connection with this Agreement (including the Unwinding).

(b) Promptly (x) upon the earlier of the completion of the IPO and the Unwinding, or (y) upon the termination of this Agreement pursuant to Section 5.13 if such termination occurs without the Transfer Agreement having been executed, Newco agrees to reimburse each of New Cotai and MCE Cotai for all reasonable and documented out-of-pocket fees and expenses incurred in connection with this Agreement and the transactions contemplated hereunder (including the Unwinding) (such amount, the "**Expense Reimbursement**"); provided, however, that (A) the Expense Reimbursement shall not exceed US$1,000,000 for each of New Cotai and MCE Cotai; and (B) in the event of an Unwinding or termination of this Agreement, Newco shall reimburse New Cotai and/or MCE Cotai only if New Cotai or MCE Cotai, as applicable, (i) shall have executed and delivered all documents, and performed all of its obligations, in each case as required hereunder (in the manner and at the time as required to be executed and delivered or performed), (ii) shall have not taken any action in violation of this Agreement and (iii) such Unwinding or termination was not caused by, and did not result from any failure or delay after the date hereof by New Cotai or MCE Cotai, as the case may be, to take any action, provide any approval or consent or execute any document, in each case, necessary to consummate the IPO, including, but not limited to, such actions, approvals, consents or documents required or requested to be provided or executed by the underwriters of the IPO (provided that New Cotai's or MCE Cotai's failure to take any action, provide any approval or consent or execute any document relating to an extension of the IPO Cut-Off Date shall not relieve any reimbursement obligation hereunder with respect to New Cotai or MCE Cotai, as the case may be).

(c) Except as provided in this Section 5.14, each Party shall pay all of its fees and expenses in connection with this Agreement and the transactions contemplated hereby.

Section 5.15 Third Party Rights. A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Law, 2014 (as amended) to enforce any term of this Agreement.

Section 5.16 Effectiveness. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

Section 5.17 Entire Agreement. This Agreement, together with all of the agreements referenced herein (when such agreements are executed and delivered by the parties thereto in substantially the forms attached hereto), the exhibits to any such agreements (when executed and delivered, if applicable) and the transactions contemplated hereby and thereby, represents the entire agreement between the Parties with respect to the reorganization of the Company as described in Section 1.1 hereof, including the Contribution (the "**Reorganization and Transfer**"). All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the Reorganization and Transfer are superseded by this Agreement (together with all such other agreements) and are of no effect. No party is liable to any other party in respect of those matters except as provided under this Agreement and, when executed and delivered by the parties thereto in substantially the forms attached hereto, all such other agreements. No oral explanation or information provided by any party to another affects the meaning or interpretation of this Agreement or constitutes any collateral agreement, warranty or understanding between any of the parties with respect to this Agreement or the Reorganization and Transfer.

Section 5.18 Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as a deed as of the date first set forth above.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

By: _____
Name:
Title:

MCE COTAI INVESTMENTS LIMITED

By: _____
Name:
Title:

MELCO RESORTS & ENTERTAINMENT LIMITED

By: _____
Name:
Title:

NEW COTAI, LLC

By: _____
Name:
Title:

EXHIBIT A

[FORM OF JOINDER TO IMPLEMENTATION AGREEMENT]

JOINDER AGREEMENT

This Joinder Agreement ("Joinder Agreement") is a joinder to the Implementation Agreement, dated as of [•], 2018 (the "Agreement"), by and among Studio City International Holdings Limited (formerly known as CYBER ONE AGENTS LIMITED), a business company incorporated in the British Virgin Islands with limited liability (the "Pre-Migration Company" and, following the proposed transfer by way of continuation (redomiciling) of the Pre-Migration Company as an exempted company with limited liability in the Cayman Islands, the "Company"), MCE Cotai Investments Limited, an exempted company incorporated in the Cayman Islands with limited liability ("MCE Cotai"), Melco Resorts & Entertainment Limited, an exempted company incorporated in the Cayman Islands with limited liability ("Melco"), and New Cotai, LLC, a Delaware limited liability company ("New Cotai").

By executing and delivering this Joinder Agreement to MCE Cotai, Melco, New Cotai and the Pre-Migration Company, the undersigned agrees to become a party to, to be bound by, and to comply with the provisions of, the Agreement as if the undersigned were an original signatory thereto. The parties to the Agreement shall treat the execution and delivery hereof by the undersigned as the execution and delivery of the Agreement by the undersigned and, upon receipt of this Joinder Agreement by MCE Cotai, Melco, New Cotai, and the Pre-Migration Company, the signature of the undersigned set forth below shall constitute a counterpart signature to the signature page of the Agreement. This Joinder Agreement shall be governed by, and construed in accordance with, the laws of the Cayman Islands, without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed as of the date first set forth above.

MSC COTAI LIMITED

By: _____

Name:
Title:

[Signature Page – Joinder Agreement]

EXHIBIT B

[FORM OF NEWCO MEMORANDUM AND ARTICLES OF ASSOCIATION]

EXHIBIT C

[FORM OF HONG KONG SHARE PURCHASE AGREEMENT]

EXHIBIT D

[FORM OF TRANSFER AGREEMENT]

EXHIBIT E

[FORM OF CHARTER AMENDMENT]

BC NO: 399970

TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT, 2004

Amended & Restated

Memorandum of Association

and

Articles of Association

of

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

First Incorporated on 2 August 2000

(ADOPTED BY RESOLUTION DATED 2018 AND REGISTERED ON 2018)

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT 2004

AMENDED & RESTATED

MEMORANDUM OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

A COMPANY LIMITED BY SHARES

1. DEFINITIONS AND INTERPRETATION

1.1. In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

"**Act**" means the BVI Business Companies Act (No. 16 of 2004) and includes the regulations made under the Act;

"**Articles**" means the attached Amended and Restated Articles of Association of the Company;

"**Chairman of the Board**" has the meaning specified in Regulation 13;

"**Class A Ordinary Shares**" has the meaning give in Clause 7.1(a);

"**Class B Ordinary Shares**" has the meaning give in Clause 7.1(b);

"**Distribution**" in relation to a distribution by the Company means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder in relation to Class A Ordinary Shares held by a Shareholder, and whether by means of a purchase of an asset, the redemption or other acquisition of Shares, a distribution of indebtedness or otherwise, and includes a dividend;

"**Eligible Person**" means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

"**Memorandum**" means this Amended and Restated Memorandum of Association of the Company;

"**Resolution of Directors**" means either:

(a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or

(b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;

"**Resolution of Shareholders**" means either:

(a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or

(b) a resolution consented to in writing by a majority of the votes of Shares entitled to vote thereon;

"**Seal**" means any seal which has been duly adopted as the common seal of the Company;

"**Share**" means a share issued or to be issued by the Company;

"**Shareholder**" means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;

"**Shareholders Agreement**" means the shareholders agreement attached as Schedule 1, dated on or around 27 July 2011 between MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and the Company, as amended from time to time in accordance with the terms thereof;

"**Treasury Share**" means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

"**written**" or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and "**in writing**" shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

(a) a "**Regulation**" is a reference to a regulation of the Articles;

(b) a "**Clause**" is a reference to a clause of the Memorandum;

(c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;

(d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended; and

(e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and Articles.

2. NAME

The name of the Company is **STUDIO CITY INTERNATIONAL HOLDINGS LIMITED**.

3. RE-REGISTRATION

The Company was first incorporated on 2 August 2000 under the International Business Companies Act, 1984 and was automatically re-registered under the Act on 1 January 2007. Immediately before its re-registration under the Act, it was governed by the International Business Companies Act, 1984.

4. STATUS

The Company is a company limited by shares.

5. REGISTERED OFFICE AND REGISTERED AGENT

5.1. The first registered office of the Company is at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.

5.2. The first registered agent of the Company is Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

5.3. At the date of filing the notice of election to disapply Part IV of Schedule 2 of the Act the registered office of the Company was situated at the office of the registered agent, Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

6. CAPACITY AND POWERS

6.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for the purposes of paragraph (a), full rights, powers and privileges.

6.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

7. NUMBER AND CLASSES OF SHARES

7.1. The Company is authorised to issue a maximum of 2,000,000,000 Shares divided into two classes consisting of:

(a) 1,927,488,240 Class A Ordinary Shares of par value US$0.0001 each ("**Class A Ordinary Shares**"); and

(b) 72,511,760 Class B Ordinary Shares of par value US$0.0001 each ("**Class B Ordinary Shares**").

7.2. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.

7.3. Shares shall be issued in the currency of the United States of America.

8. DESIGNATIONS, POWERS, PREFERENCES, ETC. OF SHARES

8.1. In addition and subject to any rights, privileges, restrictions and conditions attaching to any of the Shares as provided for elsewhere in this Memorandum or in the Articles, the rights and restrictions attached to the Class A Ordinary Shares shall be as follows:

(a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;

(b) the right to an equal share in any dividend paid by the Company; and

(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

8.2. In addition and subject to any rights, privileges, restrictions and conditions attaching to any of the Shares as provided for elsewhere in this Memorandum or in the Articles, the rights and restrictions attached to the Class B Ordinary Shares shall be as follows:

(a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;

(b) subject to Clause 8.4, no right to any share in any dividend paid by the Company;

(c) no right to any share in the distribution of the surplus assets of the Company on its liquidation; and

(d) no right to transfer any Class B Ordinary Share.

8.3. The directors may at their discretion by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

8.4. In no event should any share dividend, share split, reverse share split, combination of shares, sub-division, reclassification or recapitalization be declared or made in respect of the Class A Ordinary Shares (each, a "**Share Adjustment**") unless a corresponding Share Adjustment is made to the Class B Ordinary Shares in the same proportion and the same manner. Share dividends with respect to each class of shares of the Company may only be made with the shares of the same class as such class of shares of the Company.

9. VARIATION OF RIGHTS

9.1. The rights attached to Shares as specified in Clause 8 may only, whether or not the Company is being wound up, be varied with the consent in writing of or by a resolution passed at a meeting by the holders of more than 50 per cent of the issued Shares entitled to vote at a meeting of the Shareholders (voting together as a single class); provided that, in addition to such consent:

(a) a variation of the rights attached to the Class A Ordinary Shares as specified in Clause 8.1(a) shall require the prior consent in writing of the holders of more than 50 per cent of the issued Class A Ordinary Shares and more than 50 per cent of the holders of the Class B Ordinary Shares, or resolutions passed at separate class meetings of the holders of Class A Ordinary Shares and Class B Ordinary Shares by the holders of more than 50 per cent of the issued Class A Ordinary Shares and the holders of more than 50 per cent of the issued Class B Ordinary Shares;

(b) a variation of the rights attached to the Class A Ordinary Shares (other than as specified in Clause 8.1(a)) shall require the prior consent in writing of, or a resolution passed at a separate class meeting of the holders of Class A Ordinary Shares by, the holders of more than 50 per cent of the issued Class A Ordinary Shares;

(c) a variation of the rights attached to the Class B Ordinary Shares as specified in Clause 8.2(a) shall require the prior consent in writing of the holders of more than 50 per cent of the issued Class A Ordinary Shares and the holders of more than 50 per cent of the issued Class B Ordinary Shares or resolutions passed at separate class meetings of the holders of Class A Ordinary Shares and Class B Ordinary Shares by the holders of more than 50 per cent of the issued Class A Ordinary Shares and the holders of more than 50 per cent of the issued Class B Ordinary Shares; and

(d) a variation of the rights attached to the Class B Ordinary Shares as specified in Clauses 8.2(b), 8.2(c) or 8.2(d) shall require the prior consent in writing of, or a resolution passed at a separate class meeting of the holders of Class B Ordinary Shares by, the holders of more than 50 per cent of the issued Class B Ordinary Shares.

10. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

11. REGISTERED SHARES

11.1. The Company shall issue registered shares only.

11.2. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

12. TRANSFER OF SHARES

12.1. Subject to Clause 8.2, the Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 7.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

12.2. Subject to Clause 8.2, the directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

13. AMENDMENT OF MEMORANDUM AND ARTICLES

Subject to Clause 9, the Company may amend its Memorandum or Articles by a Resolution of Shareholders or by a Resolution of Directors, save that no amendment may be made by a Resolution of Directors:

(a) to restrict the rights or powers of the Shareholders to amend the Memorandum or Articles;

(b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or Articles;

(c) in circumstances where the Memorandum or Articles cannot be amended by the Shareholders; or

(d) to Clauses 8, 9 or 10 or this Clause 13.

Notwithstanding the foregoing no amendment may be made to the Memorandum or Articles without the approval of each Minority Shareholder (as defined in the Shareholders Agreement) holding 20% or more of the Shares on issue.

14. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT

14.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Memorandum, and for the avoidance of doubt and without limiting the generality of this Clause 14.1:

(a) notwithstanding anything contained in the Memorandum, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and

(b) nothing contained in the Memorandum prevents an act being done that the Shareholders Agreement requires to be done.

14.2. To the extent not prohibited by the Act if any provision of the Memorandum is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 3rd day of July 2007.

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

Authorised Signatory

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT 2004

AMENDED & RESTATED

ARTICLES OF ASSOCIATION

OF

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

A COMPANY LIMITED BY SHARES

1. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT

1.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Articles and, for the avoidance of doubt and without limiting the generality of this Regulation 1:

(a) notwithstanding anything contained in these Articles, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and

(b) nothing contained in these Articles prevents an act being done that the Shareholders Agreement requires to be done.

1.2. To the extent not prohibited by the Act if any provision of these Articles is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

2. REGISTERED SHARES

2.1. Every holder of Class A Ordinary Shares is entitled to a certificate signed by a director of the Company or under the Seal specifying the number of Class A Ordinary Shares held by him and the signature of the director and the Seal may be facsimiles. No share certificates shall be issued in respect of the Class B Ordinary Shares.

2.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a Resolution of Directors.

2.3. If several Eligible Persons are registered as joint holders of any Class A Ordinary Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

3. SHARES

3.1. Shares may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.

3.2. Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.

3.3. A Share may be issued for consideration in any form, including money, a promissory note, real property, personal property (including goodwill and know-how) or a contract for future services.

3.4. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:

(a) the amount to be credited for the issue of the Shares;

(b) their determination of the reasonable present cash value of the non-money consideration for the issue; and

(c) that, in their opinion, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.

3.5. The Company shall keep a register (the "**register of members**") containing:

(a) the names and addresses of the Eligible Persons who hold Shares;

(b) the number of each class and series of Shares held by each Shareholder;

(c) the date on which the name of each Shareholder was entered in the register of members; and

(d) the date on which any Eligible Person ceased to be a Shareholder.

3.6. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.

3.7. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

4. REDEMPTION OF SHARES AND TREASURY SHARES

4.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.

4.2. The Company may only offer to acquire Shares if at the relevant time the directors determine by Resolution of Directors that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

4.3. Sections 60 (*Process for acquisition of own shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.

4.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.

4.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

4.6. Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and Articles) as the Company may by Resolution of Directors determine.

4.7. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, shares having more than 50 per cent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

5. MORTGAGES AND CHARGES OF SHARES

5.1. Shareholders may mortgage or charge their Shares.

5.2. There shall be entered in the register of members at the written request of the Shareholder:

(a) a statement that the Shares held by him are mortgaged or charged;

(b) the name of the mortgagee or chargee; and

(c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.

5.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

(a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or

(b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

5.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

(a) no transfer of any Share the subject of those particulars shall be effected;

(b) the Company may not purchase, redeem or otherwise acquire any such Share; and

(c) no replacement certificate shall be issued in respect of such Shares,

without the written consent of the named mortgagee or chargee.

6. FORFEITURE

6.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note or a contract for future services are deemed to be not fully paid.

6.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

6.3. The written notice of call referred to in Sub-Regulation 6.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

6.4. Where a written notice of call has been issued pursuant to Sub-Regulation 6.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

6.5. The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 6.4 and that Shareholder shall be discharged from any further obligation to the Company.

7. TRANSFER OF SHARES

7.1. Class A Ordinary Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company at the office of its registered agent for registration.

7.2. The transfer of a Class A Ordinary Share is effective when the name of the transferee is entered on the register of members.

7.3. If the directors of the Company are satisfied that an instrument of transfer relating to Class A Ordinary Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:

(a) to accept such evidence of the transfer of Class A Ordinary Shares as they consider appropriate; and

(b) that the transferee’s name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

7.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Class A Ordinary Share even though the personal representative is not a Shareholder at the time of the transfer.

8. MEETINGS AND CONSENTS OF SHAREHOLDERS

8.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.

8.2. Upon the written request of Shareholders entitled to exercise 30 per cent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.

8.3. The director convening a meeting shall give not less than seven days' notice of a meeting of Shareholders to:

(a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and

(b) the other directors.

8.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.

8.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.

8.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.

8.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

8.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

8.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

[Name of Company]

I/We being a Shareholder of the above Company HEREBY APPOINT of or failing him of to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the day of , 20 and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of , 20

_____

Shareholder

8.10. The following applies where Shares are jointly owned:

(a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

8.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.

8.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 per cent of the votes of the Shares or class or series of Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders

8.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

8.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.

8.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

8.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.

8.17. Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Eligible Person which he represents as that Eligible Person could exercise if it were an individual.

8.18. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.

8.19. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.

8.20. An action that may be taken by the Shareholders at a meeting may also be taken by a Resolution of Shareholders consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Eligible Persons holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

9. DIRECTORS

9.1. The first directors of the Company shall be appointed by the first registered agent within six months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors for such term as the Shareholders or directors determine.

9.2. No person shall be appointed as a director of the Company unless he has consented in writing to act as a director.

9.3. The minimum number of directors shall be one and the maximum number shall be five.

9.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.

9.5. A director may be removed from office only in accordance with the Shareholders Agreement.

9.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company at the office of its registered agent or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.

9.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.

9.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.

9.9. The Company shall keep a register of directors containing:

(a) the names and addresses of the persons who are directors of the Company;

(b) the date on which each person whose name is entered in the register was appointed as a director of the Company;

(c) the date on which each person named as a director ceased to be a director of the Company; and

(d) such other information as may be prescribed by the Act.

9.10. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.

9.11. The directors may, by a Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

9.12. A director is not required to hold a Share as a qualification to office.

10. POWERS OF DIRECTORS

10.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.

10.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.

10.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.

10.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.

10.5. The continuing directors may act notwithstanding any vacancy in their body.

10.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.

10.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

10.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

11. PROCEEDINGS OF DIRECTORS

11.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.

11.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.

11.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

11.4. A director shall be given not less than three days' notice of meetings of directors, but a meeting of directors held without three days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

11.5. A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote or consent in place of the director until the appointment lapses or is terminated.

11.6. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only two directors in which case the quorum is two.

11.7. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.

11.8. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.

11.9. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

12. COMMITTEES

12.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.

12.2. The directors have no power to delegate to a committee of directors any of the following powers:

(a) to amend the Memorandum or the Articles;

(b) to designate committees of directors;

(c) to delegate powers to a committee of directors;

(d) to appoint directors;

(e) to appoint an agent;

(f) to approve a plan of merger, consolidation or arrangement; or

(g) to make a declaration of solvency or to approve a liquidation plan.

12.3. Sub-Regulation 12.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.

12.4. The meetings and proceedings of each committee of directors consisting of two or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.

12.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

13. OFFICERS AND AGENTS

13.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.

13.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

13.3. The emoluments of all officers shall be fixed by Resolution of Directors.

13.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.

13.5. The directors may, by a Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the matters specified in Sub-Regulation 12.2. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

14. CONFLICT OF INTERESTS

14.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

14.2. For the purposes of Sub-Regulation 14.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

14.3. Provided that the Board of directors of the Company has given prior authorisation by way of a Resolution of Directors (for which purposes the interested director shall not be able to vote), a director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

(a) vote on a matter relating to the transaction;

(b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and

(c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

15. INDEMNIFICATION

15.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or

(b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

15.2. The indemnity in Sub-Regulation 15.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

15.3. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

15.4. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

15.5. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

16. RECORDS

16.1. The Company shall keep the following documents at the office of its registered agent:

(a) the Memorandum and the Articles;

(b) the register of members, or a copy of the register of members;

(c) the register of directors, or a copy of the register of directors; and

(d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.

16.2. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:

(a) within 15 days of any change in either register, notify the registered agent in writing of the change; and

(b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.

16.3. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:

(a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;

(b) minutes of meetings and Resolutions of Directors and committees of directors; and

(c) an impression of the Seal, if any.

16.4. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

16.5. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (No. 5 of 2001).

17. REGISTERS OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

(a) the date of creation of the charge;

(b) a short description of the liability secured by the charge;

(c) a short description of the property charged;

(d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;

(e) unless the charge is a security to bearer, the name and address of the holder of the charge; and

(f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

18. SEAL

The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

19. DISTRIBUTIONS BY WAY OF DIVIDEND

19.1. Subject to Clause 8.4, the directors of the Company may, by Resolution of Directors, authorise a distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company’s assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

19.2. Dividends may be paid in money, shares, or other property.

19.3. Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 21.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.

19.4. No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

20. ACCOUNTS AND AUDIT

20.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.

20.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.

20.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.

20.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by a Resolution of Shareholders.

20.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.

20.6. The remuneration of the auditors of the Company:

(a) in the case of auditors appointed by the directors, may be fixed by Resolution of Directors; and

(b) subject to the foregoing, shall be fixed by Resolution of Shareholders or in such manner as the Company may by Resolution of Shareholders determine.

20.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and

(b) all the information and explanations required by the auditors have been obtained.

20.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.

20.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

20.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

21. NOTICES

21.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.

21.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.

21.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

22. VOLUNTARY WINDING UP AND DISSOLUTION

The Company may by a Resolution of Shareholders or by a Resolution of Directors appoint a voluntary liquidator.

23. CONTINUATION

The Company may by Resolution of Shareholders or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 3rd day of July 2007.

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

Authorised Signatory

EXHIBIT F

[FORM OF NC SHARE EXCHANGE AGREEMENT]

SHARE EXCHANGE AGREEMENT

This SHARE EXCHANGE AGREEMENT (this "Agreement"), dated as of [•], 2018, is made by and between Studio City International Holdings Limited, a business company limited by shares incorporated in the British Virgin Islands (the "Pre-Migration Company" and, following the proposed transfer by way of continuation of the Pre-Migration Company as an exempted company with limited liability in the Cayman Islands, the "Company") and New Cotai, LLC, a Delaware limited liability company ("New Cotai" and, together with the Pre-Migration Company, the "Parties" and, each, a "Party").

WITNESSETH:

WHEREAS, New Cotai owns 72,511,760 Class A Ordinary Shares of the Pre-Migration Company, representing 40% of the issued shares of the Pre-Migration Company (the "New Cotai Shares");

WHEREAS, it is contemplated that the Company will effect an underwritten public offering (the "IPO") of American Depositary Shares ("ADS"), each ADS representing a certain number of Company Class A Ordinary Shares (as defined below);

WHEREAS, in anticipation of the IPO, (i) prior to the date hereof, the Pre-Migration Company formed a business company incorporated in the British Virgin Islands as a wholly-owned subsidiary ("Newco"), and transferred substantially all of its assets and liabilities to Newco pursuant to the Transfer Agreement in the form attached as Exhibit C to the Implementation Agreement, (ii) following the date hereof, the Pre-Migration Company intends to transfer by way of continuation from the British Virgin Islands to the Cayman Islands whereupon the Pre-Migration Company shall become the Company for all purposes under this Agreement (the "Continuation"), and (iii) upon the terms and subject to the conditions set forth herein, New Cotai desires to transfer and deliver to the Pre-Migration Company, and the Pre-Migration Company desires to repurchase for cancellation and accept from New Cotai, New Cotai's right, title, and interest in and to the New Cotai Shares (the "New Cotai Share Repurchase");

WHEREAS, prior to the execution and delivery of this Agreement, Melco and MCE Cotai have duly waived the obligations of New Cotai under clause 22.1 (Shareholders) and clause 24 (Minority Shareholders) of the Pre-Migration Company Shareholders Agreement solely with respect to the New Cotai Share Repurchase to the extent such provisions of the Pre-Migration Company Shareholders Agreement restrict the New Cotai Share Repurchase; and

WHEREAS, in consideration of and in exchange for the New Cotai Share Repurchase, (i) the Pre-Migration Company desires to procure Newco's grant of the Participation (as defined below) to New Cotai, and New Cotai desires to acquire and accept the Participation from Newco, (ii) the Pre-Migration Company desires to issue to New Cotai, and New Cotai desires to subscribe for and accept from the Pre-Migration Company, 72,511,760 Class B Ordinary Shares, par value US$0.0001 per share, of the Pre-Migration Company free and clear of any liens or encumbrances (such shares, the "Pre-Migration Company Class B Shares"), and (iii) the Pre-Migration Company desires to deliver to New Cotai, and New Cotai desires to accept from the Pre-Migration Company, the right to receive, immediately following the effectiveness of the Continuation, (A) the rights, interests, and entitlements granted to New Cotai under the Amended and Restated Company Shareholders Agreement in the form attached as Exhibit H to the Implementation Agreement (the "Amended and Restated Company Shareholders Agreement"), (B) the rights, interests, and entitlements granted to New Cotai under the Amended and Restated Registration Rights Agreement in the form attached as Exhibit I to the Implementation Agreement (the "Amended and Restated Registration Rights Agreement"), (C) the rights, interests, and entitlements granted to New Cotai under the PFIC Side Letter in the form attached as Exhibit J to the Implementation Agreement (the "PFIC Side Letter"), and (D) the rights, interests, and entitlements granted to New Cotai under the Financing Cooperation Side Letter in the form attached as Exhibit K to the Implementation Agreement (the "Financing Cooperation Side Letter"), in each case, upon the terms and subject to the conditions set forth herein (the consideration being delivered by the Pre-Migration Company under clauses (i) through (iii), the "Specified Consideration").

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound thereby, the Parties hereby agree as follows:

ARTICLE I

SHARE REPURCHASE AND DELIVERABLES

SECTION 1.01 *New Cotai Share Repurchase*. Upon the terms and subject to the conditions set forth herein, and in exchange for the Specified Consideration, New Cotai hereby transfers and delivers to the Pre-Migration Company, and the Pre-Migration Company hereby repurchases and accepts from New Cotai, all right, title, and interest of New Cotai in and to the New Cotai Shares, free and clear of any liens or encumbrances.

SECTION 1.02 *Deliverables of New Cotai, the Pre-Migration Company, and the Company*.

(a) Deliverables of New Cotai. Concurrently with the execution and delivery of this Agreement, New Cotai shall deliver to the Pre-Migration Company:

(i) Share Certificates 11 and 13 representing an aggregate of 3,251.176 ordinary shares of par value US$1.00 each in the Pre-Migration Company in issue prior to the Charter Amendment (as defined in the Implementation Agreement);

(ii) a Declaration and Indemnity for Lost Share Certificate in the form attached hereto as Exhibit A with respect to Share Certificates 6 and 8 representing an aggregate of 4000 ordinary shares of par value US$1.00 each in the Pre-Migration Company in issue prior to the Charter Amendment (as defined in the Implementation Agreement);

(iii) a counterpart signature page to the Share Repurchase Letter in the form attached hereto as Exhibit B, duly executed by New Cotai;

(iv) a counterpart signature page to the Participation Agreement in the form attached as Exhibit F to the Implementation Agreement (the "Participation Agreement"), duly executed by New Cotai;

(v) a counterpart signature page to the Tax Side Letter in the form attached as Exhibit G to the Implementation Agreement (the "Tax Side Letter"), duly executed by New Cotai;

(vi) a counterpart signature page to the Amended and Restated Company Shareholders Agreement, duly executed by New Cotai, to be held in escrow and deemed automatically released upon the effectiveness of the Continuation and delivery to New Cotai of the items set forth in Section 1.02(c) hereof;

(vii) a counterpart signature page to the Amended and Restated Registration Rights Agreement, duly executed by New Cotai, to be held in escrow and deemed automatically released upon the effectiveness of the Continuation and delivery to New Cotai of the items set forth in Section 1.02(c) hereof;

(viii) a copy of the PFIC Side Letter, duly executed by New Cotai, to be held in escrow and deemed automatically released upon the effectiveness of the Continuation and delivery to New Cotai of the items set forth in Section 1.02(c) hereof; and

(ix) a copy of the Financing Cooperation Side Letter, duly executed by New Cotai, to be held in escrow and deemed automatically released upon the effectiveness of the Continuation and delivery to New Cotai of the items set forth in Section 1.02(c) hereof.

(b) Deliverables of the Pre-Migration Company. Concurrently with the execution and delivery of this Agreement, the Pre-Migration Company shall:

(i) deliver, allot and issue to New Cotai the Pre-Migration Company Class B Shares, duly authorized, fully paid, and non-assessable and free and clear of any liens or encumbrances, except for such liens and encumbrances set forth in the Pre-Migration Company's Memorandum of Association and Articles of Association and under Applicable Law; and

(ii) deliver or cause to be delivered to New Cotai:

(A) a copy of the updated register of members of the Pre-Migration Company reflecting the issuance of the Pre-Migration Company Class B Shares and the cancellation of the New Cotai Shares certified by a director or the registered agent of the Pre-Migration Company;

(B) counterpart signature pages to the Participation Agreement, duly executed by the Pre-Migration Company and Newco; and

(C) counterpart signature pages to the Tax Side Letter, duly executed by the Pre-Migration Company and Newco.

(c) Deliverables of the Company. Upon the effectiveness of the Continuation, the Company shall deliver to New Cotai:

(i) counterpart signature pages to the Amended and Restated Company Shareholders Agreement, duly executed by the Company, Melco, and MCE Cotai;

(ii) a counterpart signature page to the Amended and Restated Registration Rights Agreement, duly executed by the Company;

(iii) a counterpart signature page to the PFIC Side Letter, duly executed by the Company;

(iv) counterpart signature pages to the Financing Cooperation Side Letter, duly executed by the Company and Melco; and

(v) a register of members of the Company showing New Cotai as the registered holder of 72,511,760 Class B ordinary shares, par value US$0.0001 per share, of the Company certified by a director or the registered office provider of the Company.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01 *Representations and Warranties of the Pre-Migration Company.* The Pre-Migration Company represents and warrants that (i) it is an exempted company duly incorporated and is existing in good standing under the laws of its jurisdiction of organization; (ii) it has all requisite corporate power and authority to enter into and perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby, including the issuance of the Class B Ordinary Shares and the procurement of Newco's entry into the Participation Agreement in accordance with the terms hereof; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby, including the issuance of the Class B Ordinary Shares and the procurement of Newco's entry into the Participation Agreement, have been duly authorized by all necessary corporate action on its part and will not contravene any agreement or other instrument binding upon it or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it; (iv) the Class B Ordinary Shares issued to New Cotai have been duly authorized, and are fully paid, non-assessable, and free and clear of any liens or encumbrances, except for such liens and encumbrances set forth in the Pre-Migration Company's Memorandum of Association and Articles of Association and under Applicable Law; and (v) this Agreement constitutes a legal, valid, and binding obligation of the Pre-Migration Company enforceable against the Pre-Migration Company in accordance with its terms.

SECTION 2.02 *Representations and Warranties of New Cotai.* New Cotai represents and warrants that (i) it is duly formed, is validly existing, and is in good standing under the laws of its jurisdiction of organization; (ii) it has all requisite limited liability company power and authority to enter into and perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby; (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary limited liability company action on its part and will not contravene any agreement or other instrument binding upon it or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it; (iv) the New Cotai Shares are owned directly by New Cotai, free and clear of any liens or encumbrances; and (v) this Agreement constitutes the valid and binding obligation of New Cotai enforceable against New Cotai in accordance with its terms.

ARTICLE III

COVENANTS AND AGREEMENTS

SECTION 3.01 *Further Assurances*. In addition to the actions specifically provided for in this Agreement, each Party shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under Applicable Law, regulations, and agreements to consummate and make effective the transactions contemplated hereby. Without limiting the foregoing, each Party shall cooperate with the other Party, and execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, the instruments, including, without limitation, instruments of conveyance, assignment, and transfer, and to make the filings with, and, to the extent practicable and as permitted by Law, to obtain the consents, approvals, or authorizations of, any Governmental Authority or other Person under any permit, license, agreement, or other instrument, and take all such other actions as such Party may reasonably be requested to take by any other Party from time to time, consistent with the terms hereof, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated hereby.

SECTION 3.02 *Waiver*. The Pre-Migration Company hereby irrevocably and unconditionally waives the compliance by New Cotai with its obligations under clause 22.1 (Shareholders) and clause 24 (Minority Shareholders) of the Pre-Migration Company Shareholders Agreement solely with respect to the New Cotai Share Repurchase to the extent such provisions restrict the New Cotai Share Repurchase.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01 *Definitions*.

(a) Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings set forth in the Implementation Agreement.

(b) The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement:

"Action" means any action, claim, suit, litigation, proceeding (including, without limitation, arbitral) or investigation.

"Agreement" has the meaning set forth in the preamble, and includes any amendments or modifications to this Agreement after the date hereof.

"Applicable Law" means any Law applicable to any of the Parties or any of their respective directors, officers, employees, properties, or assets.

"Class A Ordinary Shares" means the Class A ordinary shares, par value US$0.0001 per share, of the Company.

"Implementation Agreement" means the Implementation Agreement, dated as of [•], by and among the Pre-Migration Company, New Cotai, and the other parties thereto.

"Law" means any federal, state, local, municipal, or foreign (including, without limitation, supranational) law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license, or permit of any Governmental Authority.

"MCE Cotai" means MCE Cotai Investments Limited, an exempted company incorporated in the Cayman Islands with limited liability.

"Melco" means Melco Resorts & Entertainment Limited, an exempted company incorporated in the Cayman Islands with limited liability.

"Participation" means the rights, interests, entitlements, and obligations of a Participant (as defined in the Participation Agreement) under the Participation Agreement and the Tax Side Letter.

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority, or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Pre-Migration Company Shareholders Agreement" means the Shareholders Agreement dated July 27, 2011, among MCE Cotai, New Cotai, Melco, and the Pre-Migration Company, as amended on September 25, 2012, May 17, 2013, June 3, 2014 and July 21, 2014.

SECTION 4.02 *Interpretation*. In this Agreement, unless otherwise provided:

(a) A reference to an Article, Section, or Schedule is a reference to an Article or Section of, or Schedule to, this Agreement, and references to this Agreement include any recital in or Schedule to this Agreement.

(b) Headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

(c) The word "shall" shall be obligatory and the word "may" shall be permissive.

(d) Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing the masculine include the feminine and vice versa, and words importing persons include corporations, associations, partnerships, joint ventures, and limited liability companies and vice versa.

(e) The words “hereof” and “herein”, and words of similar meaning shall refer to this Agreement as a whole and not to any particular Article, Section, or clause, and the words “include”, “includes”, and “including” shall be deemed to be followed by the words “without limitation.”

(f) Except as otherwise specified herein, a reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all rules, regulations, and statutory instruments issued thereunder or pursuant thereto.

(g) Except as otherwise specified herein, a reference herein to any other agreement or document shall be to such agreement or document as it may have been or may hereafter be amended, modified, supplemented, waived, or restated from time to time in accordance with its terms and, to the extent applicable, the terms of this Agreement, and shall include all annexes, exhibits, schedules, and other documents or agreements attached thereto.

SECTION 4.03 *Addresses and Notices*. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax (delivery receipt requested), by electronic mail, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a Party as shall be as specified in a notice given in accordance with this Section 4.03):

(a) If to the Pre-Migration Company or, following the effectiveness of the Continuation, the Company, to:

Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Fax: +852-2537-3618
E-mail: [•]
Attention: Company Secretary

With a copy to:

Latham & Watkins
18th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: +852 2912 2600
E-mail: Helena.Kim@lw.com
Attention: Ji-Hyun Helena Kim

(b) If to New Cotai, to:

New Cotai, LLC
c/o New Cotai Holdings, LLC
Two Greenwich Plaza
Greenwich, Connecticut 06830
United States of America
Fax: +1-203-542-4133
E-mail: creditadmin@silverpointcapital.com
Attention: CreditAdmin

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071-3144
Fax: +1 213 621 5288
E-mail: Jeffrey.Cohen@skadden.com
Attention: Jeffrey H. Cohen, Esq.

SECTION 4.04 *Binding Effect; Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of each of the Parties and, to the extent permitted by this Agreement, their respective successors (including, in the case of the Company, as a result of the Continuation), executors, administrators, heirs, legal representatives, and permitted assigns; *provided*, *however*, neither this Agreement nor any rights or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Party.

SECTION 4.05 *Severability*. If any term or other provision of this Agreement is held to be invalid, illegal, or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any Party. Upon a determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 4.06 *Amendment*. The provisions of this Agreement may be amended, modified, altered, or supplemented only by a written instrument signed by each of the Parties.

SECTION 4.07 *Waiver*. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement, or condition.

SECTION 4.08 *Submission to Jurisdiction*. The Parties irrevocably consent to the non-exclusive jurisdiction of the courts of the Cayman Islands in connection with any action relating to this Agreement.

SECTION 4.09 *Counterparts*. This Agreement may be executed and delivered (including by facsimile transmission or by e-mail delivery of a ".pdf" format data file) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy, by e-mail delivery of a ".pdf" format data file, or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 4.09.

SECTION 4.10 *Specific Performance*. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms, including the order of the transactions contemplated hereby, or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to specific performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity.

SECTION 4.11 *Applicable Law*. This Agreement shall be governed by, and construed in accordance with, the law of the Cayman Islands, without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction.

SECTION 4.12 *Third Party Rights.* A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Law, 2014 (as amended) to enforce any term of this Agreement.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

By: _____
Name:
Title:

NEW COTAI, LLC

By: _____
Name:
Title:

[Signature Page to Share Exchange Agreement]

EXHIBIT A

Declaration and Indemnity for Lost Share Certificate

(See attached.)

DECLARATION AND INDEMNITY FOR LOST SHARE CERTIFICATE

The Directors
Studio City International Holdings Limited
36/F, The Centrium
60 Wyndham Street
Hong Kong

[•] 2018

Dear Sirs

We, New Cotai, LLC, being the registered holder of 4,000 shares (the "**Shares**") in the capital of Studio City International Holdings Limited (the "**Company**"), DO HEREBY DECLARE as follows:

1. we received from the Company and held share certificates numbered 6 and 8 (the "**Certificates**") in respect of the Shares;

2. since the Certificates were issued to us, none of the Shares and none of the Certificates have been transferred, charged, lent, pledged, deposited or dealt with in any way that may affect our title to the Shares; and

3. to the best of our knowledge and belief, the Certificates have either been lost or destroyed.

We hereby undertake:

(a) to indemnify and hold harmless the Company, its directors and its officers, from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession of the Certificates (or any of them); and

(b) that in the event of the Certificates (or any of them) being found, we shall, as soon as reasonably practicable, surrender such Certificate(s) to the Company for cancellation.

For and on behalf of
New Cotai, LLC

Name:

Title:

EXHIBIT B

Share Repurchase Letter

(See attached.)

[New Cotai, LLC headed paper]

Repurchase Notice

To:

Board of Directors

Studio City International Holdings Limited (the "Company")
36/F, The Centrium
60 Wyndham Street
Hong Kong

Date: [•], 2018

We refer to the share exchange agreement dated [•] 2018 and entered into among the Company and New Cotai, LLC (the "**Agreement**") and the Amended and Restated Memorandum of Association and Articles of Association of the Company (the "**Articles**") adopted by way of resolutions of directors of the Company dated [•] 2018 (the "**Resolutions**") and resolutions of the members of the Company dated [•] 2018. Unless otherwise defined herein, the defined terms shall have the same meanings as used in the Resolutions.

We hereby give notice to you that, in accordance with the terms of the Agreement, we require the Company to repurchase all of our 72,511,760 Class A Ordinary Shares (as defined in the Articles) in exchange for (i) the Company procuring Newco's grant of the Participation (as defined in the Participation Agreement) to us, and (ii) the Company's issuance to us of (1) 72,511,760 Class B Ordinary Shares (as defined in the Articles), and (2) the right to receive, immediately following the effectiveness of the Migration, among other things, the rights, interests and entitlements granted to New Cotai under the Amended and Restated SHA, the Amended and Restated Registration Rights Agreement, the PFIC Side Letter, and the Finance Cooperation Side Letter, in each case, upon the terms and subject to the conditions set forth in the Agreement.

We enclose herewith the original share certificates and lost certificate affidavit[s] representing our 72,511,760 Class A Ordinary Shares.

[*THE FOLLOWING SPACE IS INTENTIONALLY LEFT BLANK*]

[New Cotai, LLC headed paper]

For and on behalf of
New Cotai, LLC

_____

Name:

Title:

Date:

Countersigned for and on behalf of
Studio City International Holdings Limited

_____

Name:

Title:

Date:

EXHIBIT G

[FORM OF PARTICIPATION AGREEMENT]

EXHIBIT H

[FORM OF TAX SIDE LETTER]

EXHIBIT I

[FORM OF AMENDED AND RESTATED COMPANY SHAREHOLDERS AGREEMENT]

EXHIBIT J

[FORM OF AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT]

EXHIBIT K

[FORM OF PFIC SIDE LETTER]

EXHIBIT L

[FORM OF FINANCE COOPERATION SIDE LETTER]

EXHIBIT M

[FORM OF CONTINUATION DOCUMENTS]

EXHIBIT M

CONTINUATION DOCUMENTS

1. Shareholder Resolution of the Pre-Migration Company (the "**Shareholder Resolutions**")
2. Board Resolution of the Pre-Migration Company (the "**Board Resolutions**")
3. Certificate of Good Standing of the Pre-Migration Company, dated within one month of the continuation filing date (the "**Certificate of Good Standing**")
4. Certified copy of the Certificate of Incorporation of the Pre-Migration Company
5. Certified copy of the current Memorandum and Articles of Association of the Pre-Migration Company
6. Certified copy of the current Register of Directors of the Pre-Migration Company
7. Certified copy of the current Register of Members of the Pre-Migration Company
8. Certified copy of the current Register of Charges of the Pre-Migration Company
9. Notice of the Pre-Migration Company's proposed registered office in the Cayman Islands pursuant to section 201(2)(e) of the Companies Law (2018 Revision) (as amended and revised) (the "**CCL**")
10. Declaration of the Pre-Migration Company to confirm that its operations will be conducted mainly outside the Cayman Islands pursuant to section 201(2)(f) of the CCL
11. Undertaking of the Pre-Migration Company to confirm that notice of the continuation has been or will be given within 21 days of registration to secured creditors pursuant to section 201(2)(l) of the CCL
12. General declaration of a director of the Pre-Migration Company pursuant to section 201(3) of the CCL
13. Statement of Assets and Liabilities of the Pre-Migration Company, dated within one month of the continuation filing date

Documents 1 to 13 together constituting the "**Cayman Islands Continuation Documents**"

14. Certificate of Registration (the "**Certificate of Registration**") confirming that the Company has been registered by way of continuation as an exempted company in the Cayman Islands with effect from the date specified therein (the "**Registration Date**")

15. Declaration of the Pre-Migration Company confirming compliance with Cayman Laws pursuant to section 184(2A) of the BVI Business Companies Act, 2004

Documents 14 to 15, together with the Shareholder Resolutions, Board Resolutions and Certificate of Good Standing, constituting the "**BVI Continuation Documents**".

EXHIBIT N

[FORM OF COMPANY MEMORANDUM AND ARTICLES OF ASSOCIATION]

EXHIBIT O

[FORM OF PARTICIPATION AGREEMENT AND TAX SIDE LETTER CONFIRMATION]

EXHIBIT P-1

[IRS FORM 8832 AND THE ACCOMPANYING COVER LETTER FOR THE COMPANY]

EXHIBIT P-2

[IRS FORM 8832 AND THE ACCOMPANYING COVER LETTER FOR THE COMPANY]

EXHIBIT Q

[IRS FORM 8832 AND THE ACCOMPANYING COVER LETTER FOR NEWCO]

SCHEDULE A

[ADDITIONAL CONTINUATION STEPS]

SCHEDULE A

CONTINUATION STEPS

1. Upon the commencement of the Continuation pursuant to Section 1.1(f) of this Agreement, the proposed registered office provider of the Company in the Cayman Islands (the "**Registered Office**") shall file the Cayman Islands Continuation Documents with the Registrar of Companies in the Cayman Islands (the "**Cayman Registrar**").

2. Upon receipt by the Registered Office of the Certificate of Registration from the Cayman Registrar, the registered agent of the Pre-Migration Company in the British Virgin Islands (the "**Registered Agent**") shall file the BVI Continuation Documents with the Registrar of Corporate Affairs in the British Virgin Islands (the "**BVI Registrar**").

3. Upon receipt by the Registered Agent of the Certificate of Discontinuance from the BVI Registrar confirming that the Pre-Migration Company was discontinued in the British Virgin Islands on the date specified therein, the Continuation shall be deemed to have become effective for the purposes of this Agreement.

4. The Company shall:

    a. within twenty-one days of the Registration Date give notice of the Continuation to the secured creditors of the Company (if any); and

    b. pursuant to Section 1.1(g) of this Agreement, immediately upon receipt of the Certificate of Registration file a special resolution to adopt the Company Memorandum and Articles of Association with the Cayman Registrar (and the Registered Office shall make any relevant filings with the Cayman Registrar accordingly) and obtain all other shareholder consents as may be necessary in accordance with the terms of the Amended and Restated Company Shareholders Agreement.

Exhibit 21.1

List of Principal Subsidiaries of

Studio City International Holdings Limited

Name	Place of Incorporation
1. MSC Cotai Limited	British Virgin Islands
2. Studio City Holdings Five Limited	British Virgin Islands
3. Studio City Holdings Limited	British Virgin Islands
4. Studio City (HK) Limited	Hong Kong
5. Studio City Ventures Limited	Macau
6. Studio City (HK) Three Limited	Hong Kong
7. Studio City Finance Limited	British Virgin Islands
8. Studio City Investments Limited	British Virgin Islands
9. Studio City Company Limited	British Virgin Islands
10. Studio City Holdings Two Limited	British Virgin Islands
11. Studio City Holdings Three Limited	British Virgin Islands
12. Studio City Holdings Four Limited	British Virgin Islands
13. Studio City Services Limited	Macau
14. SCP Holdings Limited	British Virgin Islands
15. SCIP Holdings Limited	British Virgin Islands
16. Studio City Entertainment Limited	Macau
17. Studio City Hotels Limited	Macau
18. Studio City Hospitality and Services Limited	Macau
19. SCP One Limited	British Virgin Islands
20. SCP Two Limited	British Virgin Islands
21. Studio City Retail Services Limited	Macau
22. Studio City Developments Limited	Macau
23. Studio City (HK) Two Limited	Hong Kong