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

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report
Commission file number 001-33178

MELCO CROWN ENTERTAINMENT LIMITED

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong

(Address of principal executive offices)

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36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
American depository shares each representing three ordinary shares	The NASDAQ Stock Market LLC (The NASDAQ Global Select Market)

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

None.

(Title of Class)

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

None.

(Title of Class)

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

1,630,924,523 ordinary shares outstanding as of December 31, 2015

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

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

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

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

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

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INTRODUCTION

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

- “2010 Senior Notes” refers to the US\$600 million aggregate principal amount of 10.25% senior notes due 2018 issued by MCE Finance on May 17, 2010 and fully redeemed on March 28, 2013;
- “2011 Credit Facilities” refers to the credit facilities entered into pursuant to an amendment agreement dated June 22, 2011, as amended from time to time, between, among others, Melco Crown Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent, comprising a term loan facility and a revolving credit facility, for a total amount of HK\$9.36 billion (equivalent to approximately US\$1.2 billion), and which have been amended and restated by the 2015 Credit Facilities;
- “2013 Senior Notes” refers to the US\$1.0 billion aggregate principal amount of 5.00% senior notes due 2021 issued by MCE Finance on February 7, 2013;
- “2013 Top-up Placement” refers to the placing and top-up subscription of 981,183,700 MCP Shares (including over allotment option) conducted by MCP in April 2013, which raised approximately US\$338.5 million as net proceeds;
- “2014 Top-up Placement” refers to the placing and top-up subscription of 485,177,000 MCP Shares conducted by MCP in June 2014, which raised approximately US\$122.2 million as net proceeds;
- “2015 Credit Facilities” refers to the credit facilities entered into pursuant to an amendment and restatement agreement dated June 19, 2015, as amended from time to time, between, among others, Melco Crown Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent, in a total amount of HK\$13.65 billion (equivalent to approximately US\$1.75 billion), comprising a HK\$3.90 billion (equivalent to approximately US\$500 million) term loan facility and a HK\$9.75 billion (equivalent to approximately US\$1.25 billion) revolving credit facility;
- “2015 Private Placement” refers to the placing of 693,500,000 MCP Shares by MCP to MCE (Philippines) Investments Limited, our subsidiary, in November 2015, at a subscription price of PHP3.90 per share, which increased MCE’s equity interest in MCP from 68.3% to 72.2% upon the completion of the placement;
- “ADSs” refers to our American depositary shares, each of which represents three ordinary shares;
- “Aircraft Term Loan” refers to the US\$43.0 million term loan credit facility entered into by MCE Transportation in June 2012 for the purpose of funding the acquisition of an aircraft;
- “Altira Developments” refers to our subsidiary, Altira Developments Limited, a Macau company through which we hold the land and building for Altira Macau;
- “Altira Hotel” refers to our subsidiary, Altira Hotel Limited, a Macau company through which we operate hotel and certain other non-gaming businesses at Altira Macau;
- “Altira Macau” refers to an integrated casino and hotel development that caters to Asian rolling chip customers;
- “Articles” refers to our amended and restated memorandum and articles of association adopted on March 25, 2015, with effect from July 3, 2015;
- “board” refers to the board of directors of our Company or a duly constituted committee thereof;
- “China” and “PRC” refer to the People’s Republic of China, excluding Hong Kong, Macau and Taiwan from a geographical point of view;
- “City of Dreams” refers to a casino, hotel, retail and entertainment integrated resort located in Cotai, Macau, which currently features casino areas and three luxury hotels, including a collection of retail brands, a wet stage performance theater and other entertainment venues;

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- “City of Dreams Manila” refers to a casino, hotel, retail and entertainment integrated resort located within Entertainment City, Manila;
- “Cotai” refers to an area of reclaimed land located between the islands of Taipa and Coloane in Macau;
- “Crown” refers to Crown Resorts Limited, an Australian-listed corporation, which completed its acquisition of the gaming businesses and investments of PBL, now known as Consolidated Media Holdings Limited, on December 12, 2007;
- “Crown Asia Investments” refers to Crown Asia Investments Pty, Ltd., which is 100% indirectly owned by Crown, and was incorporated in the Cayman Islands but is now a registered Australian company;
- “Deposit-Linked Loan” refers to a deposit linked facility for HK\$2.7 billion (equivalent to approximately US\$353.3 million based on exchange rate on transaction date) entered into on May 20, 2011, which is secured by a deposit of RMB2.3 billion (equivalent to approximately US\$353.3 million based on exchange rate on transaction date) from the proceeds of the RMB Bonds and fully repaid in March 2013;
- “DICJ” refers to the Direcção de Inspeção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau;
- “Greater China” refers to mainland China, Hong Kong and Macau, collectively;
- “HIBOR” refers to Hong Kong Interbank Offered Rate;
- “HK\$” and “H.K. dollar(s)” refer to the legal currency of Hong Kong;
- “HKSE” refers to The Stock Exchange of Hong Kong Limited;
- “Hong Kong” refers to the Hong Kong Special Administrative Region of the PRC;
- “LIBOR” refers to London Interbank Offered Rate;
- “Macau” refers to the Macau Special Administrative Region of the PRC;
- “MCE Finance” refers to our subsidiary, MCE Finance Limited, a Cayman Islands exempted company with limited liability;
- “MCE Holdings No. 2” refers to our subsidiary, MCE Holdings No. 2 (Philippines) Corporation, a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Regular License;
- “MCE Holdings Philippines” refers to our subsidiary, MCE Holdings (Philippines) Corporation, a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Regular License;
- “MCE Leisure Philippines” refers to our subsidiary, MCE Leisure (Philippines) Corporation, a corporation incorporated in the Philippines and one of the Philippine Licensees holding the Regular License;
- “MCE Philippine Parties” refers to MCE Leisure Philippines, MCE Holdings Philippines and MCE Holdings No. 2;
- “MCE Transportation” refers to our subsidiary, MCE Transportation Limited, a company incorporated under the laws of the British Virgin Islands;
- “MCP” refers to our subsidiary, Melco Crown (Philippines) Resorts Corporation, the shares of which are listed on the Philippine Stock Exchange;
- “MCP Share(s)” refers to the common shares of MCP of par value PHP1.00 per share;
- “Melco” refers to Melco International Development Limited, a Hong Kong-listed company;

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- “Melco Crown (COD) Developments” refers to our subsidiary, Melco Crown (COD) Developments Limited, a Macau company through which we hold the land and buildings for City of Dreams;
- “Melco Crown (COD) Hotels” refers to our subsidiary, Melco Crown (COD) Hotels Limited, a Macau company through which we operate hotels and certain other non-gaming businesses at City of Dreams;
- “Melco Crown Macau” refers to our subsidiary, Melco Crown (Macau) Limited, a Macau company and the holder of our gaming subconcession;
- “Melco Leisure” refers to Melco Leisure and Entertainment Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly owned subsidiary of Melco;
- “Mocha Clubs” collectively refers to clubs with gaming machines, which are now the largest non-casino based operations of electronic gaming machines in Macau;
- “New Cotai Holdings” refers to New Cotai Holdings, LLC, a Delaware limited liability company, formed on March 24, 2006 under the laws of the U.S. state of Delaware, primarily owned by U.S. investment funds managed by Silver Point Capital, L.P. and Oaktree Capital Management, L.P.;
- “our subconcession” and “our gaming subconcession” refer to the Macau gaming subconcession held by Melco Crown Macau;
- “PAGCOR” refers to Philippines Amusement and Gaming Corporation, the Philippines regulatory body with jurisdiction over all gaming activities in the Philippines except for lottery, sweepstakes, cockfighting, horse racing and gaming inside the Cagayan Export Zone;
- “Pataca(s)” and “MOP” refer to the legal currency of Macau;
- “PBL” refers to Publishing and Broadcasting Limited, an Australian-listed corporation that is now known as Consolidated Media Holdings Limited;
- “Philippine Cooperation Agreement” refers to the cooperation agreement (as amended) entered into between the Philippine Parties and the MCE Philippine Parties on October 25, 2012, which became effective on March 13, 2013;
- “Philippine Credit Facility” refers to the PHP2.35 billion (equivalent to approximately US\$50.0 million) credit facility entered into pursuant to an agreement dated October 14, 2015 between MCP and BDO Unibank, Inc.;
- “Philippine Licensees” refers to holders of the Regular License, which include the MCE Philippine Parties and the Philippine Parties;
- “Philippine Notes” refers to the PHP15 billion aggregate principal amount of 5.00% senior notes due 2019 issued by MCE Leisure Philippines on January 24, 2014;
- “Philippine Parties” refers to SM Investments Corporation, Belle Corporation and PremiumLeisure and Amusement, Inc.;
- “Philippine peso(s)” and “PHP” refer to the legal currency of the Philippines;
- “Philippine Stock Exchange” refers to The Philippine Stock Exchange, Inc.;
- “Provisional License” refers to the provisional gaming license issued by PAGCOR on December 12, 2008 for the development of an integrated tourism resort and to establish and operate a casino within Entertainment City in Manila, the Philippines; the MCE Philippine Parties and the Philippine Parties are co-licensees under the Amended Certificate of Affiliation and Provisional License dated January 28, 2013;
- “Regular License” refers to the regular gaming license dated April 29, 2015 issued by PAGCOR to the Philippine Licensees in replacement of the Provisional License for the operation of City of Dreams Manila;
- “Renminbi” and “RMB” refer to the legal currency of China;

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- “RMB Bonds” refers to the RMB2.3 billion (equivalent to approximately US\$353.3 million based on exchange rate on transaction date) aggregate principal amount of 3.75% bonds due 2013 issued by our Company on May 9, 2011 and fully redeemed on March 11, 2013;
- “SCI” refers to Studio City International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability that is 60% owned by one of our subsidiaries and 40% owned by New Cotai Holdings through its wholly owned subsidiary New Cotai, LLC;
- “share(s)” and “ordinary share(s)” refer to our ordinary share(s), par value of US\$0.01 each;
- “Studio City” refers to a cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau;
- “Studio City Developments” refers to our subsidiary, Studio City Developments Limited, a Macau company in which we own 60% of the equity interest;
- “Studio City Finance” refers to our subsidiary, Studio City Finance Limited, which is a company incorporated in the British Virgin Islands with limited liability and which is also an indirect subsidiary of SCI;
- “Studio City Hotels” refers to Studio City Hotels Limited, a Macau company through which we operate hotels and certain other non-gaming businesses at Studio City;
- “Studio City Notes” refers to the US\$825.0 million aggregate principal amount of 8.50% senior notes due 2020 issued by Studio City Finance on November 26, 2012;
- “Studio City Project Facility” refers to the senior secured project facility, dated January 28, 2013 and as amended from time to time, entered into between, among others, Studio City Company Limited as borrower and certain subsidiaries as guarantors, pursuant to which a term loan facility of HK\$10,080,460,000 (equivalent to approximately US\$1.3 billion) and revolving credit facility of HK\$775,420,000 (equivalent to approximately US\$100.0 million) were made available;
- “TWD” and “New Taiwan dollar(s)” refer to the legal currency of Taiwan;
- “US\$” and “U.S. dollar(s)” refer to the legal currency of the United States;
- “U.S. GAAP” refers to the accounting principles generally accepted in the United States; and
- “we”, “us”, “our”, “our Company”, “the Company”, “MCE” and “Melco Crown Entertainment” refer to Melco Crown Entertainment Limited and, as the context requires, its predecessor entities and its consolidated subsidiaries.

This annual report on Form 20-F includes our audited consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 and as of December 31, 2015 and 2014.

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

GLOSSARY

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

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- our ability to raise additional financing;
- our future business development, results of operations and financial condition;
- growth of the gaming market in and visitation to Macau and the Philippines;
- our anticipated growth strategies;
- the liberalization of travel restrictions on PRC citizens and convertibility of the Renminbi;
- the availability of credit for gaming patrons;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau and the Philippines;
- fluctuations in occupancy rates and average daily room rates in Macau and the Philippines;
- increased competition and other planned casino hotel and resort projects in Macau and elsewhere in Asia, including in Macau from Sociedade de Jogos de Macau, S.A., or SJM, Venetian Macau, S.A., or VML, Wynn Resorts (Macau) S.A., or Wynn Macau, Galaxy Casino, S.A., or Galaxy, and MGM Grand Paradise, S.A., or MGM Grand Paradise;
- the formal grant of an occupancy permit for certain areas of City of Dreams that remain under construction or development;
- the development of the fifth hotel tower and retail precinct at City of Dreams;
- our entering into new development and construction projects and new ventures in or outside of Macau or the Philippines;
- construction cost estimates for our development projects, including projected variances from budgeted costs;
- government regulation of the casino industry, including gaming table allocation, gaming license approvals and the legalization of gaming in other jurisdictions;

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- the completion of infrastructure projects in Macau and the Philippines;
- the outcome of any current and future litigation; and
- other factors described under “Item 3. Key Information — D. Risk Factors.”

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

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following selected consolidated statement of operations data for the years ended December 31, 2015, 2014 and 2013 and balance sheet data as of December 31, 2015 and 2014 have been derived from our audited consolidated financial statements included elsewhere in this annual report beginning on page F-1.

The selected consolidated statement of operations data for the years ended December 31, 2012 and 2011 and the balance sheet data as of December 31, 2013, 2012 and 2011 have been derived from our audited consolidated financial statements not included in this annual report. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. You should read the selected consolidated financial data in conjunction with our consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” included elsewhere in this annual report. The historical results are not necessarily indicative of the results of operations to be expected in the future.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	<i>(In thousands of US\$, except share and per share data and operating data)</i>				
Consolidated Statements of Operations Data:					
Net revenues	\$ 3,974,800	\$ 4,802,309	\$ 5,087,178	\$ 4,078,013	\$ 3,830,847
Total operating costs and expenses	\$ (3,876,385)	\$ (4,116,949)	\$ (4,247,354)	\$ (3,570,921)	\$ (3,385,737)
Operating income	\$ 98,415	\$ 685,360	\$ 839,824	\$ 507,092	\$ 445,110
Net (loss) income	\$ (60,808)	\$ 527,386	\$ 578,013	\$ 398,672	\$ 288,844
Net loss attributable to noncontrolling interests	\$ 166,555	\$ 80,894	\$ 59,450	\$ 18,531	\$ 5,812
Net income attributable to Melco Crown Entertainment	\$ 105,747	\$ 608,280	\$ 637,463	\$ 417,203	\$ 294,656
Net income attributable to Melco Crown Entertainment					
per share					
— Basic	\$ 0.065	\$ 0.369	\$ 0.386	\$ 0.254	\$ 0.184
— Diluted	\$ 0.065	\$ 0.366	\$ 0.383	\$ 0.252	\$ 0.182
Net income attributable to Melco Crown Entertainment					
per ADS ⁽¹⁾					
— Basic	\$ 0.196	\$ 1.108	\$ 1.159	\$ 0.761	\$ 0.551
— Diluted	\$ 0.195	\$ 1.099	\$ 1.149	\$ 0.755	\$ 0.547
Weighted average shares used in net income attributable					
to Melco Crown Entertainment per share calculation					
— Basic	1,617,263,041	1,647,571,547	1,649,678,643	1,645,346,902	1,604,213,324
— Diluted	1,627,108,770	1,660,503,130	1,664,198,091	1,658,262,996	1,616,854,682
Dividends declared per share	\$ 0.0389	\$ 0.2076	\$ —	\$ —	\$ —

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	December 31,				
	2015	2014	2013	2012	2011
	<i>(In thousands of US\$)</i>				
Consolidated Balance Sheets Data:					
Cash and cash equivalents	\$ 1,611,026	\$ 1,597,655	\$1,381,757	\$1,709,209	\$1,158,024
Bank deposits with original maturity over three months	724,736	110,616	626,940	—	—
Restricted cash	317,118	1,816,583	1,143,665	1,414,664	364,807
Total assets	10,409,782	10,432,563	8,813,639	7,947,466	6,269,980
Total current liabilities	1,214,686	1,316,657	1,237,970	1,721,666	603,119
Total debts (2)	3,962,705	3,902,781	2,533,539	3,194,864	2,325,980
Total liabilities	5,477,923	5,390,893	3,888,657	4,206,710	3,082,328
Noncontrolling interests	592,226	755,529	678,312	354,817	231,497
Total equity	4,931,859	5,041,670	4,924,982	3,740,756	3,187,652
Ordinary shares	16,309	16,337	16,667	16,581	16,531

(1) Each ADS represents three ordinary shares.

(2) Includes amount due to a shareholder within one year and current and non-current portion of long-term debt.

The following events/transactions affect the year-to-year comparability of the selected financial data presented above:

- On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City
- On November 26, 2012, Studio City Finance issued the Studio City Notes
- On December 19, 2012, we completed the acquisition of a majority interest in the issued share capital of MCP
- On February 7, 2013, MCE Finance issued the 2013 Senior Notes
- On March 11, 2013, we completed the early redemption of the RMB Bonds in full
- On March 13, 2013, the cooperation agreement and the lease agreement between us and the Philippine Parties became effective
- On March 28, 2013, we completed the early redemption of our 2010 Senior Notes
- In April 2013, MCP completed the 2013 Top-up Placement, including the over-allotment option
- On January 24, 2014, MCE Leisure Philippines issued the Philippine Notes
- On June 24, 2014, MCP completed the 2014 Top-up Placement
- On July 28, 2014, we drew down the entire delayed draw term loan facility under the Studio City Project Facility
- On December 14, 2014, City of Dreams Manila started operations with its grand opening on February 2, 2015
- In June 2015, we completed an amendment to the 2011 Credit Facilities, known as the 2015 Credit Facilities, drew down the entire term loan facility under the 2015 Credit Facilities and repaid the entire outstanding balance of the 2011 Credit Facilities
- On October 27, 2015, Studio City started operations with its grand opening on the same date
- On November 18, 2015, we completed an amendment to the Studio City Project Facility
- On November 23, 2015, MCP completed the 2015 Private Placement

Exchange Rate Information

The majority of our current revenues are denominated in H.K. dollar, whereas our current expenses are denominated predominantly in Pataca, H.K. dollar and Philippine peso. Unless otherwise noted, all translations from H.K. dollar to U.S. dollar and from U.S. dollar to H.K. dollar in this annual report on Form 20-F were made at a rate of HK\$7.78 to US\$1.00.

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

The noon buying rate on December 31, 2015 in New York City for cable transfers in H.K. dollar per U.S. dollar, provided in the H.10 weekly statistical release of the Federal Reserve Board of the United States as certified for customs purposes by the Federal Reserve Bank of New York, was HK\$7.7507 to US\$1.00. On April 5, 2016, the noon buying rate was HK\$7.7564 to US\$1.00. We make no representation that any H.K. dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or H.K. dollar, as the case may be, at any particular rate, the rates stated below, or at all.

The following table sets forth information concerning the noon buying rate for H.K. dollars for the period indicated.

Period	Noon Buying Rate			
	Period End	Average (1)	High	Low
		<i>(H.K. dollar per US\$1.00)</i>		
April 2016 (through April 5, 2016)	7.7564	7.7548	7.7564	7.7537
March 2016	7.7563	7.7604	7.7745	7.7528
February 2016	7.7763	7.7829	7.7969	7.7700
January 2016	7.7876	7.7812	7.8270	7.7505
December 2015	7.7507	7.7507	7.7527	7.7496
November 2015	7.7526	7.7506	7.7526	7.7498
October 2015	7.7496	7.7499	7.7503	7.7495
2015	7.7507	7.7524	7.7686	7.7495
2014	7.7531	7.7545	7.7669	7.7495
2013	7.7539	7.7565	7.7654	7.7503
2012	7.7507	7.7569	7.7699	7.7493
2011	7.7663	7.7841	7.8087	7.7634

(1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

The Pataca is pegged to the H.K. dollar at a rate of HK\$1.00 = MOP1.03. All translations from Pataca to U.S. dollar in this annual report on Form 20-F were made at the exchange rate of MOP8.0134 = US\$1.00. The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Pataca.

This annual report on Form 20-F also contains translations of certain Renminbi, New Taiwan dollar and Philippine peso amounts into U.S. dollar. Unless otherwise stated, all translations from Renminbi to U.S. dollar in this annual report on Form 20-F were made at the noon buying rate on December 31, 2015 for cable

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transfers in RMB per U.S. dollar, as certified for customs purposes by the Federal Reserve Bank of New York, which was RMB6.4778 to US\$1.00. Unless otherwise stated, all translations from New Taiwan dollar to U.S. dollar in this annual report on Form 20-F were made at the noon buying rate on December 31, 2015 for cable transfers in New Taiwan dollar per U.S. dollar, as certified for customs purposes by the Federal Reserve Bank of New York, which was TWD32.7900 to US\$1.00. Unless otherwise stated, all conversion from Philippine peso to U.S. dollar in this annual report on Form 20-F were made based on the volume weighted average exchange rate quoted through the Philippine Dealing System, which was PHP47.1180 to US\$1.00 on December 31, 2015. We make no representation that any RMB, TWD, PHP or U.S. dollar amounts could have been, or could be, converted into U.S. dollar or RMB or TWD or PHP, as the case may be, at any particular rate or at all. On April 5, 2016, the noon buying rate was RMB6.4760 to US\$1.00 and TWD32.4400 to US\$1.00 and the volume weighted average exchange rate quoted was PHP46.2220 to US\$1.00.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Our business, financial condition and results of operations can be affected materially and adversely by any of the following risk factors.

Risks Relating to Our Business and Operations

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

Our business operating history is shorter than some of our global competitors and therefore may not serve as an adequate basis for your evaluation of our business and prospects. City of Dreams, which contributed 70.3% of our total net revenues for the year ended December 31, 2015, commenced operations in June 2009. City of Dreams Manila commenced its operations in December 2014. Studio City recently commenced its operations in October 2015. In addition, we have significant projects, such as the fifth hotel tower and retail precinct at City of Dreams, which are in various phases of design or development and will not generate any revenue until their openings.

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

- fulfill conditions precedent to draw down or roll over funds from current and future credit facilities;
- comply with covenants under our debt issuances and credit facilities;
- raise additional capital, as required;
- respond to changing financing requirements;
- operate, support, expand and develop our operations and our facilities;
- attract and retain customers and qualified employees;
- maintain effective control of our operating costs and expenses;
- maintain internal personnel, systems, controls and procedures to assure compliance with the extensive regulatory requirements applicable to the gaming business as well as regulatory compliance as a public company;
- respond to competitive and/or deteriorating market conditions;
- respond to changes in our regulatory environment and government policy;
- identify suitable locations and enter into new leases or right to use agreements for new Mocha Clubs; and
- renew or extend lease agreements or right to use agreements for existing Mocha Clubs.

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

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

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

We primarily depend on our properties in Macau and City of Dreams Manila for our cash flow. Given that our operations are and will be conducted based on our principal properties in Macau and one property in Manila, we are and will be subject to greater risks resulting from limited diversification of our businesses and sources of revenues as compared to gaming companies with more operating properties in various geographic regions. These risks include:

- dependence on the gaming and leisure market in Macau, China and the Philippines and limited diversification of businesses and sources of revenues;
- a decline in market, economic, competitive and political conditions in Macau, China, the Philippines or generally in Asia;
- inaccessibility to Macau or the Philippines due to inclement weather, road construction or closure of primary access routes;
- a decline in air or ferry passenger traffic to Macau or the Philippines due to fears concerning travel or otherwise;
- travel restrictions to Macau imposed now or in the future by China;
- changes in Macau, China and Philippine laws and regulations, or interpretations thereof, including gaming laws and regulations, anti-smoking legislation, as well as China travel and visa policies;
- natural and other disasters, including typhoons, earthquakes, outbreaks of infectious diseases or terrorism, affecting Macau or the Philippines;
- lower than expected rate of increase in the number of visitors to Macau or the Philippines;
- relaxation of regulations on gaming laws in other regional economies that would compete with the Macau and the Philippine markets;
- a decrease in gaming activities at our properties; and
- government restrictions on growth of gaming markets including those in the form of policies on gaming table allocation and cap.

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

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

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

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;

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- lack of sufficient, or delays in availability of, financing;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;
- labor disputes or work stoppages;
- shortage of qualified contractors and suppliers or inability to enter into definitive contracts with contractors with sufficient skills, financial resources and experience on commercially reasonable terms, or at all;
- disputes with and defaults by contractors and subcontractors;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread of viruses;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

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

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

We have certain projects under development or intended to be developed pursuant to our expansion plan. The completion of these projects is subject to a number of contingencies, such as those mentioned above in the risk factor on development and construction risks including, in particular, adverse developments in applicable legislation, delays or failures in obtaining necessary government licenses, permits or approvals. The occurrence of any of these contingencies could increase the total costs or delay or prevent the construction or opening of new projects, which could materially adversely affect our business, financial condition and results of operations. We may also require additional financing to develop our projects. Our ability to obtain such financing depends on a number of factors beyond our control, including market conditions, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies, credit availability and interest rates.

There is no assurance that the actual construction costs related to our projects will not exceed the costs we have projected and budgeted. In addition, construction costs, particularly labor costs, are increasing in Macau and we believe that they are likely to continue to increase due to the significant increase in building activity and the ongoing labor shortage in Macau. In addition, immigration and labor regulations in Macau may limit or restrict our contractors' ability to obtain sufficient laborers from China to make up for any gaps in available labor in Macau and help reduce construction costs. Continuing increases in construction costs in Macau will increase the risk that construction will not be completed on time, within budget or at all, which could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

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

The construction of large scale properties, including the types of projects we are involved in, can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and

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negative publicity. We believe, and require, that our contractors will take safety precautions that are consistent with industry practice, but these safety precautions may not be adequate to prevent serious personal injuries or loss of life, damage to property or delays. If further accidents occur during the construction of any of our projects, we may be subject to delays, including delays imposed by regulators, liabilities and possible losses, which may not be covered by insurance, and our business, prospects and reputation may be materially and adversely affected.

We are developing the fifth hotel tower at City of Dreams and will be developing the remaining undeveloped land at Studio City under the terms of land concession contracts which require us to fully develop the lands on which City of Dreams and Studio City are located by January 28, 2018 and July 24, 2018, respectively. If we do not complete development by that time and the Macau government does not grant us an extension of the development period, we could be forced to forfeit all or part of our investment in City of Dreams or Studio City, along with our interest in the lands on which City of Dreams and Studio City are located and the buildings and structures on such lands.

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 10 years. Land concessions further stipulate a period within which the development of the land must be completed. In accordance with the City of Dreams land concession contract and the Studio City land concession contract, the lands on which City of Dreams and Studio City are located must be fully developed by January 28, 2018 and July 24, 2018, respectively. We are currently developing the fifth hotel tower at City of Dreams; while we opened Studio City in October 2015, our development plan for the remaining undeveloped land at Studio City is preliminary and currently under review. There is no guarantee we will complete the development of the new hotel tower or the remaining undeveloped land at Studio City by the relevant deadline. In the event that additional time is required to complete the development of such new hotel or remaining undeveloped land at Studio City, we will have to apply for an extension of the relevant development period. While the Macau government may grant such extension if we meet certain legal requirements and the application for extension is made in accordance with the relevant rules and regulations, there can be no assurance that the Macau government will grant us the necessary extension of the development period or not exercise its right to terminate the City of Dreams land concession or the Studio City land concession. In the event that no extension is granted or either the City of Dreams land concession or the Studio City land concession are terminated, we could lose all or substantially all of our investment in City of Dreams or Studio City, including our interest in land and buildings and may not be able to continue to operate City of Dreams or Studio City as planned, which will materially adversely affect our business and prospects, results of operations and financial condition.

Inadequate transportation infrastructure in the Philippines or Macau may hinder the increase in visitation to the Philippines or Macau.

City of Dreams Manila is located within Entertainment City, Manila, an area in the city of Manila which is currently under development. Other than Solaire, there are currently no other integrated tourism resorts which have begun operations in Entertainment City, Manila. It is unlikely that Manila's existing transportation infrastructure is capable of handling the increased number of tourist arrivals that may be necessary to support visitor traffic to large scale integrated resorts within Entertainment City, such as City of Dreams Manila. Although the Philippine government is currently examining viable alternatives to ease traffic congestion in Manila, including construction of new highways and expressways, there is no guarantee that these measures will succeed, or that they will sufficiently alleviate traffic congestion or other deficiencies in Manila's transportation infrastructure. Traffic congestion and other problems in Manila's transportation infrastructure could adversely affect the tourism industry in the Philippines and reduce the number of potential visitors to City of Dreams Manila, which could, in turn, adversely affect our business and prospects, financial condition and results of our operations.

Macau consists of a peninsula and two islands and is connected to 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, plane and

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ferry services to Macau will need to increase. While various projects are under development to improve Macau's internal and external transportation links, 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 visitation to Macau and adversely affect our projects in Macau.

Conducting business in Macau and the Philippines is subject to certain regional and global political and economic risks that may significantly affect visitation to our properties and have a material adverse effect on our results of operations.

Most of our properties are located in Macau and a significant number of our gaming customers come from mainland China. Accordingly, our business development plans, results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in Macau and China or changes in laws and regulations. In particular, our operating results may be adversely affected by:

- changes in Macau's and China's political, economic and social conditions, including any slowdown in economic growth in China;
- tightening of travel or visa restrictions to Macau which may be imposed by China;
- changes in policies of the Macau or Chinese government or changes in their laws and regulations, or in the interpretation or enforcement of these laws and regulations, particularly anti-smoking legislation, policies on gaming table cap and allocation, exchange control regulations, regulations relating to repatriation of capital or measures to control inflation and monetary transfers, and rules which may negatively impact consumption patterns of visitors to Macau;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the tax laws and regulations.

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

Our operations in Macau are also exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. Tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby adversely affecting our profitability after tax. Further, certain terms of our gaming subconcession may be subject to renegotiations with the Macau government in the future, including amounts we will be obligated to pay the Macau government in order to continue operations. The results of any renegotiations could have a material adverse effect on our results of operations and financial condition.

The demand for gaming activities and related services and luxury amenities that we provide through our operations is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global and regional economic conditions. An economic downturn may reduce consumers' willingness to travel and reduce their spending overseas, which would adversely impact us as we depend on visitors from mainland China and other countries to generate a substantial portion of our revenues. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, high energy and food prices, the increased cost of travel, weak segments of the job market, perceived or actual disposable consumer income and wealth, fears of recession and changes in consumer confidence in the economy, or fears of armed conflict or future acts of terrorism. In addition, our business and results of operations may be materially and adversely affected by any changes in China's economy, including the decrease in the pace of economic growth. 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 contributed 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 2015, which is lower than 7.3% in 2014, and a slowdown in its future growth may have an adverse impact on financial markets, currency exchange rates and other economies, as well as the spending of visitors in Macau and our properties. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in 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.

City of Dreams Manila is located in the Philippines and is subject to certain economic, political and social risks within the Philippines. The Philippines has in the past experienced severe political and social instability, including acts of political violence. Any future political or social instability in the Philippines could adversely affect the business operations and financial conditions of City of Dreams Manila.

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

Our business in the Philippines will also depend substantially on revenues from foreign visitors and may be disrupted by events that reduce foreigners' willingness to travel to or create substantial disruption in Metro Manila and raise substantial concerns about visitors' personal safety, such as power outages, civil disturbances and terrorist attacks, among others. The Philippines has also experienced a significant number of major catastrophes over the years, including typhoons, volcanic eruptions and earthquakes. We cannot predict the extent to which our business in the Philippines and tourism in Metro Manila in general will be affected by any of the above occurrences or fears that such occurrences will take place. We cannot guarantee that any disruption to our Philippine operations will not be protracted, that City of Dreams Manila will not suffer any damages, and that any such damage will be completely covered by insurance or at all. Any of these occurrences may disrupt our operations in the Philippines.

Certain policies and campaigns implemented by the Chinese government may lead to a decline in the number of patrons visiting our properties and, the spending of such patrons, which may materially and adversely affect our business, financial condition and results of operations.

The number of patrons visiting our properties, in particular, those in Macau, and the spending of such patrons, may be affected by changes in policies and campaigns of the Chinese government. Recent initiatives and campaigns undertaken by the Chinese government have resulted in an overall dampening effect on the behavior of Chinese consumer 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 our properties may be affected by the Chinese government's focus on deterring marketing of gambling to Chinese mainland residents by foreign casinos and its initiatives to tighten monetary transfer regulations and increase monitoring of various transactions, including bank or credit card transactions.

Our Macau gaming business is dependent on visitors from China and any campaigns or initiatives which impact Chinese consumers' willingness to spend may have a material effect on Macau's gaming market and revenue of our Macau properties which may materially and adversely affect our business, financial condition and results of operations.

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

Prior to 2014, we derived substantially all of our revenues from our business and operations in Macau. Although we now also generate revenues from our Philippine operations, we continue to derive a significant majority of our revenues from our Macau gaming business and may be materially affected by any disruptions or downturns in the Macau gaming market. According to DICJ, the Macau gaming market experienced a decline in gross gaming revenues as compared to 2014, and the decline has continued into 2016, with gross gaming revenues in Macau declining by approximately 11.8% on a year-over-year basis in the first two months of 2016. We believe such decline was primarily driven by a deterioration in gaming demand from China, which provides a core customer base for the Macau gaming market, as well as other restrictions including the imposition of travel restrictions and the implementation of smoking restrictions in casinos. Our business, financial condition and results of operations may be materially and adversely affected by such decline or other disruptions in the Macau gaming market.

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

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

The Philippine gaming industry is also highly regulated. City of Dreams Manila may legally operate under the Regular License, which requires a number of periodic approvals from and reports to PAGCOR. PAGCOR may refuse to approve proposals by us and our gaming promoters, or modify previously approved proposals and may require us and/or our gaming promoters to perform acts with which we disagree. The Regular License requires 95.0% of City of Dreams Manila's total employees to be locally hired. PAGCOR could also exert a substantial influence in our human resource policies, particularly with respect to the qualifications and salary levels for gaming employees, especially in light of the fact that employees assigned to the gaming operations are required by PAGCOR to obtain a Gaming Employment License. As a result, PAGCOR could have influence over City of Dreams Manila's gaming operations. Moreover, because PAGCOR is also an operator of casinos and gaming establishments in the Philippines, it is possible that conflicts in relation to PAGCOR's operating and regulatory functions may exist or may arise in the future. In addition, we and our gaming promoters may not be able to obtain, or maintain, all requisite approvals, permits and licenses that various Philippine and local government agencies may require. Any of the foregoing could adversely affect our business, financial condition and results of operations in the Philippines.

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

In addition, current laws and regulations in Macau and the Philippines concerning gaming and gaming concessions are, for the most part, fairly recent and there is little precedent on the interpretation of these laws and

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regulations. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from our interpretation, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

In Macau, some competitors have been expanding operations or have announced intentions for further expansion and developments in Cotai, where City of Dreams and Studio City are located. For example, Galaxy opened Galaxy Macau Resort in Cotai in May 2011 and the opening of Phase 2 of the Galaxy Macau Resort took place in May 2015, Sands China Ltd., a subsidiary of Las Vegas Sands Corporation, opened Sands Cotai Central in Cotai in April 2012 and has announced the opening of the Parisian in Cotai in the second half of 2016. Wynn Macau, MGM Grand Paradise and SJM have each begun construction of additional projects in Cotai which have been announced to open in June 2016, the first quarter of 2017 and 2017 respectively. See “Item 4. Information on the Company — B. Business Overview — Market and Competition.”

We also compete to some extent with casinos located in other countries, such as Malaysia, Singapore, North Korea, South Korea, Cambodia, Australia, New Zealand, Vietnam, and elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, certain countries, such as Japan, Taiwan and Thailand, may in the future legalize casino gaming. We also compete with cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. The proliferation of gaming venues in Southeast Asia could also significantly and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our regional competitors also include Crown’s Crown Melbourne in Melbourne, Australia and Crown Perth in Perth, Australia and other casino resorts that Melco and Crown may develop elsewhere in Asia Pacific outside Macau. Melco and Crown may develop different interests and strategies for projects in Asia under their joint venture which conflict with the interests of our business in Macau, or otherwise compete with us for Asian gaming and leisure customers. See “— Risks Relating to Our Corporate Structure and Ownership.”

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

In Macau, Melco Crown Macau is one of the six companies authorized by the Macau government to operate gaming activities. Pursuant to the terms of Macau Law No. 16/2001, or the Macau Gaming Law, the Macau government is precluded from granting more than three gaming concessions. The Macau government has

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announced that until further assessment of the economic situation in Macau there will not be any increase in the number of concessions or subconcessions. However, the policies and laws of the Macau government could change and the Macau government could grant additional concessions or subconcessions, and we could face additional competition which could significantly increase the competition in Macau and cause us to lose or be unable to maintain or gain market share.

PAGCOR has issued the Regular License to the Philippine Licensees and additional provisional gaming licenses to three other companies in the Philippines for the development and operation of integrated casino resorts. PAGCOR has also licensed private casino operators in special economic zones, including four in Clark Ecozone, one in Poro Point, La Union, one in Binangonan, Rizal and one in Newport City CyberTourism Zone, Pasay City, the Philippines. The Regular License granted by PAGCOR to the Philippine Licensees is non-exclusive, and PAGCOR has given no assurances to the Philippine Licensees that it will not issue additional gaming licenses, or that it will limit the number of licenses it issues. Any additional gaming licenses issued by PAGCOR could increase competition in the Philippine gaming industry, which could diminish the value of the Philippine Licensees' Regular License. This could materially and adversely affect our business, financial condition and results of operations in the Philippines.

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

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

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

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau and Philippine markets possessed by members of our senior management team. The loss of Mr. Lawrence Ho's services or the services of the other members of our senior management team could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for members of our senior management could be difficult, and competition for personnel of similar experience could be intense in Macau and the Philippines. In addition, we do not currently carry key person insurance on any members of our senior management team.

The success of our business may depend on our ability to attract and retain adequate qualified personnel. A limited labor supply and increased competition could cause labor costs to increase.

The pool of experienced gaming and other skilled and unskilled personnel in Macau and the Philippines is limited. Our demand remains high for personnel occupying sensitive positions that require qualifications sufficient to meet gaming regulations and other requirements or skills and knowledge that would need substantial training and experience. Competitive demand for qualified gaming and other personnel is expected to be intensified by the increased number of properties opening with the next 12 months in close proximity of our properties in Macau and the Philippines. The limited supply and increased competition in the labor market could cause our labor costs to increase.

The Macau government policy further prohibits us to hire non-Macau resident dealers and supervisors. Due to the increased competition in the labor market and the relevant regulatory restrictions, we cannot assure

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you that we will be able to attract and retain a sufficient number of qualified individuals to operate our properties, or that costs to recruit and retain such personnel will not increase significantly. The inability to attract and retain qualified employees and operational management personnel could have a material adverse effect on our business.

Further, the Macau government is currently enforcing a labor policy pursuant to which the ratio of local to foreign workers that may be recruited is determined on a case by case basis and for construction works it shall have to be at least 1:1, unless otherwise authorized by the Macau government. This could have a material adverse effect on our ability to complete future works on our properties, for example, the fifth hotel tower at City of Dreams. Moreover, if the Macau government enforces similar restrictive ratios in other areas, such as the gaming, hotel and entertainment industries, this could have a materially adverse effect on the operation of our properties.

In the Philippines, the Regular License requires that at least 95.0% of City of Dreams Manila's total employees shall be locally hired. Our inability to recruit a sufficient number of employees in the Philippines to meet this provision or to do so in a cost-effective manner may cause us to lower our hiring standards, which may have an adverse impact on City of Dreams Manila's service levels, reputation and business.

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

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

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. In addition, we maintain various types of insurance policies for our Philippine business and operations, including property damage, business interruption, general liability and a standard all risk insurance policies, and a surety bond required by PAGCOR, which secures the prompt payment by MCE Leisure Philippines of the monthly Licensee Fees due to PAGCOR. These insurance policies provide coverage that is subject to policy terms, conditions and limits. There is no assurance that we will be able to renew such insurance coverage on equivalent premium cost, terms, conditions and limits upon policy renewals. The cost of coverage may in the future become so high that we may be unable to obtain the insurance policies we deem necessary for the operation of our projects on commercially practicable terms, or at all, or we may need to reduce our policy limits or agree to certain exclusions from our coverage.

We cannot assure you that any such insurance policies we obtained or may obtain will be adequate to protect us from material losses. Certain acts and events 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 the Philippines and our insurers in Macau and the Philippines may need to secure reinsurance in order to provide adequate cover for our property and development projects. Our credit agreements, Melco Crown Macau's subconcession contract with Wynn Macau relating to the gaming concession in Macau (the "Subconcession Contract"), the Regular License granted by PAGCOR and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in

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Macau and the Philippines respectively, unless otherwise authorized by the respective government(s). Failure to maintain adequate coverage could be an event of default under our credit agreements, the Subconcession Contract or the Regular License and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

The winnings of our patrons could exceed our casino winnings at particular times during our operations.

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

Win rates for our casino operations depend on a variety of factors, some beyond our control, which, at particular times, adversely impact our results of operations.

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

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

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

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

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

Terrorism, the uncertainty of war, crime, natural disasters, extended power supply or information technology system outages and other factors affecting discretionary consumer spending and leisure travel may reduce visitation to Macau and the Philippines and harm our operating results.

The strength and profitability of our business depends on consumer demand for casino resorts and leisure travel in general. Terrorist acts could have a negative impact on international travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which future terrorist acts and crimes may affect us, directly or indirectly.

In addition to acts of terrorism, Metro Manila has experienced severe natural disasters and its authorities may not be prepared or equipped to respond to such disasters. Macau, consisting of a peninsula and

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two islands off the coast of mainland China, is also susceptible to extreme weather condition. Unfavorable weather conditions, severe typhoon or other natural disasters in Macau could prevent or discourage guests from traveling to Macau.

Further, any extended downtime from power supply or information technology system outages which may be caused by cyber security attack or other reasons at our properties in Macau or Manila 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.

We cannot guarantee that any disruption to our operations will not be protracted nor that any damage we incur from such disruption would be completely covered by insurance or at all. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future. Any of these occurrences may disrupt our operations and could materially and adversely affect our business, financial condition and results of operations. Furthermore, any of the above occurrences may also destabilize the economy and business environment in Macau and the Philippines, which could also materially and adversely affect our business, financial condition and results of operations.

An outbreak of widespread health epidemic, contagious disease or other outbreaks may have an adverse effect on the economies of certain Asian countries and may have material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), middle east respiratory syndrome (MERS), Zika or Ebola. The occurrence of such health epidemic, 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 also 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, PRC, 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 there can be no assurance 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.

There can be no assurance that an outbreak swine flu, avian influenza, SARS, MERS, Zika, Ebola, or other contagious disease or the measures taken by the governments of affected countries against such potential outbreaks will not seriously interrupt our gaming operations. The perception that an outbreak of health epidemic or contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia. In addition, our operations could be disrupted if any of our employees 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 employees or persons or disinfect the facilities used for our operations. In addition, our revenues and profitability could be materially reduced to the extent that a health epidemic or other outbreak harms the global or PRC economy in general.

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

We provide goods and services to a significant number of customers on a daily basis at our properties in Macau and Manila. In particular, with the addition of new attractions, entertainment and food and beverage offerings in Studio City and City of Dreams Manila, there is a risk that health and safety incidents or adverse food safety events may occur. Whilst we have a number of controls in place aimed at mitigating the risk, and minimizing the chance of the occurrence of such incidents and events, and have insurance in place to cover

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associated risks, we cannot guarantee that our insurance is adequate to cover all losses, or that there will be no reputational damage from potential media coverage. See “— We are subject to risks relating to litigation, disputes and regulatory investigations which may adversely affect our profitability and financial condition.”

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

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollar. The majority of our current revenues are denominated in H.K. dollar, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. Our current expenses are denominated predominantly in Pataca, H.K. dollar and Philippine peso. In addition, we have revenues, assets, debt and expenses denominated in Philippine peso relating to our business in the Philippines. We also have subsidiaries, branch offices and assets in various countries, including Taiwan, which are subject to foreign exchange fluctuations and local regulations that may impose, among others, limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. In addition, a significant portion of our indebtedness, after giving effect to the issuance of the 2013 Senior Notes and Studio City Notes, and certain expenses, are denominated in U.S. dollar, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollar.

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

While we maintain a certain amount of our operating funds in the same currencies in which we have obligations to reduce our exposure to currency fluctuations, we have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the years ended December 31, 2015 and 2014. In addition, we may face regulatory, legal and other risks in connection with our assets and operations in certain jurisdictions that may impose limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. We will consider our overall procedure for managing our foreign exchange risk from time to time, but we cannot assure you that any such procedures will enable us to obtain and achieve effective hedging of our foreign exchange risk, which could materially and adversely affect our financial condition and operating results.

We may undertake mergers, acquisitions or strategic transactions that could result in operating difficulties and distraction from our current business and subject us to regulatory and legal inquiries and proceedings.

We have made, and may in the future make, acquisitions and investments in companies or projects to expand or complement our existing operations. From time to time, we engage in discussions and negotiations with companies regarding acquisitions or investments in such companies or projects. We may, from time to time, receive inquiries from regulatory and legal authorities and become subject to regulatory and legal proceedings in connection with such acquisitions and investments in companies or projects. In addition, if we acquire or invest in another company or project, the integration process following the completion of such acquisition may prove more difficult than anticipated. We may be subject to liabilities or claims that we are not aware of at the time of the investment or acquisition, and we may not realize the benefits anticipated at the time of the investment or

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acquisition. These difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and liabilities and adversely affect our business, financial condition and operating results. Even if we do identify suitable opportunities, we may not be able to make such acquisitions or investments on commercially acceptable terms or adequate financing may not be available on commercially acceptable terms, if at all, and we may not be able to consummate a proposed acquisition or investment.

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

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

In addition, if we are unsuccessful in defending one of our subsidiaries against certain claims alleging that it 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. No assurance can be provided that any provisions we have made for such matters will be sufficient. Litigation and regulatory proceedings and investigation are inherently unpredictable and our results of operations or cash flows may be adversely affected by an unfavorable resolution of any pending or future litigation, disputes and regulatory investigation.

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

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on a credit basis as well as a cash basis. Following the common practice in both Macau and the Philippines gaming markets, we grant credit to our gaming promoters and certain of our premium direct players. The gaming promoters bear the responsibility for issuing to, and subsequently, collecting credit from their players. We adopted policy for extending credit to certain gaming promoters and VIP patrons in the Philippines whose level of play and financial resources warrant such an extension in our opinion. This credit is often unsecured, as is customary in our industry. High-end patrons typically are extended more credit than patrons who wager lower amounts. Any slowdown in the economy could adversely impact our VIP patrons, which could in turn increase the risk that these clients may default on credit extended to them.

We may not be able to collect all of our gaming receivables from our credit customers. We expect that we will be able to enforce our gaming receivables only in a limited number of jurisdictions, including Macau and under certain circumstances, Hong Kong. As most of our gaming customers in Macau are visitors from other jurisdictions, principally Hong Kong and China, we may not have access to a forum in which we will be able to collect all of our gaming receivables because, among other reasons, courts of many jurisdictions, including China, do not enforce gaming debts. Further, we may be unable to locate assets in other jurisdictions against

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which to seek recovery of gaming debts. The collectability of receivables from international customers could be negatively affected by future business or economic trends or by significant events in the countries in which these customers reside. We may also, in given cases, have to determine whether aggressive enforcement actions against a customer will unduly alienate the customer and cause the customer to cease playing at our casinos. We could suffer a material adverse impact on our operating results if receivables from our credit customers are deemed uncollectible. In addition, in the event a patron has been extended credit and has lost back to us the amount borrowed and the receivable from that patron is deemed uncollectible, Macau gaming tax or Philippines license fee (as the case may be) will still be payable on the resulting gaming revenues, notwithstanding our uncollectible receivable. An estimated allowance for doubtful debts is maintained to reduce our receivables to their carrying amounts, which approximate fair values.

The current credit environment may limit availability of credit and may negatively impact our business and financial plans.

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

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

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

We depend upon gaming promoters for a portion of our gaming revenues and if we are unable to establish, maintain and increase the number of successful relationships with gaming promoters or if the financial resources of our gaming promoters are insufficient to allow them to continue doing business in Macau and/or Manila, our results of operations could be adversely impacted.

Gaming promoters, who organize tours for rolling chip patrons to casinos internationally, are responsible for a portion of our gaming revenues in Macau and Manila. For the year ended December 31, 2015, approximately 29.1% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters. With the rise in casino operations in Macau and Manila, the competition for relationships with gaming promoters has increased. As of December 31, 2015, we had agreements in place with approximately 80 and 20 gaming promoters in Macau and the Philippines, respectively. If we are unable to utilize and develop relationships with gaming promoters, our ability to grow our gaming revenues will be hampered and we will have to seek alternative ways to develop and maintain relationships with rolling chip patrons, which may not be as profitable as relationships developed through gaming promoters. As competition intensifies, we may therefore need to offer better terms of business to gaming promoters, including extensions of credit, which may increase our overall credit exposure. In addition, gaming promoters may encounter difficulties in attracting patrons to come to Macau or Manila. Gaming promoters may also experience decreased liquidity, limiting their ability to grant credit to their patrons, resulting in decreased gaming volume in Macau or Manila. Credit already extended

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by our gaming promoters may become increasingly difficult to collect. This inability to attract sufficient patrons, settle accounts with patrons, grant credit and collect amounts due in a timely manner may negatively affect our gaming promoters' operations, causing them to wind up or liquidate their operations, and as a result, our ability to maintain or grow casino revenues and our ability to recover credit extended may be adversely affected. The inability of gaming promoters to settle accounts with their patrons may expose such gaming promoters to litigation proceedings initiated by affected patrons, which may also expose us to additional litigation risk.

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

The reputation and integrity of the parties with whom we engage in business activities are important to our own reputation and our ability to continue to operate in compliance with the permits and licenses required for our business. These parties include, but are not limited to, those who are engaged in gaming related activities, such as gaming promoters, developers, and hotel, restaurant and night club operators with whom we have or may enter into services or other types of agreements. Under Macau Gaming Law, Melco Crown Macau has an obligation to supervise its gaming promoters to ensure compliance with applicable laws and regulations and serious breaches or repeated misconduct by its gaming promoters could result in the termination of its subconcession. For parties we deal with in gaming related activities, where relevant, the gaming regulators undertake their own probity checks and will reach their own suitability findings in respect of the activities and parties which we intend to associate with. In addition, we also conduct our internal due diligence and evaluation process prior to engaging such parties. Notwithstanding such regulatory probity checks and our own due diligence, we cannot assure you that the parties with whom we are associated will always maintain the high standards that gaming regulators and we require or that such parties will maintain their suitability throughout the term of our association with them. If any of our gaming promoters violate gaming laws while on our premises, the government may, in its discretion, take enforcement action against the gaming promoters and may find us jointly liable for such gaming promoter's violations. Also, if a party associated with us falls below the gaming regulator's suitability standard or if their probity was in doubt, this may be negatively perceived when assessed by the gaming regulators. As a result, we and our shareholders may suffer reputational harm, as well as impaired relationships with, and possibly sanctions or other measures or actions from, the relevant gaming regulators with authority over our operations.

Any violation of anti-corruption laws including FCPA could have a negative impact on us.

We and our business in different jurisdictions are subject to a number of anti-corruption laws including the U.S. Foreign Corrupt Practices Act, or FCPA. Breach of these anti-corruption laws carries severe criminal and civil sanctions as well as other penalties. There are increased enforcement activities in the US and elsewhere in recent years. The number of FCPA cases and sanctions imposed by US authorities have risen considerably. We have adopted strict rules of conduct and compliance program for our employees, agents and contractors requiring them to conduct all their business dealings and practices ethically and in compliance with the relevant anti-corruption laws. Notwithstanding our emphasis on an ethical business culture, there is no assurance that our employees, contractors and agents will adhere fully or continue to adhere to our rules and programs. Should they fail to uphold the appropriate conduct, we may be investigated or prosecuted, or be made subject to other actions or proceedings. The penalties, sanctions and administrative remedies that may result from such actions or proceedings may have a material adverse effect on our business, financial condition and results of operations.

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

We have applied for and/or registered the trademarks, including "Altira," "Mocha Club," "City of Dreams", "City of Dreams Manila", "Studio City", "Melco Crown Entertainment" and "Melco Crown Philippines" in, as the case may be, Macau, the Philippines and other jurisdictions. We have also registered in Macau, the Philippines and other jurisdictions certain other trademarks and service marks used in connection

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with the operations of our hotel casino projects in Macau and City of Dreams Manila. We endeavor to establish and protect our intellectual property rights and our goods and services through trademarks and service marks, domain names, licenses and other contractual provisions. The brands we use in connection with our properties have gained recognition. Failure to possess, obtain or maintain adequate protection of our intellectual property rights could negatively impact our brands and have a material adverse effect on our business, financial condition and results of operations. For example, if a third party claims we have infringed, currently infringe, or could in the future infringe its intellectual property rights, we may need to cease use of such intellectual property or incur substantial expenses to defend against such allegations, or if third parties misappropriate or infringe our intellectual property, we may need to take steps to protect our intellectual property, which may result in substantial expenses, all of which may adversely affect our business, financial condition and results of operations.

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

We face the potential risk of claims that we have infringed intellectual property rights of third parties, which could be expensive and time-consuming to defend. Upon such claims, we may be required to cease using certain intellectual property rights or selling certain products or services, to pay significant damages or to enter into costly royalty or licensing agreements, which may not be available at all, any of which could have a negative impact on our business, financial condition and future prospects.

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

Macau's free port, offshore financial services and free movements of capital has created an environment whereby Macau's casinos could be exploited for money laundering purposes. We have implemented anti-money laundering policies in compliance with all applicable anti-money laundering laws and regulations in Macau. It is noted that a National Risk Assessment on Money Laundering and Combating Financing of Terrorism Systems is currently being performed by the Macau Government, and the Asia/Pacific Group on Money Laundering's "Mutual Evaluation for Macau" is scheduled to be performed in 2016. These may result in changes to anti-money laundering laws and regulation in Macau, and as such our policies. We cannot assure you that any such current or future policies will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of Macau. In the normal course of business, we expect to be required by regulatory authorities from Macau and other jurisdictions to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations. We deal in significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations.

In the Philippines, we deal with significant amounts of cash during our regular casino operations. We are required to comply with all applicable anti-money laundering laws and regulations in the Philippines. In the normal course of business, we expect to be required by regulatory authorities from the Philippines and other jurisdictions to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations. While we expect to expend time and cost in connection with such regulatory compliance matters, we cannot provide any assurance that any such regulatory compliance matters will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of the Philippines.

We have no assurance that, despite all of our compliance and measures undertaken, we would not be subject to any accusation or investigation related to any possible money laundering activities. Any incident of money laundering, accusation of money laundering or regulatory investigations into possible money laundering activities involving us, our employees, our gaming promoters or our customers could have a material adverse impact on our reputation, business, cash flows, financial condition, prospects and results of operations. Any

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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 or the Regular License. For more information regarding anti-money laundering regulations in Macau and the Philippines, see “Item 4. Information on the Company — B. Business Overview — Regulations — Macau Regulations — Anti-Money Laundering Regulations in Macau” and “Item 4. Information on the Company — B. Business Overview — Regulations — Philippines Regulations — Anti-Money Laundering Regulations in the Philippines.”

Our business requires the collection and retention of customer data, which could expose us to regulatory and other risks associated with maintaining such data.

Our business requires the collection and retention of customer data, including credit card numbers and other personally identifiable information of our customers. We are also required under applicable law to collect and retain personal data in respect of our employees. While we believe that our system and practices are generally adequate to meet applicable legal and regulatory requirements in jurisdictions where we have offices with regard to the collection, retention and processing of personal data, our information technology system may be unable to satisfy changing regulatory requirements, or may require additional investments or time in order to do so. In addition, our information technology system and records may be subject to security breaches, system failures, viruses, operator error or inadvertent releases of personal data. A significant loss, theft or fraudulent use of personal data maintained by us or any breach by us of the applicable regulatory requirements could adversely affect our reputation and could result in criminal or administrative penalties, in addition to any civil liability and other expenses.

The audit report included in this annual report has been prepared by auditors whose work may not be inspected fully by the Public Company Accounting Oversight Board and, as such, you may be deprived of the benefits of such inspection.

Deloitte Touche Tohmatsu, our independent registered public accounting firm that issues the audit reports included in our annual reports filed with the SEC, as an auditor of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

Many of our auditor’s other clients have substantial operations within mainland China, and the PCAOB has been unable to complete inspections of the work of our auditor within mainland China without the approval of the Chinese authorities. Thus, our auditor and its audit work are not currently inspected fully by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside mainland China have identified deficiencies in those firms’ audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections in mainland China prevents the PCAOB from regularly evaluating our auditor’s audit procedures and quality control procedures as they relate to their work in mainland China. As a result, investors may be deprived of the benefits of such regular inspections.

The inability of the PCAOB to conduct full inspections of auditors in mainland China makes it more difficult to evaluate the effectiveness of our auditor’s audit procedures or quality control procedures as compared to auditors who primarily work in jurisdictions where PCAOB has full inspection access. Investors may lose confidence in our reported financial information and the quality of our financial statements.

Risks Relating to the Gaming Industry and Our Operations in Macau

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

Studio City recently commenced operations in October 2015 and has less than one full year of operating history. We have made significant capital investments for the development of Studio City. Our

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compliance with Studio City land grant conditions requiring us, amongst others, to complete the development of the land on which Studio City is located by July 24, 2018, would require us to make further capital investments. If we fail to fully complete the project by the deadline imposed by the Studio City land concession contract, and the Macau government does not grant us an extension of the development period, we could be forced to forfeit all or part of our investment in Studio City. Such failure and potential consequences will have a material adverse effect on our business and negatively affect our business and prospects, results of operations and financial condition.

Furthermore, Studio City commenced its operations in an increasingly challenging regulatory and economic climate. For example, some of our competitors in Macau have been expanding operations or have announced intentions for further expansion and developments in Cotai, where Studio City is located. See “— We face intense competition in Macau, the Philippines and elsewhere in Asia and may not be able to compete successfully.” Moreover, we face risks and uncertainties related to changes to the Chinese and Macau governments’ policies and regulations relating to gaming markets including those affecting gaming table allocation and cap, smoking restrictions, exchange control and repatriation of capital, measures to control inflation and monetary transfers and travel restrictions. Furthermore, gaming promoters, whose business affects our VIP gaming business which accounts for a portion of our gaming revenues, also face an increasingly challenging environment. Such challenging environment could lead to gaming promoters’ decreased liquidity, challenges in attracting sufficient patrons, inability to grant credit and collect amounts due in a timely manner.

In addition, Studio City may find it challenging to satisfy the covenants imposed by its debt financing, especially during this period of challenging market conditions (including the changes in China’s economy) and commencement of new operations. Studio City Project Facility and the indenture governing Studio City Notes impose certain operating and financial restrictions, including limitations on the ability of Studio City Finance and its subsidiaries to pay dividends, incur additional debt, make investments, create liens on assets or issue preferred stock. Studio City Project Facility also requires Studio City Investments Limited and its subsidiaries to satisfy various financial covenants based on specified financial ratios, including cash flow to debt service and EBITDA to finance charges. If we are unable to comply with the restrictions and covenants, it could cause repayment of our debt to be accelerated. See “— Studio City Project Facility and the indenture governing Studio City Notes contain covenants that will restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.”

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

Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi.

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 mainland China, including to Macau. For example, Chinese traveling abroad are only allowed to take a total of RMB20,000 plus the equivalent of up to US\$5,000 out of China. 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, which could disrupt the amount of money visitors can bring from mainland China to Macau. Restrictions on the export of the Renminbi may impede the flow of gaming customers from China to Macau, inhibit the growth of gaming in Macau and negatively impact our operations.

Gaming is a highly regulated industry in Macau and adverse changes or developments in gaming laws, smoking regulations or other regulations that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful.

Gaming is a highly regulated industry in Macau. See “—The gaming industries in the Philippines and Macau are highly regulated.”

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The Macau government, from time to time, enacts legislations and imposes various regulations and restrictions that affect the gaming industry in Macau. For example, the Macau government has passed anti-smoking legislation and rules restricting smoking in our Macau properties. The Macau government continues to amend its legislation and rules relating to smoking in public areas and impose new restrictions and rules. From time to time, the Macau government may take enforcement actions, such as imposing fines or other penalties, against gaming operators for any violation of anti-smoking regulations and rules. The implementation of such legislation, rules and regulations may deter potential gaming patrons who are smokers from frequenting casinos in Macau and disrupt the number of patrons visiting or the amount of time visiting patrons spend at our property, which could adversely affect our business, results of operations and financial condition. See “Item 4. Information on the Company — B. Business Overview — 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 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.

Our activities in Macau are also subject to administrative review and approval by various departments of the Macau government. Our ability to obtain and maintain such administrative approvals may have a material impact on our business and operations.

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

The Macau government has imposed a cap on gaming tables and restricts the number of gaming tables that may be operated in Macau. A cap of 5,500 tables up to the end of the first quarter of 2013 was implemented. In addition, for a period of 10 years from the second quarter of 2013, the number of gaming tables to be authorized by the Macau government will be limited to an average annual increase of 3%. According to the DICJ, the number of gaming tables in Macau as of December 31, 2015, was 5,957. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino or gaming area that was not previously authorized by the government. Given such announcements by the Macau government, we may not be able to obtain Macau government’s approval to operate a sufficient number of gaming tables at our properties in Macau. These restrictions may have a material impact on our gaming revenues, overall business and operations and may adversely affect our development projects and the future expansion of our business.

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

Under the terms of the Subconcession Contract, we are obligated to comply with all laws, regulations, rulings and orders promulgated by the Macau government from time to time. In addition, we must comply with all the terms of the Subconcession Contract which contains various general covenants and provisions, such as general and special duties of cooperation, special duties of information, and obligations for the execution of our investment plan, as to which the determination of compliance is subjective. We cannot assure you that we will perform such covenants in a way that satisfies the requirements of the Macau government and, accordingly, we will depend on our continuing communications and good faith negotiations with the Macau government to ensure that we are performing our obligations under the subconcession in a manner that would avoid any violations.

Under Melco Crown Macau’s subconcession, the Macau government is allowed to request various changes in the plans and specifications of our Macau properties and impose business and corporate requirements that may be binding on us. For example, the Macau Chief Executive has the right to require that we increase Melco Crown Macau’s share capital or that we provide certain deposits or other guarantees of performance with respect to the obligations of our Macau subsidiaries. Melco Crown Macau must first obtain the Macau

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government's approval before raising certain debt or equity. In addition, the terms of our debt facilities and agreements also impose restrictions on our ability to incur debt and raise capital. As a result, we cannot assure you that we will be able to comply with these requirements or any other requirements of the Macau government or with the other requirements and obligations imposed by the subconcession.

The harshest penalty that may be imposed on us for failure to comply with the complex legal and regulatory regime in Macau and the terms of the Subconcession Contract is revocation of the subconcession. Under the subconcession, the Macau government has the right to unilaterally terminate the subconcession in the event of non-compliance by Melco Crown Macau with its basic obligations under the subconcession and applicable Macau laws. If such a termination were to occur all of our casino premises and gaming equipment would revert to the Macau government automatically without compensation to us and Melco Crown Macau would be unable to operate casino gaming in Macau which would have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness agreements and a partial or complete loss of our investments in our projects. We would also be unable to recover the US\$900 million consideration paid to Wynn Macau for the issue of the subconcession. For a list of termination events, see "Item 4. Information on the Company — B. Business Overview — Regulations — Gaming Licenses — The Subconcession Contract in Macau." These events could lead to the termination of Melco Crown Macau's subconcession without compensation to Melco Crown Macau. In many of these instances, the Subconcession Contract does not provide a specific cure period within which any such events may be cured and, instead, we would rely on consultations and negotiations with the Macau government to remedy any such violation.

Currently, there is no precedent on how the Macau government will treat the termination of a concession or subconcession upon the occurrence of any of the circumstances mentioned above. Some of the laws and regulations summarized above have not yet been applied by the Macau government. Therefore, the scope and enforcement of the provisions of Macau's gaming regulatory system cannot be fully assessed at this time.

Melco Crown Macau's Subconcession Contract expires in 2022 and if we were unable to secure an extension of its subconcession in 2022 or if the Macau government were to exercise its redemption right from 2017, we would be unable to operate casino gaming in Macau.

The Subconcession Contract expires on June 26, 2022. Unless it is extended beyond this date or legislation on reversion of casino premises is amended, all of our casino premises and gaming related equipment under Melco Crown Macau's subconcession will automatically be transferred to the Macau government without compensation and we will cease to generate revenues from such operations. Under the Subconcession Contract, beginning from 2017, the Macau government has the right to redeem the Subconcession Contract by providing us with at least one year's prior notice. In the event the Macau government exercises this redemption right, we would be entitled to fair compensation or indemnity. The standards for the calculation of the amount of such compensation or indemnity 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 term of the subconcession. We would not receive any further compensation (including for consideration paid to Wynn Macau for the subconcession). We cannot assure you that Melco Crown Macau would be able to renew or extend the Subconcession Contract on terms favorable to us, or at all. We also cannot assure you that if Melco Crown Macau's subconcession were redeemed, the compensation paid would be adequate to compensate us for the loss of future revenues.

Melco Crown Macau's tax exemption from complementary tax on income from gaming operations under the subconcession tax will expire in 2016, and we may not be able to extend it.

Companies in Macau are subject to complementary tax of up to 12% of taxable income, as defined in relevant tax laws. We are also subject to a 35% special gaming tax on our gaming revenues as well as other levies of 4% imposed under the Subconcession Contract. The other levies are subject to change on renegotiation of the Subconcession Contract and as a result of any change in relevant laws. The Macau government granted to

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Melco Crown Macau the benefit of a corporate tax holiday on gaming profits in Macau for five years from 2007 to 2011 and the exemption has been extended for five years from 2012 through 2016. In addition, in January 2015 the Macau government approved the application by one of our subsidiaries in Macau for complementary tax exemption until 2016 on profits generated from income received from Melco Crown Macau, to the extent that such income results from gaming operations within Studio City and have been subject to gaming tax. The Macau government clarified that dividend distributions by such subsidiary would continue to be subject to complementary tax. However, we cannot assure you that the corporate tax holiday benefits will be extended beyond the expiration date.

During the 5-year extension of the corporate tax holiday, an annual lump sum of MOP22.4 million (equivalent to approximately US\$2.8 million) is payable by Melco Crown Macau, effective retroactively from 2012 through 2016, with respect to tax due for dividend distributions to the shareholders of Melco Crown Macau from gaming profits, whether such dividends are actually distributed by Melco Crown Macau or not, or whether Melco Crown Macau has distributable profits in the relevant year. With the payment of such lump sum the shareholders of Melco Crown Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. We cannot assure you that the same arrangement will be applied beyond the expiration date of the corporate tax holiday and in case the same arrangement applies, whether we will be required to pay a higher annual sum.

Visitation to Macau may decline due to increased restrictions on visitations to Macau from citizens of mainland China.

A significant number of our gaming customers in Macau come from mainland China. Any travel restrictions imposed by China could disrupt the number of patrons visiting our properties in Macau from mainland China. Since mid-2003, under the Individual Visit Scheme, or IVS, mainland Chinese citizens from certain cities have been able to travel to Macau on an individual visa application basis and did not need to join a tour group which they would have otherwise been required to do. In mid-2008 through 2010, the Chinese government adjusted its IVS visa policy toward Macau and limited the number of visits that some mainland Chinese citizens may make to Macau in a given time period. With effect from October 2013, China banned “zero fare” tour groups involving no or low up-front payments and compulsory shopping, which were popular among visitors to Macau from mainland China. Further, in December 2014, the Chinese government tightened the enforcement of visa transit rules for those seeking to enter Macau at the Gongbei border (including requirements to present an airplane ticket to a destination country, a visa issued by such destination country and a valid Chinese passport). It is unclear whether these and other measures will continue to be in effect, become more restrictive, or be readopted in the future. A decrease in the number of visitors from mainland China may adversely affect our results of operations.

Risks Relating to the Gaming Industry and Our Business in the Philippines

MCE Leisure Philippines leases the land and buildings comprising the site occupied by City of Dreams Manila, where issues may arise with respect to the tenancy relationship.

MCE Leisure Philippines entered into a lease agreement on October 25, 2012, which became effective on March 13, 2013 (“Lease Agreement”), where it leases the land and buildings occupied by City of Dreams Manila from Belle Corporation, which, in turn, leases part of the land from the Philippine government’s social security system (the “Social Security System”). Although MCE Leisure Philippines has not encountered any issues with respect to its tenancy relationship with Belle Corporation, there can be no assurance that such good relations will continue. Numerous potential issues or causes for disputes may arise from a tenancy relationship, such as with respect to the provision of utilities on the premises and the maintenance and normal repair of the buildings, any of which could result in an arbitrable dispute between Belle Corporation and MCE Leisure Philippines. There can be no assurance that any such dispute would be resolved or settled amicably or expediently. Furthermore, during the pendency of any dispute, Belle Corporation as landlord could discontinue essential services necessary for the operation of City of Dreams Manila, or seek relief to oust MCE Leisure

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Philippines from possession of the leased premises. Any prolonged or substantial dispute between Belle Corporation and MCE Leisure Philippines, or any dispute arising under the lease agreement between Belle Corporation and the Social Security System, could have a material adverse effect on the operations of City of Dreams Manila, which would in turn adversely affect our business, financial condition and results of operations. In addition, any negative publicity arising from the disputes or non-compliance by Belle Corporation with the lease terms would have a material adverse effect on our business and prospects, financial condition and results of operations.

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

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

Prior to MCE Leisure Philippines being designated as the sole operator under the Provisional License, Belle Corporation, for itself and on behalf of other Philippine Parties, had previously entered into contracts with another operator and certain third-party contractors for the fit-out and other design work related to City of Dreams Manila in its previous form. Belle Corporation and the other Philippine Parties subsequently chose to terminate such pre-existing contracts and the operator signed a waiver releasing the Philippine Parties from all obligations under the contracts. Although Belle Corporation agreed to indemnify the MCE Philippine Parties from any loss suffered in connection with the termination of such contracts, there can be no assurance that Belle Corporation will honor such agreement. Any issues which arise from such contracts and their counterparties, or an attempt by another operator or any other third party contractors to enforce provisions under such contracts, could interfere with MCP's operations or cause reputational damage, which would in turn materially adversely affect our business, financial condition and results of operations.

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

Although MCE Leisure Philippines is the sole operator of City of Dreams Manila, the ability of the MCE Philippine Parties to operate City of Dreams Manila, as well as the fulfillment of the terms of the Regular License granted by PAGCOR in relation to City of Dreams Manila, depends to a certain degree on the actions of the Philippine Parties. For example, the Philippine Parties, as well as the MCE Philippine Parties, are responsible for meeting a certain debt to equity ratio as specified in the Regular License. The failure of any of the Philippine Parties to comply with these conditions will also result in a breach of the Regular License. As the Philippine Parties are separate corporate entities over which MCP has no control, there can be no assurance that the Philippine Parties will remain in compliance with the terms of the Regular License of their obligations and responsibilities under the Philippine Cooperation Agreement. In case any noncompliance issues arise, there can be no assurance that the Regular License will not be suspended or revoked. In addition, if any of the Philippine Parties fails to comply with any conditions to the Regular License, MCP may be forced to take action against the Philippine Parties under the Philippine Cooperation Agreement or to enter into negotiation with PAGCOR for amendments to the Regular License. There can be no assurance that such an attempt to amend the Regular License would be successful. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Furthermore, under the Philippine Cooperation Agreement, the Philippine Parties are required to contribute the land and building structures for City of Dreams Manila. There can be no assurance that the title to the land and building structures for City of Dreams Manila will not be challenged by third parties or the

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Philippine government in the future. Any such event, each of which is beyond MCP's control, may curtail the ability of MCP to operate City of Dreams Manila in an efficient manner or at all and have a material adverse effect on our business, financial condition and results of operations.

MCE Leisure Philippines' right to operate City of Dreams Manila is subject to certain limitations.

MCE Leisure Philippines' right to operate City of Dreams Manila is subject to certain limitations under the operating agreement for the management and operation of City of Dreams Manila, entered into among MCE Leisure Philippines and the Philippine Parties. For example, MCE Leisure Philippines is prohibited from entering into any contract for City of Dreams Manila outside the ordinary course of the operation and management of City of Dreams Manila with an aggregate contract value exceeding US\$3.0 million (increased by 5.0% each year on the anniversary of the date of entry into the operating agreement) without the consent of the other Philippine Licensees. In addition, MCE Leisure Philippines is required to remit specified percentages of the mass market and VIP gaming earnings before interest, tax, depreciation and amortization or revenues derived from City of Dreams Manila to PremiumLeisure and Amusement Inc. ("PLAI").

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

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

Under the operating agreement for City of Dreams Manila, MCE Leisure Philippines must periodically calculate, on a 24-month basis, the respective amounts of VIP gaming earnings before interest, tax, depreciation and amortization derived from City of Dreams Manila (the "PLAI VIP EBITDA") and VIP gaming net win derived from City of Dreams Manila pursuant to the operating agreement (the "PLAI VIP Net Win") and report such amounts to the Philippine Parties. If the PLAI VIP EBITDA is less than the PLAI VIP Net Win, the Philippine Licensees must meet within 10 business days to discuss and review City of Dreams Manila's financial performance and agree on any changes to be made to the payment terms under the operating agreement. If such an agreement cannot be reached within 90 business days, MCE Leisure Philippines must suspend VIP gaming operations at City of Dreams Manila, and the rent payable in respect of that part of the building designed primarily or exclusively for VIP gaming usage will be abated for as long as the VIP gaming operations are suspended.

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

Increased Competition in the Philippine gaming market may affect City of Dreams Manila's business and results of operations.

The three other holders of PAGCOR licenses in Entertainment City continue to develop their businesses and more properties are expected to open in the region in the next 12 months. The significant increase

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in gaming facilities available in the region where City of Dreams Manila is located would intensify the competition. The operation of City of Dreams Manila would need to increase its competitiveness to keep pace with the competitive Philippine gaming market.

MCP may not be able to implement an effective business strategy to keep pace with the developing competition in the Philippine gaming market. Any failure by MCP to improve its competitiveness and develop within the Philippine gaming market or take advantage of the opportunities presented by a developing market may have a material adverse effect on our business and results of operations.

City of Dreams Manila's ability to generate revenues depends to a substantial degree on the development of Manila and the Philippines as a tourist and gaming destination.

The integrated casino resort and gaming industry in the Philippines is in an early stage of development and has a limited track record. It is difficult to evaluate the attractiveness of each of Entertainment City, Manila and the Philippines, in general, as viable gaming destinations to domestic and international visitors. City of Dreams Manila's ability to generate revenue depends to a substantial degree on the continued development of the Philippines as a tourist and gaming destination, which in turn depends on several factors beyond the control of MCP, including the Philippine government's ability to successfully promote the Philippines as an attractive tourist destination, general promotion of the Philippines by the Philippine Department of Tourism and key tourism companies, the development of transportation and tourism infrastructure, consumer preferences and other factors in the Philippines and the region. Should the Philippines fail to continue to develop as a tourist destination or should Entertainment City or Manila fail to become a widely recognized regional gaming destination, City of Dreams Manila may fail to attract a sufficient number of visitors, which would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

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

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

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

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

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

While MCE Leisure Philippines intends to apply for a designation as a tourism enterprise with TIEZA, there can be no assurance that TIEZA will approve the designation of MCE Leisure Philippines as a tourism

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enterprise. If MCE Leisure Philippines is unable to register as a tourism enterprise with TIEZA, it will not be entitled to certain fiscal incentives provided to some of MCE Leisure Philippines' competitors that may be registered as tourism enterprises under TIEZA. For example, MCP's liability for Value Added Tax ("VAT") on its sales largely depends on whether it may avail itself of tax incentives under TIEZA. If tax incentives under TIEZA are not available to MCP, it will be liable for VAT and these factors may result in a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

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

If MCP and its subsidiaries successfully registers with TIEZA and is entitled to an income tax holiday, it is entitled to an option to be subject to a special tax rate of 5% on gross income. If MCP and its subsidiaries exercises such option, its sales for non-gaming operations may be exempted from VAT, which is currently levied at a rate of 12% of gross selling price or gross value in money of the goods or properties sold. Any VAT liability may result in a material adverse effect on MCP and its subsidiaries' business and prospects, financial condition, results of operations and cash flows.

However, several House Bills and Senate Bills are currently pending in Congress with the view of rationalizing fiscal incentives which are currently granted to certain enterprises and activities, including tourism enterprises. It is uncertain what the effect will be on the incentives currently granted to qualified tourism enterprises under the Tourism Act, if and when such bills are passed into law.

MCP's gaming operations are dependent on the Regular License issued by PAGCOR.

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

- to pay license fees monthly to PAGCOR;
- not to exceed a 70:30 debt-to-equity ratio for each of the Philippine Licensees;
- to hire locally at least 95.0% of total employees of City of Dreams Manila;
- to remit 2.0% of certain casino revenues to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- to operate only the authorized casino games approved by PAGCOR.

Moreover, certain provisions and requirements of the Regular License are open to different interpretations and have not been tested in Philippine courts or made subject to more detailed interpretative rules. There is no guarantee that the MCE Philippine Parties' proposed mode of compliance with these or other requirements of the Regular License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation between PAGCOR and MCP with respect to the Regular License could result in sanctions against the MCE Philippine Parties, including fines or other penalties, such as suspension or termination of the Regular License.

There can be no assurance that the Philippine Licensees will be able to continuously comply with all of the Regular License's requirements, or that the Regular License will not be modified to contain more onerous

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terms or amended in such a manner that would cause the Philippine Licensees to lose interest in the operation of City of Dreams Manila. If the Regular License is materially altered or revoked for any reason, including the failure by the Philippine Licensees to comply with its terms, MCP may be required to cease City of Dreams Manila's gaming operations, which would have a material adverse effect on our business, financial condition and results of operations. In addition, a failure in the internal control systems of MCP may cause PAGCOR to adversely modify or revoke the Regular License. Finally, the Regular License will terminate in 2033, coinciding with the PAGCOR Charter's termination, and there is no guarantee that the PAGCOR Charter or the Regular License will be renewed.

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

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

On March 5, 2012, the House of Representatives in the Philippines approved House Bill 5682, reverting to the Congress of the Philippines the right to grant legislative franchises to operators of games of chance, cards and numbers. Under House Bill 5682, PAGCOR will be prohibited from issuing casino, gaming and other similar licenses to operate without legislative franchises. Under House Bill 5682, the Philippine Licensees will be required to obtain from the Congress a legislative franchise to operate gambling casinos, gaming clubs and other similar gambling enterprises within one year from the date of the proposed law's effectiveness. Non-compliance will be subject to cancellation of the license issued by PAGCOR. Further, House Bill 5682 provides that Congress shall have the authority to alter, amend or repeal any existing franchise, contract or similar arrangement when it is in the interest of the general welfare of the public.

It is not yet known if House Bill 5682, in its current form, will be approved by the Senate or signed into law by the President of the Philippines. In the event that House Bill 5682 is signed into law, City of Dreams Manila may be required to obtain an additional legislative franchise in addition to its Regular License and there can be no assurance that such a franchise, which generally requires legislative approval after public hearings, will be granted. In addition, the Regular License may be subject to amendment or repeal in the event that Congress determines that the common good so requires. In the event City of Dreams Manila is not granted any required franchise, or the Regular License is materially amended or repealed, the operation of City of Dreams Manila may cease, which would have a material adverse effect on our business, financial condition and results of operations.

The Philippine Licensees may be subject to corporate income tax unless the courts affirm the tax exemption in favor of holders of PAGCOR licenses.

The Philippine Licensees may be subject to corporate income tax at the rate of 30% despite that they are entitled to pay license fees to PAGCOR "in lieu of all taxes" pursuant to the Regular License. On March 2011, the Supreme Court of the Philippines pronounced the fact that PAGCOR's exemption from corporate income tax under the PAGCOR Charter was implicitly revoked and PAGCOR has been removed from the list of government owned and controlled corporations that are exempt from paying corporate income tax. In relation to this, on April 2013, the Bureau of Inland Revenue issued a Revenue Memorandum Circular indicating that PAGCOR and its licensees and contractees are subject to corporate income tax on its operations of gambling, casinos, gaming clubs and other similar recreation or amusement places and gaming pools. To mitigate the effects of the Supreme Court decision, PAGCOR, in May 2014, issued a regulation allowing the Philippine Licensees and the other casino operators a ten percent (10%) temporary reduction of the monthly Licensee Fees to be remitted to PAGCOR. This 10% will be used to pay any corporate income tax that may levied against the Philippine Licensees and the other casino operators at the end of the fiscal year, and any remaining amount after paying the said tax shall be remitted to PAGCOR.

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In February 2015, the Supreme Court issued a decision stating that PAGCOR's income from its gaming operations can only be subject to a five percent (5%) franchise tax, and not to corporate income tax. The Supreme Court ruled that despite amendments to the National Internal Revenue Code, the PAGCOR Charter remains in effect, and thus, income from gaming operations shall not be subject to corporate income tax. However, the decision is not yet final at this point and may still be subject to a motion for reconsideration.

Furthermore, House Bill No. 4934 was introduced in the House of Representatives of the Philippines which seeks to amend the provisions of the Philippines' National Internal Revenue Code and levy a standard five percent (5%) franchise tax against all casino operators, in lieu of all national and local Philippine taxes. If passed into law, this will ensure that no casino operator will be subjected to corporate income tax (or any other tax on the casino operators' business) and will only be subjected to a standard 5% franchise tax on gross revenue or earnings. This House Bill, however, is still the subject of deliberations and will still need to be approved by the Committee on Games and Amusement before it can be presented to the members of the House of Representatives for voting. There is also no assurance that the Senate of the Philippines will also approve the said bill to be enacted into law.

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

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

Risks Relating to Our Corporate Structure and Ownership

Our existing shareholders will have a substantial influence over us, and their interests in our business may be different than yours.

Melco and Crown together own a substantial majority of our outstanding shares, with each beneficially holding approximately 34.29% of our outstanding shares as of April 5, 2016. Melco and Crown have entered into a shareholders deed regarding the voting of their shares of our Company under which each agrees to, among other things, vote its shares in favor of three nominees to our board designated by the other. As a result, Melco and Crown, if they act together, will have the power, among other things, to elect directors to our board, including six of ten directors who are designated nominees of Melco and Crown, appoint and change our management, affect our legal and capital structure and our day-to-day operations, approve material mergers, acquisitions, dispositions and other business combinations and approve any other material transactions and financings. These actions may be taken in many cases without the approval of independent directors or other shareholders and the interests of these shareholders may conflict with your interests as minority shareholders.

Business conducted by a collaboration of different corporate groups involves certain risks.

Melco and Crown are our controlling shareholders, with each holding approximately 34.29% of our total shares issued and outstanding as of April 5, 2016. With Melco and Crown being our controlling shareholders, there are special risks associated with the possibility that Melco and Crown may: (i) have economic or business interests or goals that are inconsistent with ours or that are inconsistent with each other's interests or goals, causing disagreement between them or between them and us which harms our business; (ii) have operations and projects elsewhere in Asia or other countries that compete with our businesses in Macau and the Philippines and for available resources and management attention within the joint venture group; (iii) take actions contrary to our policies or objectives; (iv) be unable or unwilling to fulfill their obligations under the

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relevant joint venture or shareholders' deed; or (v) have financial difficulties. In addition, there is no assurance that the laws and regulations relating to foreign investment in Melco's or Crown's governing jurisdictions will not be altered in such a manner as to result in a material adverse effect on our business and operating results.

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

Melco and Crown may take action to construct and operate new gaming projects located in other countries in the Asian region or elsewhere, which, along with their current operations, may compete with our projects in Macau and the Philippines and could have adverse consequences to us and the interests of our minority shareholders. We could face competition from these other gaming projects. We also face competition from regional competitors, which include Crown Melbourne in Melbourne, Australia and Crown Perth in Perth, Australia. We expect to continue to receive significant support from both Melco and Crown in terms of their local experience, operating skills, international experience and high standards. Should Melco or Crown decide to focus more attention on casino gaming projects located in other areas of Asia or elsewhere that may be expanding or commencing their gaming industries, or should economic conditions or other factors result in a significant decrease in gaming revenues and number of patrons in Macau and/or the Philippines, Melco or Crown may make strategic decisions to focus on their other projects rather than us, which could adversely affect our growth.

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

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

Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of our obligations relating to our control and/or ownership of certain of our subsidiaries and their assets. Under the terms of such credit facility agreements, the occurrence of certain change of control events, including a decline below certain thresholds in the aggregate direct or indirect shareholdings of Melco Crown Macau, MCE Finance, Studio City Investments Limited, MCE Cotai Investments Limited or certain of its subsidiaries held by us and/or Melco and Crown or certain of our subsidiaries (as the case may be) may result in an event of default and/or a requirement to prepay the credit facilities in relation to such indebtedness in full. Other applicable change of control events under the credit facility agreements include the Company ceasing to be publicly listed on certain designated stock exchanges or steps being taken in connection with the liquidation or dissolution of MCE Finance.

The terms of the Studio City Notes, 2013 Senior Notes and Philippine Notes also contain change of control provisions whereby the occurrence of a relevant change of control event will require us to offer to repurchase the Studio City Notes, 2013 Senior Notes or Philippine Notes (as the case may be) (and, in the case of a decline of the shareholding of Melco Crown Macau under the 2013 Senior Notes, which is accompanied by a ratings decline) at a price equal to 101% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other 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, the Studio City Notes, 2013 Senior Notes and Philippine Notes and potential enforcement of remedies by our lenders, which would have a material adverse effect on our financial condition and results of operations.

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Crown's investment in our Company is subject to regulatory review in several jurisdictions and if regulators in those jurisdictions were to find that we, Crown or Melco failed to comply with certain regulatory requirements and standards, Crown may be required to withdraw from the joint venture.

Crown wholly owns and operates Crown Melbourne in Melbourne, Australia and Crown Perth in Perth, Australia. Crown also fully owns and operates the Aspinalls Club in London. In addition, Crown owns a portfolio of gaming investments that have been accumulated to complement Crown's existing core business.

In all jurisdictions in which Crown, or any of its wholly-owned subsidiaries, holds a gaming license or Crown has a significant investment in a company which holds gaming licenses, gaming regulators are empowered to investigate associates, including business associates of Crown, such as us, to determine whether the associate is of good repute and of sound financial resources. If, as a result of such investigation, the relevant gaming regulator determines that, by reason of its association, Crown has ceased to be suitable to hold a gaming license or to hold a substantial investment in the holder of a gaming license then the relevant gaming regulator may direct Crown to terminate its association or risk losing its gaming license or approval to invest in the holder of a gaming license in the relevant jurisdiction.

If actions by us or our subsidiaries or by Melco or Crown fail to comply with the regulatory requirements and standards of the jurisdictions in which Crown owns or operates casinos or in which companies in which Crown holds a substantial investment own or operate casinos, or if there are changes in gaming laws and regulations or the interpretation or enforcement of such laws and regulations in such jurisdictions, Crown may be required to withdraw from its investment in our Company or limit its involvement in one or more aspects of our gaming operations, which could have a material adverse effect on our business, financial condition and results of operations. Withdrawal by Crown from its investment in our Company could cause the failure of conditions to drawing loans under our credit facilities or the occurrence of events of default under our credit facilities.

Risks Relating to Our Financing and Indebtedness

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

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

Our major outstanding indebtedness as of December 31, 2015 includes:

- approximately HK\$3.9 billion (equivalent to approximately US\$0.5 billion) under the 2015 Credit Facilities;
- US\$825.0 million from Studio City Finance's issuance of the Studio City Notes;
- US\$1.0 billion from MCE Finance's issuance of the 2013 Senior Notes;
- approximately HK\$10.1 billion (equivalent to approximately US\$1.3 billion) under the Studio City Project Facility; and
- PHP15 billion (equivalent to approximately US\$340 million at date of pricing) from MCE Leisure Philippines' issuance of the Philippine Notes.

Our expected long-term indebtedness includes:

- financing for a significant portion of any future projects or phases of projects. Additionally, we may incur indebtedness for the fifth hotel tower at City of Dreams, depending upon our cash flow position during the construction period.

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

- make it difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions;
- impair our ability to obtain additional financing in the future for working capital needs, capital expenditure, acquisitions or general corporate purposes;
- require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available to us for our operations or expansion of our existing operations;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage as compared to our competitors, to the extent that they are not as leveraged;
- subject us to higher interest expense in the event of increases in interest rates to the extent a portion of our debt bears interest at variable rates;
- cause us to incur additional expenses by hedging interest rate exposures of our debt and exposure to hedging counterparties' failure to pay under such hedging arrangements, which would reduce the funds available for us for our operations; and
- in the event we or one of our subsidiaries were to default, result in the loss of all or a substantial portion of our own and our subsidiaries' assets, over which our lenders have taken or will take security.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our other debt obligations.

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

We have funded our capital investment projects through, among others, cash generated from our operations, credit facilities and the issuance of the 2010 Senior Notes, RMB Bonds, 2013 Senior Notes, Studio City Notes and Philippine Notes. We may require additional funding in the future for our capital investment projects which we may raise through debt or equity financing. 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. For example, the grant and drawdown of the shareholder loan by MCE (Philippines) Investments Limited to MCE Leisure Philippines pursuant to the loan agreement for a term loan facility of up to US\$340 million dated December 23, 2013 for the City of Dreams Manila project is subject to the prior approval from Bangko Sentral ng Pilipinas, the central bank of the Philippines. Bangko Sentral ng Pilipinas approved this facility on September 19, 2013 and we received the notice of approval on September 25, 2013. There is no assurance 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 our capital investment projects may also be subject to, among others, the terms of credit facilities, 2013 Senior Notes, Studio City Notes and Philippine Notes. In addition, our ability to obtain debt or equity financing on acceptable terms, depends on a variety of factors that are beyond our control, including market conditions, investors' and lenders' perceptions of, and demand for, debt 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 capital investment projects. If we are unable to obtain such funding, our business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected.

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

Our ability to make scheduled payments due on our existing and anticipated debt obligations, including our credit facilities, the 2013 Senior Notes, Studio City Notes and Philippine Notes, to refinance and to fund working capital needs, planned capital expenditure and development efforts will depend on our ability to generate cash. We will require generation of sufficient operating cash flow from our projects to service our current and future projected indebtedness. Our ability to obtain cash to service our existing and projected debt is subject to a range of economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control, including:

- our future operating performance;
- the demand for services that we provide;
- general economic conditions and economic conditions affecting Macau, the Philippines or the gaming industry in particular;
- our ability to hire and retain employees and management at a reasonable cost;
- competition; and
- legislative and regulatory factors affecting our operations and business.

We may not be able to generate sufficient cash flow from operations to satisfy our existing and projected debt obligations or our other liquidity needs, in which case, we may have to seek additional borrowings or undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments, or seek to raise additional capital on terms that may be onerous or highly dilutive, any of which could have a material adverse effect on our operations. Our ability to incur additional borrowings or refinance our indebtedness, including our credit facilities, the 2013 Senior Notes, Studio City Notes and Philippine Notes, will depend on the condition of the financing and capital markets, our financial condition at such time and potentially governmental approval. We cannot assure you that any additional borrowing, refinancing or restructuring would be possible, that any assets could be sold, or, if sold, of the timing of the sales or the amount of proceeds that would be realized from those sales. We cannot assure you that additional financing could be obtained on acceptable terms, if at all, or would be permitted under the terms of our various debt instruments then in effect, including the indentures governing the 2013 Senior Notes, Studio City Notes and Philippine Notes. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our failure to generate sufficient cash flow to satisfy our existing and projected debt obligations or other liquidity needs, or to refinance our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to comply with the restrictions and covenants in our debt agreements, including, among others, the 2015 Credit Facilities, Studio City Project Facility, the Aircraft Term Loan, the indenture governing the 2013 Senior Notes, Studio City Notes and Philippine Notes there could be a default under the terms of these agreements or the indenture, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in our current or future debt obligations including the 2015 Credit Facilities, Studio City Project Facility, the Aircraft Term Loan and other agreements, or the indenture governing 2013 Senior Notes, Studio City Notes and Philippine Notes, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of debt or result in a default under our other debt agreements. If any of these events

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occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

The terms of the 2015 Credit Facilities may restrict our current and future operations and harm our ability to complete our projects and grow our business operations to compete successfully against our competitors.

The 2015 Credit Facilities and associated facility and security documents that Melco Crown Macau has entered into also contain a number of restrictive covenants that impose certain operating and financial restrictions on Melco Crown Macau and certain of its subsidiaries and therefore, effectively, on us. The covenants in the 2015 Credit Facilities restrict or limit, among other things, our and our subsidiaries' ability to:

- incur additional debt, including guarantees;
- create security or liens;
- sell, transfer or dispose of assets;
- make certain investments;
- make loans, payments on certain indebtedness, distributions and other restricted payments or apply revenues earned in one part of our operations to fund development costs or cover operating losses in another part of our operations;
- make payments for fees or goods and services to our controlling shareholders, unless on normal commercial terms; and
- vary Melco Crown Macau's Subconcession Contract or Melco Crown Macau and certain of its subsidiaries' land concessions and certain other contracts.

In addition, the restrictions under the 2015 Credit Facilities contain financial covenants, including requirements that we satisfy certain tests or ratios such as leverage, total leverage and interest cover, each as defined in the 2015 Credit Facilities.

Restrictions also provide that should a change of control, as defined in the 2015 Credit Facilities, occur, the amounts outstanding thereunder will become immediately due and payable. These covenants may restrict our ability to operate and restrict our ability to incur additional debt or other financing we may require, and impede our growth.

Our operations are restricted by the terms of the 2013 Senior Notes, which could limit our ability to plan for or to react to market conditions or meet our capital needs.

The indenture governing the 2013 Senior Notes includes a number of significant restrictive covenants. Such covenants restrict, among other things, the ability of MCE Finance and its subsidiaries to:

- incur or guarantee additional indebtedness;
- make specified restricted payments, including dividends;
- issue or sell capital stock of our restricted subsidiaries;
- sell assets;
- create liens;
- enter into agreements that restrict the ability of the restricted subsidiaries to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and

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- effect a consolidation or merger.

Restrictions also provide that should a change of control, as defined in the 2013 Senior Notes, occur, the noteholders may require us to repurchase the 2013 Senior Notes 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 the 2013 Senior Notes to the date of repurchase.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

Studio City Project Facility and the indenture governing Studio City Notes contain covenants that will restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.

Studio City Project Facility and the indenture governing Studio City Notes impose operating and financial restrictions on Studio City Finance and its subsidiaries. The restrictions that will be imposed under these debt instruments will include, among other things, limitations on the ability of Studio City Finance and its subsidiaries to:

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

Studio City Project Facility also requires Studio City Investments Limited and its subsidiaries to satisfy various financial covenants based on specified financial ratios, including the following:

- cash flow to debt service;
- EBITDA to finance charges;
- senior first lien debt to EBITDA; and
- total debt to EBITDA.

Restrictions also provide that should a change of control, as defined in the Studio City Project Facility and Studio City Notes, occur, the facility will be cancelled and all amounts outstanding thereunder will become immediately due and payable, and the noteholders may require us to repurchase the Studio City Notes 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 the Studio City Notes to the date of repurchase.

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These covenants and restrictions may limit how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

Our City of Dreams Manila operations may be restricted by the terms of the Philippine Notes, which could limit our ability to plan for or react to market conditions or meet our capital needs.

The indenture governing the Philippine Notes includes a number of significant restrictive covenants. Such covenants restrict, among other things, the ability of MCP and its subsidiaries, including MCE Leisure Philippines to:

- incur or guarantee additional indebtedness;
- sell all or substantially all of MCP or any of its subsidiaries' assets;
- create liens on assets; and
- effect a consolidation or merger.

Restrictions also provide that should a change of control, as defined in the Philippine Notes, occur, the noteholders may require us to repurchase the Philippine Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

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

Our current and future debt facilities, including the 2015 Credit Facilities and Studio City Project Facility, require and will require satisfaction of extensive conditions precedent prior to the advance or rollover of loans under such facilities. The satisfaction of such conditions precedent may involve actions of third parties and matters outside of our control, such as government consents and approvals. If there is a breach of any terms or conditions of our debt facilities or other obligations and it is not cured or capable of being cured, such conditions precedent will not be satisfied. The inability to draw down or roll over loan advances in any debt facility may result in a funding shortfall in our operations and we may not be able to fulfill our obligations as planned; such events may result in an event of default under such debt facility and may also trigger cross default in our other obligations and debt facilities. We do not guarantee that all conditions precedent to draw down or roll over loan advances under our debt facilities will be satisfied in a timely manner or at all. If we are unable to draw down or roll over loan advances under any current or future facility, we may have to find a new group of lenders and negotiate new financing terms or consider other financing alternatives. If required, it is possible that new financing would not be available or would have to be procured on substantially less attractive terms, which could damage the economic viability of the relevant development project. The need to arrange such alternative financing would likely also delay the construction and/or operations of our future projects or existing properties, which would affect our cash flows, results of operations and financial condition.

Our failure to comply with the covenants contained in our or our subsidiaries' indebtedness, including failure as a result of events beyond our control, could result in an event of default that could materially and adversely affect our cash flow, operating results and our financial condition.

If there were an event of default under one of our or our subsidiaries' debt facilities, the holders of the debt on which we defaulted could cause all amounts outstanding with respect to that debt to become due and

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payable immediately. In addition, any event of default or declaration of acceleration under one debt facility could result in an event of default under one or more of our other debt instruments, with the result that all of our debt would be in default and accelerated. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt facilities, either upon maturity or if accelerated upon an event of default, or that we would be able to refinance or restructure the payments on those debt facilities. Further, if we are unable to repay, refinance or restructure our indebtedness at our subsidiaries that own or operate our properties, the lenders under those debt facilities could proceed against the collateral securing that indebtedness, which will constitute substantially all the assets and shares of our subsidiaries. In that event, any proceeds received upon a realization of the collateral would be applied first to amounts due under those debt facilities. The value of the collateral may not be sufficient to repay all of our indebtedness.

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

If we are unable to maintain our current debt facilities and bonds or obtain suitable financing for our operations and our current or future projects (including any acquisitions we may make), this could adversely impact our existing operations, or cause delays in, or prevent completion of, the development of the fifth hotel tower at City of Dreams and the remaining undeveloped land at Studio City and any other future projects. This may limit our ability to operate and expand our business and may adversely impact our ability to generate revenue. The costs incurred by any new financing may be greater than anticipated due to the turmoil in credit markets. Such increase in funding costs may have a negative impact on our revenue and financial condition.

Risks Relating to Our Shares and ADSs

The trading price of our ADSs has been volatile since our ADSs began trading on Nasdaq, and may be subject to fluctuations in the future. The market price for our shares may also be volatile, which could result in substantial losses to investors.

The trading price of our ADSs has been and may continue to be subject to wide fluctuations. Our ADSs were first quoted on the Nasdaq Global Market, or Nasdaq, beginning on December 19, 2006, and were upgraded to trade on the Nasdaq Global Select Market on January 2, 2009. During the period from December 19, 2006 until April 5, 2016, the trading prices of our ADSs ranged from US\$2.27 to US\$45.70 per ADS and the closing sale price on April 5, 2016 was US\$15.62 per ADS. The market price for our shares and ADSs may continue to be volatile and subject to wide fluctuations in response to factors including the following:

- uncertainties or delays relating to the financing, completion and successful operation of our projects;
- developments in the Macau market, the Philippine market or other Asian gaming markets, including the announcement or completion of major new projects by our competitors;
- general economic, political or other factors that affect the region where our properties are located;
- regulatory developments affecting us or our competitors;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other gaming and leisure industry companies;
- changes in our market share of the Macau gaming market and/or the Philippine gaming market;
- addition or departure of our executive officers and key personnel;
- fluctuations in the exchange rates between the U.S. dollar, H.K. dollar, Pataca, Renminbi and Philippine peso;

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- release or expiry of lock-up or other transfer restrictions on our outstanding shares;
- sales or perceived sales of additional shares or ADSs or securities convertible or exchangeable or exercisable for shares or ADSs; and
- rumors related to any of the above.

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 and shares.

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

On February 25, 2014, we adopted a dividend policy to distribute quarterly dividends of approximately 30% of consolidated net income attributable to Melco Crown Entertainment for the relevant quarter, subject to our ability to pay dividends from our accumulated and future earnings and our cash balance and future commitments at the time of declaration of any dividend. We cannot assure you that we will make any dividend payments on our shares in the future. Dividend payments will depend upon a number of factors, including our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors considered relevant by our board.

Except as permitted under the Companies Law, as amended, of the Cayman Islands, or the Cayman Companies Law, and the common law of the Cayman Islands, we are not permitted to distribute dividends unless we have a profit, realized or unrealized, or a reserve set aside from profits which our directors determine is no longer needed. Our ability, or the ability of our subsidiaries, to pay dividends is further subject to restrictive covenants contained in the 2015 Credit Facilities, 2013 Senior Notes, Studio City Notes, Studio City Project Facility and other facility agreements governing indebtedness we and our subsidiaries may incur. Such restrictive covenants contained in the 2015 Credit Facilities and the Studio City Project Facility include satisfaction of certain financial tests and conditions such as continued compliance with specified interest cover, cash cover and leverage ratios and, if a cash distribution, ensuring that the dividend payment amount does not exceed a certain amount of our cash and cash equivalent investments and that as a result of such dividend payment we still hold a certain amount of cash and cash equivalent investments. The 2013 Senior Notes and Studio City Notes also contain certain covenants restricting payment of dividends by MCE Finance and its subsidiaries and Studio City Finance and its subsidiaries, respectively. For more details, see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness.”

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

Sales of our ADSs or shares in the public market, or the perception that these sales could occur, could cause the market price of our shares and ADSs to decline. There is no assurance that Melco or Crown will not sell all or a part of its ownership interest in us. Any sale of their interest may be subject to volume and other restrictions, as applicable, under Rule 144 under the Securities Act of 1933, or the Securities Act, and subject to the terms of the shareholders’ deed between Melco and Crown. To the extent these or other shares are sold into the market, the market price of our shares and ADSs could decline. The ADSs represent interests in our shares. We would, subject to market forces, expect there to be a close correlation in the price of our ADSs and the price of the shares and any factors contributing to a decline in one market is likely to result to a similar decline in another.

In addition, Melco and Crown have the right to cause us to register the sale of their shares under the Securities Act, subject to the terms of their shareholders’ deed. Registration of these shares under the Securities Act would result in these shares becoming freely tradable as ADSs without restriction under the Securities Act immediately upon the effectiveness of the registration statement. Sales of these registered shares in the public market could cause the price of our share and ADSs to decline.

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

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

Holders of ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares of the depositary and in accordance with the provisions of the deposit agreement. Under our Articles, the minimum notice period required to convene a general meeting is seven days. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw your ordinary shares 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. Furthermore, ADS holders may exercise voting rights with respect to the underlying ordinary shares only in accordance with the provisions of the deposit agreement. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to convene a shareholder meeting.

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

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

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

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

In addition, the depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is unlawful, inequitable or impractical to make a distribution available to any holders of ADSs. For example, the depositary may determine that it is not practicable to distribute certain property through the mail, or that the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may decide not to distribute such property and you will not receive such distribution.

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

Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Cayman Companies Law and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Companies 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 that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are different from what they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. Furthermore, Cayman Islands companies may not have standing to initiate a shareholder derivative action before the federal courts of the United States.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of our board or controlling shareholders than they would as shareholders of a U.S. public company.

You may have difficulty enforcing judgments obtained against us.

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

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

Based on the current market price of our ADSs and ordinary shares, and the composition of our income, assets and operations, we do not believe we were a passive foreign investment company, or PFIC, for our taxable year ended December 31, 2015. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that we will not be a PFIC for any taxable year. A non-U.S. corporation will be a PFIC for any taxable year if either (i) at least 75% of its gross income for such year is passive income or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether we were a PFIC for that year. Because the value of our assets for purposes of the PFIC test will generally be determined by reference to the market price of our ADSs and ordinary shares, a significant decrease in the

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market price of the ADSs and ordinary shares may cause us to become a PFIC. In addition, changes in the composition of our income or assets may cause us to become a PFIC. If we are a PFIC for any taxable year during which a U.S. Holder (as defined in “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation”) holds an ADS or ordinary share, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. For example, such U.S. Holder may incur a significantly increased U.S. federal income tax liability on the receipt of certain distributions on our ADSs or ordinary shares or on any gain recognized from a sale or other disposition of our ADSs or ordinary shares. See “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation — Passive Foreign Investment Company.”

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Our Company was incorporated in December 2004 as an exempted company with limited liability under the laws of the Cayman Islands and registered as an overseas company under the laws of Hong Kong in June 2007. We were initially formed as a 50/50 joint venture between Melco and PBL as their exclusive vehicle to carry on casino, gaming machine and casino hotel operations in Macau. Subsequently, Crown acquired all the gaming businesses and investments of PBL, including PBL's investment in our Company. As a result, in May 2008, we changed our name to Melco Crown Entertainment Limited. For more information on our corporate history and structure, see "— C. Organizational Structure."

Our subsidiary Melco Crown Macau is one of six companies licensed, through concession or subconcession, to operate casinos in Macau.

In December 2006, we completed the initial public offering of our ADSs, each of which represents three ordinary shares, and listed our ADSs on the Nasdaq. Since December 19, 2006, our ADSs have been listed under the symbol "MPEL" on Nasdaq. We completed follow-on offerings of ADSs in November 2007, May 2009 and August 2009. In January 2009, we were upgraded to trade on the Nasdaq Global Select Market.

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

Our ordinary shares were listed by way of introduction on the Main Board of the HKSE and began trading under the stock code "6883" on December 7, 2011. From December 7, 2011 (until July 3, 2015), we maintained dual primary listings on Nasdaq and the HKSE.

On December 19, 2012, we completed the acquisition of a majority interest in the issued share capital of MCP, a company listed on the Philippine Stock Exchange. After completion of such acquisition, we injected 100% equity interest of MCE Leisure Philippines to MCP in March 2013. MCE Leisure Philippines has been granted the exclusive right to manage, operate and control our Philippines integrated casino resort project, City of Dreams Manila.

On January 2, 2015, we applied for a voluntary withdrawal of listing of our ordinary shares on the Main Board of the HKSE, which was approved by our shareholders on March 25, 2015. The voluntary withdrawal of listing of our ordinary shares on HKSE took place on July 3, 2015, following which our shares are only traded on the Nasdaq Global Select Market in the form of ADSs.

For a description of our principal capital expenditures for the years ended December 31, 2015, 2014, and 2013, see "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources."

Our principal executive offices are located at 36th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Our telephone number at this address is 852-2598-3600 and our fax number is 852-2537-3618. Our agent for service of process in the United States is CT Corporation System, located at 111 Eighth Avenue, New York, NY 10011. Our website is www.melco-crown.com. The information contained on our website is not part of this annual report on Form 20-F.

B. BUSINESS OVERVIEW

Overview

We are a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia.

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We currently have three major casino based operations in Macau, namely, City of Dreams, Altira Macau and Studio City, and non-casino based operations in Macau at our Mocha Clubs. We also have a casino based operation in the Philippines, City of Dreams Manila.

We are developing the fifth hotel tower at City of Dreams in Cotai, Macau and are currently reviewing the development plan and schedule for the remaining undeveloped land at Studio City. For prevailing Macau market condition, see “Item 4. Information on the Company — B. Business Overview — Market and Competition.”

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip gaming patrons to gaming patrons seeking a broader entertainment experience. We currently own and operate two Forbes 5-Star hotels in Macau: Altira Macau and Crown Towers hotel. We seek to attract patrons throughout Asia and, in particular, from Greater China.

In the Philippines, MCE Leisure Philippines, a subsidiary of MCP, currently operates and manages City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort in the Entertainment City complex in Manila.

We generated a significant majority of the total revenues for the year ended December 31, 2015 from our operations in Macau, the principal market in which we compete.

Our Major Existing Operations

City of Dreams

City of Dreams is an integrated casino resort in Cotai, Macau which opened in June 2009. City of Dreams is a premium-focused property, targeting high-end customers and rolling chip players from regional markets across Asia. As of December 31, 2015, City of Dreams operated approximately 500 gaming tables and approximately 1,250 gaming machines.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from around Asia. We have one hotel management agreement, pursuant to which Hyatt of Macau Ltd. manages the Grand Hyatt Macau hotel and receives management fees. We have also entered into license agreements with respect to Crown Towers hotel and Hard Rock Hotel, pursuant to which we have been granted certain rights to use certain intellectual property of the licensors. No fee is payable for our use of the Crown marks and certain fees are payable for our use of the Hard Rock marks. See “— Intellectual Property.” Crown Towers hotel and Hard Rock Hotel each offers approximately 300 guest rooms, and the Grand Hyatt Macau hotel offers approximately 800 guest rooms. City of Dreams, together with SOHO, includes around 30 restaurants and bars, approximately 70 retail outlets, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons, and banquet and meeting facilities. The Club Cubic nightclub offers approximately 2,434 square meters (equivalent to approximately 26,200 square feet) of live entertainment space. SOHO, a lifestyle entertainment and dining precinct located on the second floor of City of Dreams which had its grand opening in August 2014, offers customers a wide selection of food and beverage and other non-gaming offerings.

Attributing to its outstanding customer service and diverse range of unique world-class entertainment experiences, City of Dreams has garnered numerous awards in the prestigious International Gaming Awards over the years. City of Dreams was honored “Casino VIP Room of the Year” in 2014, “Integrated Resort of the Year” in 2013, “Customer Experience of the Year” in 2012 and “Casino VIP Room” and “Casino Interior Design” awards in 2011. It has also received the “Best Leisure Development in Asia Pacific” award in the International Property Awards in 2010, which recognizes distinctive innovation and outstanding success in leisure development. City of Dreams’ Crown Towers was the first hotel brand in Macau to have received Forbes Travel Guide 5-Star distinction for its hotel, spa and every restaurant in January 2014, and has once been again

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recognized as a Forbes 5-Star hotel for the fourth consecutive year in 2016. In addition, its Forbes 5-Star restaurants, Jade Dragon and The Tasting Room, have risen to even greater heights by increasing their Michelin star tally to two each in the Michelin Guide to Hong Kong and Macau in 2016. Impressively, Shinji by Kanesaka was awarded a Michelin star after less than a year of operation.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award winning water-based extravaganza, The House of Dancing Water. The House of Dancing Water is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams. This production highlights City of Dreams as an innovative entertainment-focused destination and strengthens the overall diversity of Macau as a multi-day stay market and one of Asia's premier leisure and entertainment destinations. The production incorporates costumes, sets and audio-visual special effects and showcases an international cast of performance artists. The HK\$2.0 billion world-class production was awarded the Excellence Award of the "Most Valuable Brand Award" by Business Awards of Macau in 2015. The show also garnered the "Culture, Entertainment & Sporting Events Award" in the Effie China Awards in 2012 and the prestigious "International THEA Award for Outstanding Achievement" from the Themed Entertainment Association and was named the "Best Entertainment of Macau" in the 2011 Hurun Report.

We are expanding our retail precinct at City of Dreams, which is anticipated to open in mid-2016. We are also developing the fifth hotel tower at City of Dreams.

Altira Macau

Altira Macau is designed to provide a casino and hotel experience that caters to Asian rolling chip customers and players sourced primarily through gaming promoters.

As of December 31, 2015, Altira Macau operated approximately 124 gaming tables and 62 gaming machines. Altira Macau's multi-floor layout comprises primarily designated gaming areas and private gaming rooms for rolling chip players, together with a general gaming area for the mass market that offers various table limits to cater to a wide range of mass market patrons. Our multi-floor layout allows us the flexibility to reconfigure Altira Macau's gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira Hotel, located within the 38-storey Altira Macau, to be one of the leading hotels in Macau as evidenced by its long-standing Forbes 5-Star recognition. The top floor of the hotel serves as the hotel lobby and reception area, providing guests with views of the surrounding area. The hotel comprises approximately 230 guest rooms, including suites and villas. A number of restaurants and dining facilities are available at Altira Macau, including a leading Italian restaurant Aurora, several Chinese and international restaurants and several bars. Altira Hotel also offers several non-gaming amenities, including a spa, gymnasium, outdoor garden podium and sky terrace lounge.

Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. It has been awarded Forbes 5-Star rating in lodging and spa categories by Forbes Travel Guide for seven consecutive years. Altira Macau also received the "Most Favorite Travel Resort & Hotel" of U Magazine in 2015 and was honored the "Best Luxury Fitness Spa Award" in the prestigious World Luxury Spa Awards in 2014. Altira Macau's swimming pool was named by US Forbes Traveler as one of the ten best hotel pools in the world and one of eight outstanding indoor hotel pools by CNN.com.

Altira Macau houses several award-winning restaurants. Its Italian restaurant, Aurora, and its Japanese restaurant, Tenmasa, both earned Forbes 5-Star recognition in the Forbes Travel Guide in 2015. Its Chinese restaurant, Ying, along with Aurora and Tenmasa, were recommended by the Michelin Guide to Hong Kong and Macau in 2016 and were winners of the "Best of Award Excellence of Wine Spectator" in 2015. All three restaurants together with 38 Lounge at Altira Macau were included in the exclusive list of Hong Kong Tatler's Best Restaurants guide in 2015.

Studio City

Studio City is a large-scale cinematically-themed integrated entertainment, retail and gaming resort which opened in October 2015. As of December 31, 2015, Studio City operated 200 gaming tables and 1,175 gaming machines. Starting from January 1, 2016, Studio City operated a further of 50 gaming tables in its gaming area. The gaming operations of Studio City are currently focused on the mass market and targeting all ranges of mass market patrons. Studio City will assess and evaluate its focus on different market segments from time to time and will adjust its operations as appropriate. Studio City also includes luxury hotel offerings and various entertainment, retail and food and beverage outlets to attract a diverse range of customers. Studio City is designed to capture the increasingly important mass market segment, with its destination theming, unique and innovative interactive attractions, including Asia's highest figure-8 Ferris wheel, a Warner Bros.-themed family entertainment center, a Batman film franchise digital ride, a 5,000 seat multi-purpose live performance arena and a live magic venue, as well as approximately 1,600 hotel rooms, a vast array of food and beverage outlets and approximately 35,000 square meters (equivalent to approximately 377,000 square feet) of themed and innovative retail space.

In just four months after its grand opening in October 2015, Studio City was awarded the "Casino/Integrated Resort of the Year" in the International Gaming Awards in 2016, recognizing its high standard of facilities, games, customer service, atmosphere, style and design of the resort.

Studio City is located in Cotai, Macau. In addition to its diverse range of gaming and non-gaming offerings, Studio City's location in the fast growing Cotai region of Macau, directly adjacent to the Lotus Bridge immigration checkpoint ("Where Cotai Begins" which connects China to Macau) and a proposed light rail station, is a major competitive advantage, particularly as it relates to the mass market segment.

We are currently reviewing the development plan and schedule for the remaining undeveloped land at Studio City.

Our subsidiary Melco Crown Macau operates the gaming areas of Studio City pursuant to a services agreement it entered into in May 2007 as amended in June 2012 with Studio City Entertainment Limited (which we acquired control of 60% of the shares in July 2011), together with other agreements or arrangements entered into between the parties from time to time, which may amend, supplement or related to the aforementioned agreement. Melco Crown Macau is reimbursed for the costs incurred in connection with its operation of Studio City's gaming areas.

Mocha Clubs

Mocha Clubs comprise the largest non-casino based operations of gaming machines in Macau. As of December 31, 2015, Mocha Clubs had seven clubs with a total of 1,259 gaming machines in operation, which represented 8.6% of the total machine installation in the market, according to the DICJ. Mocha Clubs focus on general mass market players, including day-trip customers, outside the conventional casino setting. We operate Mocha Clubs at leased or sub-leased premises or under right-to-use agreements.

In addition to slot machines, each Mocha Club site offers electronic table games without dealers. The gaming facilities at our Mocha Clubs include what we believe is the latest technology for gaming machines and offer both single-player machines with a variety of games, including progressive jackpots, and multi-player games where players on linked machines play against the house in electronic roulette, baccarat and sicbo, a traditional Chinese dice game.

City of Dreams Manila

City of Dreams Manila is one of the leading integrated tourism resorts in the Philippines. The property is located on an approximately 6.2-hectare site at the gateway of Entertainment City, Manila, close to Metro

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Manila's international airport and central business district. City of Dreams Manila opened in December 2014 and represents our first entry into an entertainment and gaming market outside of Macau and an incremental source of earnings and cash flow outside of Macau.

The property's total gross floor area is approximately 300,100 square meters (equivalent to approximately 3.2 million square feet). We are authorized by PAGCOR to operate up to approximately 1,700 slot machines, 1,700 electronic table games and 380 gaming tables. As of December 31, 2015, we operated approximately 1,579 slot machines, 83 electronic table games and 261 gaming tables.

City of Dreams Manila has three hotels comprising Crown Towers hotel, Nobu Hotel and Hyatt City of Dreams Manila, with approximately 950 rooms in aggregate. City of Dreams Manila has three separate entertainment venues: DreamPlay by DreamWorks, a family entertainment center, which officially opened in June 2015; CenterPlay, a live performance central lounge within the casino; and Chaos and Pangaea Ultra-Lounge, two night clubs encapsulated within the Fortune Egg. City of Dreams Manila also has a retail boulevard, The Shops at the Boulevard, which is a retail strip interspersed within the food and beverage areas to provide customers with a broad range of shopping opportunities.

City of Dreams Manila has strived for excellence in providing ultimate hospitality and culinary experience to its customers. All three hotels at City of Dreams Manila, namely Crown Towers hotel, Hyatt City of Dreams Manila and Nobu Hotel, ranked in the Top 25 Luxury Hotels in the Philippines in the 2016 Traveler's Choice by Trip Advisor. In addition, the three signature restaurants at the property – The Tasting Room, Crystal Dragon and Nobu Manila, were recognized as among the Top 20 restaurants in the Philippines in the Philippine Tatler Best Restaurants Guide 2016, while Red Ginger, The Café at Hyatt and Apu, were also listed among the 170 establishments in the country. In 2015, City of Dreams Manila was named "Casino/Integrated Resort of the Year" at the International Gaming Awards.

MCE Leisure Philippines operates the casino business of City of Dreams Manila in accordance with the terms of the Regular License and the operating agreement between MCE Leisure Philippines and the Philippine Parties dated March 13, 2013. Under the operating agreement, PremiumLeisure and Amusement, Inc. (a member of the Philippine Parties) has the right to receive monthly payments from MCE Leisure Philippines, based on the performance of gaming operations of City of Dreams Manila, and MCE Leisure Philippines has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

The Provisional License specifies that the Philippine Licensees must invest US\$1.0 billion in City of Dreams Manila. Having met the minimum investment levels and other requirements under our Provisional License, the Regular License dated April 29, 2015 was issued by PAGCOR to the Philippine Licensees. The Regular License has the same terms and conditions as the Provisional License and is valid until July 11, 2033.

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

Our Development Projects

As mentioned above, we are developing the fifth hotel tower at City of Dreams in Cotai and evaluating our development plan and schedule for the remaining undeveloped land at Studio City. Further, we continually seek new opportunities for additional gaming or related businesses in Macau and in other Asian countries and will continue to target the development of a project pipeline in the Asian region in order to expand our footprint in countries which offer legalized casino gaming. In defining and setting the timing, form and structure for any future development, we focus on evaluating alternative available financing, market conditions and market demand. In order to pursue these opportunities and such development, we have incurred and will continue to incur capital expenditures at our properties and for our projects.

Our Land and Premises

We operate our gaming business at our operating properties in Macau in accordance with the terms and conditions of our gaming subconcession. In addition, our existing operating properties and development projects in Macau are subject to the terms and conditions of land concession contracts. See “— Regulations — Land Use Rights in Macau.” Through MCP, we also operate our gaming business in the Philippines through the Regular License issued by PAGCOR on a property which MCE Leisure Philippines leases from Belle Corporation under the Lease Agreement.

City of Dreams

City of Dreams is located in Cotai, Macau with a land area of 113,325 square meters (equivalent to approximately 1.2 million square feet). In August 2008, the Macau government granted the land on which City of Dreams is located to Melco Crown (COD) Developments and Melco Crown Macau for a period of 25 years, renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The land grant was amended in September 2010 and January 2014 respectively. Under the terms of the revised land concession, the development period was extended to the date falling 4 years from January 29, 2014 (being the publication date of the amendment in the Macau official gazette), the hotel to be developed was changed to a five-star hotel, and the total developable gross floor area on the land was increased to 692,619 square meters (equivalent to approximately 7.5 million square feet). Total land premium required for the land is in the amount of approximately MOP1,286.6 million (equivalent to approximately US\$160.5 million), which has been paid up in full in January 2016.

Under the terms of the revised land concession, the annual government land use fees payable after completion of development will be approximately MOP9.9 million (equivalent to approximately US\$1.2 million). The government land use fee amounts may be adjusted every five years as agreed.

See note 22 to the consolidated financial statements included elsewhere in this annual report for information about our future commitments as to government land use fees for City of Dreams.

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

Altira Macau

Altira Macau is located in Taipa, Macau with a land area of approximately 5,230 square meters (equivalent to approximately 56,295 square feet) under a 25-year land lease agreement with the Macau government that is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. In March 2006, the Macau government granted the land on which Altira Macau is located to Altira Developments. The land grant was amended in December 2013. The total gross floor area of Altira Macau is approximately 104,000 square meters (equivalent to approximately 1,119,000 square feet). Total land premium required is in the amount of MOP169.3 million (equivalent to approximately US\$21.1 million) which has been fully paid up in 2013. According to the terms of the revised land concession, the revised annual government land use fees payable are of approximately MOP1.5 million (equivalent to approximately US\$186,000). This amount may be adjusted every five years as agreed.

See note 22 to the consolidated financial statements included elsewhere in this annual report for information about our future commitments as to government land use fees for Altira Macau.

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

Mocha Clubs

Mocha Clubs operate at premises with a total floor area of approximately 8,030 square meters (equivalent to approximately 86,450 square feet) at the following locations in Macau:

<u>Mocha Club</u>	<u>Opening Month</u>	<u>Location</u>	<u>Total Floor Area (In square feet)</u>
Royal	September 2003	G/F and 1/F of Hotel Royal	8,450
Taipa Square	January 2005	G/F, 1/F and 2/F of Hotel Taipa Square	9,200
Sintra	November 2005	G/F and 1/F of Hotel Sintra	5,000
Macau Tower	September 2011	LG/F and G/F of Macau Tower	21,500
Golden Dragon	January 2012	G/F, 1/F, 2/F and 3/F of Hotel Golden Dragon	20,500
Inner Harbor	December 2013	No 286-312 Seaside New Street	12,800
Kuong Fat	June 2014	Macau, Rua de Pequim No. 174., Centro Comercial Kuong Fat Cave A	9,000
Total			86,450

Premises are being operated under lease, sublease or rights to use agreements that expire at various dates through June 2022, which are renewable upon reaching an agreement with the owners.

In addition to leasehold improvements to Mocha Club premises, the onsite equipment utilized at the Mocha Clubs is owned and held for use to support the gaming machines operations.

Studio City

Studio City is located in Cotai, Macau and has a land area of 130,789 square meters (equivalent to approximately 1.4 million square feet) held under a 25-year land lease agreement with the Macau government that is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. In October 2001, the Macau government granted the land on which Studio City is located to Studio City Developments. The Studio City land concession contract was amended in September 2015 to permit Studio City Developments to build a complex comprising a four-star hotel, a facility for cinematographic industry, including supporting facilities for entertainment and tourism, parking and free area.

The gross construction area of the Studio City site is approximately 707,078 square meters (equivalent to approximately 7.6 million square feet). The gross construction area for the first phase is approximately 477,336 square meters (equivalent to approximately 5.2 million square feet). The land premium of approximately MOP1,402.0 million (equivalent to approximately US\$175.0 million) has been paid up in full in January 2015. The development period under the Studio City land concession contract is for 72 months from July 25, 2012. Government land use fee of approximately MOP3.9 million (equivalent to approximately US\$490,000) per annum are payable during the development stage. The annual government land use fees payable after completion of development will be MOP9.1 million (equivalent to approximately US\$1.1 million). The amounts may be adjusted every five years as agreed.

See note 22 to the consolidated financial statements included elsewhere in this annual report for information about our future commitments as to government land use fees for Studio City.

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City of Dreams Manila

City of Dreams Manila site is located on a reclaimed land (“Project Reclaimed Land”). The Project Reclaimed Land was originally acquired by an entity known as R 1 Consortium from the Philippine Public Estates Authority (“PEA”). This acquisition occurred in 1995 as part of the R 1 Consortium’s compensation for the construction of PEA’s Manila-Cavite Coastal Road project. R 1 Consortium conveyed all its interest to the Project Reclaimed Land in favor of two entities in 1995. These two entities later merged with Belle Bay City Corporation (“Belle Bay”), which is 34.9% owned by Belle Corporation, being one of the Philippine Parties, with Belle Bay becoming the surviving entity and owner of the Project Reclaimed Land. Belle Bay was dissolved in 2005 and is still undergoing liquidation. The Project Reclaimed Land was allocated to Belle Corporation as part of Belle Bay’s plan of dissolution. Belle Corporation has exercised possession and other rights over the Project Reclaimed Land since this allocation. In 2005, Belle Corporation transferred a portion of the Project Reclaimed Land to the Philippine Social Security System. Then in 2010, Belle Corporation and the Social Security System entered into a lease agreement for that portion.

MCE Leisure Philippines does not own the land or the buildings comprising the site for City of Dreams Manila. Rather, MCE Leisure Philippines leases the Project Reclaimed Land and buildings from Belle Corporation under the Lease Agreement. Part of the land covered under the Lease Agreement is leased by Belle Corporation from the Social Security System under the lease agreement between Belle Corporation and the Social Security System in 2010.

Other Premises

Taipa Square Casino premises, including the fit-out and gaming related equipment, are located on the ground floor and level one within Hotel Taipa Square in Macau and having a floor area of approximately 1,760 square meters (equivalent to approximately 18,950 square feet). We operate Taipa Square Casino under a right-to-use agreement signed on June 12, 2008 with the owner, Hotel Taipa Square (Macao) Company Limited. The term of the agreement is one year from the date of execution and is automatically renewable, subject to certain contractual provisions, for successive periods of one year under the same terms and conditions, until June 26, 2022.

Apart from the aforesaid property sites, we maintain various offices and storage locations in Macau, Hong Kong and the Philippines. We lease all of our office and storage premises. We used to own five units located at Golden Dragon Centre (formerly known as Zhu Kuan Building) in Macau. These five units have a total area of 839 square meters (equivalent to approximately 9,029 square feet). The five units were purchased by MPEL Properties (Macau) Limited, our subsidiary, for approximately HK\$79.7 million (equivalent to approximately US\$10.2 million) in August 2008. On February 18, 2014, we sold these five units for HK\$240.0 million (equivalent to approximately US\$30.8 million). After the sale, we leased the relevant units as our recruitment center until December 25, 2015.

Advertising and Marketing

We seek to attract customers to our properties and to grow our customer base over time by undertaking several types of advertising and marketing activities and plans. We utilize local and regional media to publicize our projects and operations. We have built a public relations and advertising team that cultivates media relationships, promotes our brands and directly liaises with customers within target Asian countries in order to explore media opportunities in various markets. Advertising uses a variety of media platforms that include digital, print, television, online, outdoor, on property (as permitted by Macau, PRC and other regional laws), collateral and direct mail pieces. In order to be competitive in the Macau gaming environment, we hold various promotions and special events, operate loyalty programs with our patrons and have developed a series of commission and other incentive-based programs. We employ a tiered loyalty program in City of Dreams Manila to ensure that each customer segment is specifically recognized and incentivized in accordance with their expected revenue contribution. Dedicated customer hosting programs provide personalized service to the

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most valuable customers of City of Dreams Manila. In addition, we utilize sophisticated analytical programs and capabilities to track the behavior and spending patterns of our patrons in City of Dreams Manila. Similar to our experience in Macau, we believe these tools will help to deepen our understanding of the customers of City of Dreams Manila to optimize yield and continuous improvements to the property.

Customers

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

Non-Gaming Patrons

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

City of Dreams Manila offers three separate entertainment venues, supported by a diverse food and beverage zone designed to be a socializing hub where guests can relax and be entertained. The entertainment offerings, designed to cater to all key demographic groups, include the Fortune Egg, a central dome-like structure for housing two dynamic night clubs, a casino performance lounge, and a thematic family entertainment center which officially opened in June 2015. With these diverse entertainment venues and attractions, we believe that City of Dreams Manila will be able to leverage the experience of City of Dreams in Macau, which has developed world-class attractions such as The House of Dancing Water and the Club Cubic nightclub.

Gaming Patrons

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

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

Rolling chip players at our casinos are patrons who participate in our in-house rolling chip programs or in the rolling chip programs of our gaming promoters, also known as junket operators. Our rolling chip players play mostly in our dedicated VIP rooms or designated gaming areas.

Our in-house rolling chip programs consist of rolling chip players sourced through our direct marketing efforts and relationships, whom we refer to as premium direct players. Premium direct players can earn a variety of gaming-related rebates, such as cash, rooms, food and beverage and other complimentary products or services.

Gaming Promoters

A portion of our rolling chip play is brought to us by gaming promoters, also known as junket operators. While rolling chip players sourced by gaming promoters do not earn direct gaming related rebates from us, we pay a commission and provide other complimentary services to the gaming promoter.

In Macau, we engage gaming promoters to promote our VIP gaming rooms primarily due to the importance of the rolling chip segment in the overall Macau gaming market, gaming promoters' knowledge of and experience within the Macau gaming market, in particular with sourcing and attracting rolling chip patrons

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and arranging for their transportation and accommodation, and gaming promoters' extensive rolling chip patron network. Under standard arrangements utilized in Macau, we provide gaming promoters with exclusive or casual access to one or more of our VIP gaming rooms and support from our staff, and gaming promoters source rolling chip patrons for our casinos or gaming areas to generate an expected minimum amount of rolling chip volume per month. We also engage gaming promoters to promote our VIP gaming rooms in City of Dreams Manila since 2015.

Gaming promoters in Macau are independent third parties that include both individuals and corporate entities and are officially licensed by the DICJ. We have procedures to screen prospective gaming promoters prior to their engagement, and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. We believe that we have strong relationships with some of the top gaming promoters in Macau and have a solid network of gaming promoters who help us market our properties and source and assist in managing rolling chip patrons at our properties. As of December 31, 2015, 2014 and 2013, we had agreements in place with 80, 97 and 114 gaming promoters in Macau, respectively. For City of Dreams Manila, we leverage our extensive sales reach within Asia to the extent permissible by applicable law, particularly to the sizable international customer base largely developed through our Macau operations and our strong relationship with gaming promoters in Macau and the rest of Asia. MCE Leisure Philippines works with Melco Crown Macau to develop cross promotional marketing campaigns that position the Philippines as an additional gaming and tourist destination to guests at our properties and our gaming promoter networks. As of December 31, 2015, we had agreements in place with 20 gaming promoters in the Philippines. We expect to continue to evaluate and selectively add or remove gaming promoters going forward.

We typically enter 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 promoter agreements may be terminated (i) by either party without cause upon 15 days advance written notice, (ii) upon advice from the DICJ or any other gaming regulator to cease having dealings with the gaming promoter or if the DICJ cancels or fails to renew the gaming promoter's license, (iii) if the gaming promoter fails to meet the minimum rolling chip volume it agreed to with us, (iv) if the gaming promoter enters or is placed in receivership or provisional liquidation or liquidation, an application is made for the winding up of the gaming promoter, the gaming promoter becomes insolvent or makes an assignment for the benefit of its creditors, or an encumbrancer takes possession of any of the gaming promoter's assets or (v) if any party to the agreement is in material breach of any of the terms of the agreement and fails to remedy such breach within the timeframe outlined in the agreement. Our gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. We generally offer commission payment structures that are calculated by reference to revenue share or monthly rolling chip volume. Under the revenue share-based arrangements, the gaming promoter participates in our gaming wins or losses from the rolling chip patrons brought in by the gaming promoter. Under the monthly rolling chip volume-based arrangements, commission rates vary but do not exceed the 1.25% regulatory cap under Macau law on gaming promoter commissions. To encourage gaming promoters to use our VIP gaming rooms for rolling chip patrons, our gaming promoters may receive complimentary allowances for food and beverage, hotel accommodation and transportation. Under the Administrative Regulation 29/2009 as promulgated by the Macau government, these allowances must be included in the 1.25% regulatory cap on gaming promoter commissions.

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on a credit basis as well as a cash basis. As a common practice in both Macau and Manila gaming markets, we grant credit to our gaming promoters and certain of our premium direct players. The gaming promoters bear the responsibility for issuing to, and subsequently collecting credit, from their players.

We extend interest-free credit to a significant portion of our gaming promoters for short-term, renewable periods under credit agreements that are separate from the gaming promoter agreements. Credit is also granted to certain gaming promoters on a revolving basis. All gaming promoter credit lines are generally subject to monthly review and various settlement procedures, including our credit committee review and other checks

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performed by our cage, count and credit department to evaluate the current status of liquidity and financial health of such gaming promoter. These procedures allow us to calculate the commissions payable to the gaming promoter and to determine the amount which can be offset, together with any other values held by us from the gaming promoter, against the outstanding credit balances owed by the gaming promoter. Credit is granted to a gaming promoter based on performance and financial background of the gaming promoter and, if applicable, the gaming promoter's guarantor. If we determine that a gaming promoter has good credit history and a track record of large business volumes, we may extend credit exceeding one month of commissions payable. This credit is typically unsecured. Although the amount of such credit may exceed the amount of accrued commissions payable to, and any other amounts of value held by us from, the gaming promoters, we generally obtain personal checks and promissory notes from guarantors or other forms of collateral. We have in place internal controls and credit policies and procedures to manage this credit risk.

We aim to pursue overdue debt from gaming promoters and premium direct players. This collection activity includes, as applicable, frequent personal contact with the debtor, delinquency notices and litigation. However, we may not be able to collect all of our gaming receivables from our credit customers and gaming promoters. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations — We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers."

Our allowance for doubtful accounts may fluctuate significantly from period to period as a result of having significant individual customer account balances where changes in their status of collectability cause significant changes in our allowance. For information regarding allowances for doubtful accounts, see "Item 5. Operating and Financial Review and Prospects — A. Operating Results — Critical Accounting Policies and Estimates — Accounts Receivable and Credit Risk."

Market and Competition

We believe that the gaming markets in Macau and the Philippines are and will continue to be intensely competitive. Our competitors in Macau and elsewhere in Asia include all the current concession and subconcession holders, other PAGCOR licenses holders and many of the largest gaming, hospitality, leisure and property development companies in the world. Some of these current and future competitors are larger than us and have significantly longer track records of operation of major hotel casino resort properties.

Macau Gaming Market

In 2015, 2014 and 2013, Macau generated approximately US\$28.8 billion, US\$43.9 billion and US\$45.0 billion of gaming revenue, respectively, according to the DICJ. Gaming revenue in Macau has increased at a five year CAGR from 2010 to 2015 of 4.15%. Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

Gross gaming revenues in Macau expanded 18.6% in 2013 and 13.5% in 2012, according to the DICJ. The DICJ figures show that the Macau gaming market has been through a challenging period since 2014, with a decline in gross gaming revenues of 2.6% in 2014 and 34.3% in 2015, primarily driven by a deteriorating demand environment from our key feeder market, China, as well as other restrictive policies including changes to travel and visa policies and the implementation of further smoking restrictions on the main gaming floor. According to DICJ, the rolling chip segment underperformed the broader market, declining 10.9% year-over-year in 2014 and 39.9% year-over-year in 2015, while the higher margin mass market table games segment increased 15.5% in 2014 and declined 26.7% in 2015, compared to 2014. The weak operating environment has continued into 2016, with gross gaming revenues in Macau declining approximately 11.8% on a year-over-year basis in the first two months of 2016, according to the DICJ.

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The mass market table games segment accounted for 39.5% of market-wide gross gaming revenues in 2015, compared to 35.4% for 2014, according to the DICJ. Melco Crown Entertainment, with its large exposure to the mass market table games segment in the fast growing Cotai region, is well positioned to cater to this increasingly important, and more profitable, segment of the market.

Despite these matters, we believe the long-term growth in gaming and non-gaming revenues in Macau are supported by, among other things, the continuing emergence of a wealthier demographic in China, a robust regulatory framework, and significant new infrastructure developments within Macau and China, as well as by the anticipated new supply of gaming and non-gaming facilities in Macau, which is predominantly focused on the Cotai region. Visitation to Macau totaled more than 30.7 million visitors in 2015, declined 2.6% compared to 2014. While visitors from China represented 66.5%, declined by 4% compared to 2014, visitors from Hong Kong and Taiwan represented 21.3% and 3.2%, of all visitors to Macau in 2015, respectively.

Gaming in Macau is administered through government-sanctioned concessions awarded to three different concessionaires: SJM, which is a company listed on the HKSE in which Mr. Lawrence Ho, our co-chairman and chief executive officer, and his family members have shareholding interests; Wynn Macau, a subsidiary of Wynn Resorts Ltd.; and Galaxy, a consortium of Hong Kong and Macau businessmen. SJM has granted a subconcession to MGM Grand Paradise, which was originally formed as a joint venture by MGM-Mirage and Ms. Pansy Ho, sister of Mr. Lawrence Ho. Galaxy has granted a subconcession to VML, a subsidiary of Las Vegas Sands Corporation, the developer of Sands Macao, The Venetian Macao and Sands Cotai Central. Melco Crown Macau obtained its subconcession under the concession of Wynn Macau.

SJM currently operates multiple casinos throughout Macau. SJM has extensive experience in operating in the Macau market and long-established relationships in Macau. SJM has begun construction of its new casino in Cotai which has been announced to open in 2017.

Wynn Macau opened the Wynn Macau in September 2006 on the Macau Peninsula. In addition they opened an extension to Wynn Macau called Encore in 2010. In 2012, Wynn Macau started the construction for a new casino in Cotai, which it expects to open in June 2016.

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.

VML, a subsidiary of Sands China Ltd., with a subconcession under Galaxy's concession, operates Sands Macao on the Macau peninsula, together with The Venetian Macao, the Plaza Casino at The Four Seasons Hotel Macao and the Sands Cotai Central, which are located in Cotai. Sands China Ltd. has announced proposals for the development of an additional Hotel tower at Sands Cotai Central in Cotai and the opening of the Parisian in Cotai in the second half of 2016.

MGM Grand Paradise, with a subconcession under SJM's concession, opened the MGM Macau in December 2007, which is located next to Wynn Macau on the Macau Peninsula. MGM Grand Paradise has announced its intention to develop a new casino in Cotai and began its construction of additional project in February 2013 and has been announced to open in the first quarter of 2017.

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, as SJM and Galaxy have done. The Macau government has publicly stated that each concessionaire will only be permitted to grant one subconcession. Moreover, the Macau government announced that, until further assessment of the economic situation in Macau, there would be no increase in the number of concessions and subconcessions. The

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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 10 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 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 December 31, 2015 was 5,957. The Macau government has reiterated further that it does not intend to authorize the operation of any new casino that was not previously authorized by the government. However, the policies and laws of the Macau government could 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 to operate.

Philippine Gaming Market

We expect City of Dreams Manila to benefit from growth in local and regional gaming demand, supported by improved infrastructure and strong growth in tourism to the Philippines. The Philippines economy is one of the fastest growing economies in the region, with favorable demographics and an expected increase in consumer spending, which we believe will benefit the Philippine gaming market. City of Dreams Manila will face competition in the Philippine market from hotels and resorts owned by both Philippine nationals and foreigners, including many of the largest gaming, hospitality, leisure and resort companies in the world. In addition, PAGCOR, an entity owned and controlled by the government of Philippines operates certain gaming facilities across the Philippines.

Other Regional Markets

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

Singapore legalized casino gaming in 2006. Genting Singapore PLC opened its resort in Sentosa, Singapore in February 2010 and Las Vegas Sands Corporation opened its casino in Marina Bay, Singapore in April 2010. Despite these openings, Macau has continued to show healthy growth. In addition, several other Asian countries are considering or are in the process of legalizing gambling and establishing casino-based entertainment complexes.

Seasonality

Our principal market of operation, Macau experiences many peaks and seasonal effects. The “Golden Week” and “Chinese New Year” holidays are in general the key periods where business and visitation fluctuate considerably in Macau. In the Philippines, business considerably slows down during the “Holy Week”, as well as during the “Chinese New Year” and the “Chinese Ghost Month.” While we may experience fluctuations in revenues and cash flows from month to month, we do not believe that our business is materially impacted by seasonality.

Intellectual Property

We have applied for or registered numerous trademarks, including “Altira,” “Mocha Club,” “City of Dreams”, “City of Dreams Manila”, “Studio City”, “Melco Crown Entertainment” and “Melco Crown Philippines” in, as the case may be, Macau, the Philippines and other jurisdictions. We have also applied for or

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registered in Macau, the Philippines and other jurisdictions certain other trademarks and service marks used or to be used in connection with the operations of our hotel casino projects in Macau and City of Dreams Manila.

For our license or hotel management agreements that are required for our operations, see “Item 4. Information on the Company — C. Research and Development, Patents and Licenses, etc.”

Regulations

Macau Regulations

Gaming Regulations

The ownership and operation of casino gaming facilities in Macau are subject to the general civil and commercial laws and to specific gaming laws, in particular, the Macau Gaming Law. Macau’s gaming operations are also subject to the grant of a concession or subconcession by, and regulatory control of, the Macau government. See “— Gaming Licenses” below for more details.

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

- to collaborate in the definition of gaming policies;
- to supervise and monitor the activities of the concessionaires and subconcessionaires;
- to investigate and monitor the continuing suitability and financial capacity requirements of concessionaires, subconcessionaires and gaming promoters;
- to issue licenses to gaming promoters;
- to license and certify gaming equipment; and
- to issue directives and recommend practices with respect to the ordinary operation of casinos.

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

- If we violate the Macau Gaming Law, Melco Crown Macau’s subconcession could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, we, and the persons involved, could be subject to substantial fines for each separate violation of Macau Gaming Law or of the Subconcession Contract at the discretion of the Macau government. Further, if we terminate or suspend the operation of all or a part of our gaming operations without permission for reasons not due to *force majeure*, or in the event of insufficiency of our facilities and equipment which may affect the normal operation of our gaming business, the Macau government would be entitled to replace Melco Crown Macau during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, we would bear the expenses required for maintaining the normal operation of the conceded business.
- The Macau government also has the power to supervise subconcessionaires in order to assure financial stability and capability. See “— Gaming Licenses — The Subconcession Contract in Macau.”
- Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau government may be found unsuitable. Any stockholder of a Concessionaire or Subconcessionaire holding stock equal to or in excess of 5% of concessionaire or subconcessionaire stock capital who is found unsuitable will be required to dispose of such stock 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 stock must be acquired by the concessionaire or subconcessionaire. Melco Crown Macau will be subject to disciplinary action if, after it receives notice that a person is unsuitable to be a stockholder or to have any other relationship with it, Melco Crown Macau:
 - pays that person any dividend or interest upon its shares;

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- allows that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
 - pays remuneration in any form to that person for services rendered or otherwise; or
 - fails to pursue all lawful efforts to require that unsuitable person to relinquish his or her shares.
- The Macau government also requires prior approval for the creation of a lien over shares, the property comprising a casino and gaming equipment and utensils of a concession or subconcession holder. In addition, the creation of restrictions on its stock in respect of any public offering also requires the approval of the Macau government to be effective.
 - The Macau government must give its prior approval to changes in control through a merger, consolidation, stock or asset acquisition, or any act or conduct by any person whereby he or she obtains such control. Entities seeking to acquire control of a concessionaire or subconcessionaire must satisfy the Macau government concerning a variety of stringent standards prior to assuming control. The Macau government may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated for suitability as part of the approval process of the transaction.

Non-compliance with these obligations could lead to the revocation of Melco Crown Macau's subconcession and could materially adversely affect our gaming operations.

The Macau government has also enacted other gaming legislation, rules and policies. For example, the Macau government regulates gaming promoters. See “— Regulations Relating to Gaming Promoters” below. Further, it imposed 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 and other matters. Our inability to address the requirements or restrictions imposed by the Macau government under such legislation or rules could adversely affect our gaming operations.

Regulations Relating to Gaming Promoters

Macau Administrative Regulation no. 6/2002, as amended pursuant to Administrative Regulation no. 27/2009 (the “Gaming Promoters Regulation”), regulates licensing of gaming promoters and the operations of gaming promotion business by gaming promoters. Gaming promoters' applications to the DICJ must be sponsored by a concessionaire or subconcessionaire who will confirm that it may contract the applicant's services upon 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 employees and collaborators. In October 2015, the DICJ issued specific accounting related instructions applicable to gaming promoters and the operations of gaming promoters business. Any failure by the gaming promoters to comply with such instructions may impact their license and ability to operate in Macau.

In addition, concessionaires and subconcessionaires are jointly liable for the activities of their gaming promoters and collaborators within their casinos. In addition to the licensing and suitability assessment process performed by the DICJ, all of our gaming promoters undergo a thorough internal vetting process. We conduct background checks and also conduct 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 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, of

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September 11, 2009 a commission cap of 1.25% of net rolling was imposed. 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 up to MOP500,000) on gaming operators that do not comply with the cap and other fines (ranging from MOP50,000 up to MOP250,000) 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 we have implemented the necessary internal control systems to ensure compliance with the commission cap and reporting obligations in accordance with applicable rules and regulations.

Gaming Credit Regulations

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

Smoking Regulation in Macau

Effective October 2014, under the Smoking Prevention and Tobacco Control Law smoking is not permitted in casino premises, except for an area of up to 50% (fifty percent) of the casino area opened to the public as determined by Dispatch of the Chief Executive. Smoking in general access gaming areas would only be permitted in smoking lounges with no gaming activity. Smoking in limited access gaming areas would be subject to prior authorization from the Macau Chief Executive. The Smoking Prevention and Tobacco Control Law is under review by the Macau government.

Anti-Money Laundering Regulations in Macau

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 2/2006, the Administrative Regulation 7/2006 and the DICJ Instruction 2/2006 govern our compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at our casinos. Under these laws and regulations, we are required to:

- identify any customer or transaction where there is a sign of money laundering or financing of terrorism or which involves significant sums of money in the context of the transaction, even if any sign of money laundering is absent;
- refuse to deal with any of our customers who fail to provide any information requested by us;
- keep records on the identification of a customer for a period of five years;
- notify the Finance Information Bureau if there is any sign of money laundering or financing of terrorism; 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 7/2006 and the DICJ Instruction 2/2006, we are required to track and mandatorily report cash transactions and granting of credit in a minimum amount of MOP500,000

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(equivalent to approximately US\$62,000). Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, we may continue to deal with those customers that we reported to the DICJ and, in case of suspicious transactions, to the Finance Information Bureau.

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

We have developed comprehensive anti-money laundering policies and related procedures covering our anti-money laundering responsibilities and have training programs in place to ensure that all relevant employees understand such anti-money laundering policies and procedures. We also use 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. We also train our staff on identifying and following correct procedures for reporting “suspicious transactions” and make our guidelines and training modules available for our employees on our intranet and internet sites.

The DICJ is currently undertaking a review of its anti-money laundering instructions and guidelines that are expected to be completed during the second quarter of 2016. The revised instructions and guidelines when issued are expected to be more stringent than the current instructions and guidelines. We expect to revise our internal anti-money laundering policies and related procedures as well as conduct additional training programs for our relevant employees upon the issuance of such new instructions and guidelines.

Prevention and Suppression of Corruption in External Trade

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, a new law (Law no. 10/2014), criminalizing corruption acts in external trade and providing for a system for prevention and suppression of such criminal acts came into effect in Macau. Our internal policies, namely the Code of Business Conduct and Ethics and Ethical Business Practices Program address this issue.

Labor Quotas

All businesses in Macau must apply to the Macau Human Resources Office for labor quotas to import non-resident skilled workers from China and other regions or countries. Businesses are free to employ Macau residents in any position, as by definition all Macau residents have the right to work in Macau. We have, through our subsidiaries, two main groups of labor quotas in Macau, one to import non-skilled workers from China and the other to import non-skilled workers from all other countries. Melco Crown Macau is required by law to employ only Macau residents as dealers and supervisors. Non-resident skilled workers are also subject to authorization by the Macau Human Resources Office, which is given individually on a case-by-case basis.

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

Land Use Rights in Macau

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

Our subsidiaries have entered into land concession contracts for the land on which our Altira Macau, City of Dreams and Studio City are located. Each contract has a term of 25 years and is renewable for further consecutive periods of 10 years and imposes, among other conditions, a development period, a land premium

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payment, a nominal annual government land use fee, which may be adjusted every five years, and a guarantee deposit upon acceptance of the land lease terms, which are subject to adjustments from time to time in line with the amounts paid as annual land use fees.

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

Restrictions on Distribution of Profits

All subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the boards of directors of the relevant subsidiaries. As of December 31, 2015, the balance of the reserve of all our Macau subsidiaries amounted to US\$31.2 million.

Philippines Regulations

Gaming Regulations

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

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

The CRM contains regulations and standards that the Entertainment City Licensees, including City of Dreams Manila, should adhere to and observe. It should be read in conjunction with the Regular License. It contains regulations on areas such as, but not limited to: casino layout, table games and electronic gaming machines, casino management system, surveillance, gaming chips and plaques, procurement of gaming equipment and gaming paraphernalia as well as the accreditation of suppliers thereof; casino operational rules and guidelines; conduct of gaming; casino player incentives; marketing and promotions; chipwashing and junket operations; banned personalities; determination of gross gaming revenues for table games, electronic gaming machines and other fees; and determination, collection and remittance of PAGCOR license fees. The CRM is annually revised to incorporate changes and revisions to the CRM proposed by any of the Entertainment City Licensees and approved by PAGCOR. To date, the CRM is now on its fourth (4th) version.

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

Anti-Money Laundering Regulations in the Philippines

The Anti-Money Laundering Act, as amended (“AMLA”) criminalized money laundering and imposed certain requirements on customer identification, record keeping, and reporting of covered and suspicious transactions by covered persons as defined under the law.

At present, AMLA does not include casinos in its definition of covered persons who are subjected to certain reporting requirements but does include foreign exchange transactions/money changer activities. Therefore, City of Dreams Manila, in relation to its foreign exchange transactions/money changer activities, is required to report single transactions in cash or other equivalent monetary instrument involving a total amount in excess of PHP 500,000 within one (1) banking day and suspicious transactions to the Anti-Money Laundering Council.

There is a pending bill in the Philippine Congress seeking to amend the AMLA to include casinos within its coverage. With the recently reported incident of AMLA violation allegedly involving certain casinos in the Philippines, it is possible that the Philippine Congress will take a more aggressive stance to include casinos in the definition of covered persons under the AMLA.

Environmental Laws

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

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

Other Applicable Laws

Foreign Corrupt Practices Act

The FCPA prohibits our Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any foreign official. The Code includes specific FCPA related provisions in Section IV and VIII B of the Code. To further supplement the Code, our Company implemented a FCPA Compliance Program in 2007, which was revised and expanded in scope in December 2013 as the Ethical Business Practices Program. This covers the activities of the shareholders, directors, officers, employees, and counterparties of our Company.

Gaming Licenses

The Concession Regime in Macau

The Macau government conducted an international tender process for gaming concessions in Macau in 2001, and granted three gaming concessions to Galaxy, SJM and Wynn Macau, respectively. Upon authorization by the Macau government, each of Galaxy, SJM and Wynn Macau subsequently entered into subconcession contracts with their respective subconcessionaires to operate casino games and other games of chance in Macau.

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No further granting of subconcessions is permitted unless specifically authorized by the Macau government. Though there are no restrictions on the number of casinos or gaming areas that may be operated under each concession or subconcession, Macau government approval is required for the commencement of operations of any casino or gaming area.

The subconcessionaires that entered into subconcession contracts with Wynn Macau, SJM and Galaxy are Melco Crown Macau, MGM Grand Paradise and VML, respectively. Our subsidiary, Melco Crown Macau, executed the Subconcession Contract with Wynn Macau on September 8, 2006. Wynn Macau will continue to develop and run hotel operations and casino projects independent of ours.

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

- MOP30 million (equivalent to approximately US\$3.7 million) per annum fixed premium;
- MOP300,000 (equivalent to approximately US\$37,437) per annum per VIP gaming table;
- MOP150,000 (equivalent to approximately US\$18,719) per annum per mass market gaming table; and
- MOP1,000 (equivalent to approximately US\$125) per annum per electric or mechanical gaming.

The Macau government began considering the renewal of the concessions and subconcessions. As part of such efforts, the Macau government carried out a mid-term review in mid-2015, which was conducted 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.

The Subconcession Contract in Macau

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

Melco Crown Macau paid a consideration of US\$900 million to Wynn Macau. On September 8, 2006, Melco Crown Macau was granted the right to operate games of fortune and chance or other games in casinos in Macau, for a period of 16 years until the expiration of the subconcession on June 26, 2022. No further payments need to be made to Wynn Macau in future operations.

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

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

Development of Gaming Projects/Financial Obligations. The Subconcession Contract requires us to make a minimum investment in Macau of MOP4.0 billion (equivalent to approximately US\$499.2 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, we obtained confirmation from the Macau government that as of the date of the confirmation, we had invested over MOP4.0 billion (equivalent to approximately US\$499.2 million) in our projects in Macau.

Payments. Subconcession premiums and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the Macau government. The method for computing these fees and taxes may be changed from time to time by the Macau government. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly or annually and are based upon either a percentage of the gross revenues or the number and type of gaming devices operated. In addition to special gaming taxes of 35% of gross gaming revenues, we are also required to contribute to the Macau government an amount equivalent to 1.6% of the gross 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, we are 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. We are required to collect and pay, through withholding, statutory taxes on commissions or other remunerations paid to gaming promoters.

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

- the operation of gaming without permission or operation of business which does not fall within the business scope of the subconcession;
- abandonment of approved business or suspension of operations of our gaming business in Macau without reasonable grounds for more than seven consecutive days or more than 14 non-consecutive days within one calendar year;
- transfer of all or part of Melco Crown Macau's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval;
- failure to pay taxes, premiums, levies or other amounts payable to the Macau government;
- refusal or failure to resume operations following the temporary assumption of operations by the Macau government;
- repeated opposition to the supervision and inspection by the Macau government and failure to comply with decisions and recommendations of the Macau government, especially those of the DICJ, applicable to us;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;

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- bankruptcy or insolvency of Melco Crown Macau;
- fraudulent activity harming public interest;
- serious and repeated violation of the applicable rules for carrying out casino games of chance or games of other forms or damage to the fairness of casino games of chance or games of other forms;
- systematic non-compliance with the Macau Gaming Law's basic obligations;
- the grant to any other person of any managing power over the gaming business of Melco Crown Macau or the grant of a subconcession or entering into any agreement to the same effect; or
- failure by a controlling shareholder in Melco Crown Macau to dispose of its interest in Melco Crown Macau, within 90 days from the date of the authorization given by the Macau government for such disposal, pursuant to written instructions received from the regulatory authority of a jurisdiction where the said shareholder is licensed to operate, which have had the effect that such controlling shareholder now wishes to dispose of the shares it owns in Melco Crown Macau.

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

- any person who directly acquires voting rights in Melco Crown Macau will be subject to authorization from the Macau government;
- Melco Crown Macau will be required to take the necessary measures to ensure that any person who directly or indirectly acquires more than 5% of the shares in Melco Crown Macau would be subject to authorization from the Macau government, except when such acquisition is wholly made through the shares of publicly listed companies;
- any person who directly or indirectly acquires more than 5% of the shares in Melco Crown Macau will be required to report the acquisition to the Macau government (except when such acquisition is wholly made through shares tradable on a stock exchange as a publicly listed company);
- the Macau government's prior approval would be required for any recapitalization plan of Melco Crown Macau; and
- the Chief Executive of Macau could require the increase of Melco Crown Macau'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 us with at least one year's prior notice. In the event the Macau government exercises this redemption right, we would be entitled to fair compensation or indemnity. The standards for the calculation of the amount of such compensation or indemnity 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 term of the subconcession. We would not receive any further compensation (including for consideration paid to Wynn 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 "Item 3. Key Information — D. Risk Factors — Risks Relating to the Gaming Industry in Macau — Melco Crown Macau's Subconcession Contract expires in 2022 and if we were unable to secure an extension of its subconcession in 2022 or if the Macau government were to exercise its redemption right from 2017, we would be unable to operate casino gaming in Macau."

PAGCOR Licenses in the Philippines

The Regular License issued by PAGCOR authorizes the Licensees, through MCE Leisure Philippines, to establish and operate a casino in the Philippines for both local and foreign patrons who are at least twenty-one years of age.

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

- to pay license fees monthly to PAGCOR;
- not to exceed a 70:30 debt-to-equity ratio for each of the Philippine Licensees;
- to hire locally at least 95.0% of total employees of City of Dreams Manila;
- to remit 2.0% of certain casino revenues to a foundation devoted to the restoration of cultural heritage and 5.0% of certain non-gaming revenues to PAGCOR; and
- to operate only the authorized casino games approved by PAGCOR.

See “Item 3. Key Information – D. Risk Factors – Risks Relating to the Gaming Industry and Our Business in the Philippines – MCP’s gaming operations are dependent on the Regular License issued by PAGCOR.”

Tax

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

Our subsidiaries incorporated in the British Virgin Islands are not subject to tax in the British Virgin Islands, but certain subsidiaries incorporated in the British Virgin Islands are subject to Macau complementary tax of 12% on profits earned in or derived from its activities conducted in Macau.

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of up to 12% on profits earned in or derived from their activities conducted in Macau. Having obtained a subconcession, Melco Crown Macau has applied for and has been granted the benefit of a corporate tax holiday on Macau complementary tax (but not gaming tax) in 2007, which exempted us from paying the Macau complementary tax for five years from 2007 to 2011 on gaming profits generated by Altira Macau, Mocha Clubs and City of Dreams. In April 2011, the Macau government extended the tax holiday for an additional five years through 2016. In addition, in January 2015, the Macau government approved the application by one of our subsidiaries in Macau for complementary tax exemption until 2016 on profits generated from income received from Melco Crown Macau, to the extent that such income results from gaming operations within Studio City and have been subject to gaming tax. The Macau government clarified that dividend distributions by such subsidiary would continue to be subject to complementary tax. We remain subject to Macau complementary tax on our non-gaming profits.

In addition, during the 5-year extension of the corporate tax holiday, an annual lump sum of MOP22.4 million (equivalent to approximately US\$2.8 million) is payable by Melco Crown Macau, effective from 2012 through 2016, with respect to tax due for dividend distributions to the shareholders of Melco Crown Macau from gaming profits, whether such dividends are actually distributed by Melco Crown Macau or not or whether Melco Crown Macau has distributable profits in the relevant year. With the payment of such lump sum, the shareholders of Melco Crown Macau will not be liable to pay any other tax in Macau for dividend distributions from gaming profits. We cannot assure you that the corporate tax holiday benefits and these arrangements will be applied beyond the expiration date of the corporate tax holiday and in case the same arrangement applies, whether we will be required to pay a higher annual sum.

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Melco Crown Macau is subject to Macau gaming tax based on gross gaming revenue in Macau. These gaming taxes are an assessment on Melco Crown Macau's gaming revenue and are recorded as an expense within the "Casino" line item in the consolidated statements of operations.

The Macau government has granted to Altira Hotel, in 2007, and Melco Crown (COD) Hotels, in 2011 and 2013, the declaration of utility purposes benefit in respect of Altira Macau, Hard Rock Hotel, Crown Towers hotel and Grand Hyatt Macau hotel, pursuant to which they are entitled to a property tax holiday, for a period of 12 years, on any immovable property that they own or have been granted. Under such declaration of utility purposes benefit, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau complementary tax. Whilst the Altira Macau and City of Dreams properties are owned by Altira Developments and Melco Crown (COD) Developments, respectively, we believe they are entitled to such property tax holiday, however, there is no assurance that the Macau government will extend us such benefit.

The Macau government has also granted to Altira Hotel and Melco Crown (COD) Hotels a declaration of utility purposes benefit on specific vehicles purchased, pursuant to which they were entitled to a vehicle tax holiday, provided that there is no change in use or disposal of those vehicles within five years from the date of purchase. The relevant applicable legal provision has been amended in 2015 and there shall be no further grant of vehicle tax holiday by the Macau government.

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax of 16.5% on any profits arising in or derived from Hong Kong. One of our subsidiaries incorporated in Hong Kong is also subject to Macau complementary tax on profits earned in or derived from its activities conducted in Macau and another one is subject to corporate tax on profits in a number of other Asian jurisdictions through its activities conducted in these jurisdictions.

Our subsidiaries incorporated in the Philippines are subject to Philippine corporate income tax of 30% on profits and other local taxes. Some of the subsidiaries are likewise liable for VAT on certain transactions. MCE Leisure Philippines is subject to license fees payable to PAGCOR based on gross gaming revenue in the Philippines. These license fees are an assessment on MCE Leisure Philippines' gaming revenue and are recorded as an expense within the "Casino" line item in the consolidated statements of operations. Further, MCE Leisure Philippines, by virtue of its being registered with the Philippine Economic Zone Authority as a Tourism Economic Zone Enterprise, enjoys a tax and duty exemption on importation and VAT zero-rating on its local purchases of certain capital equipment used in registered activities.

C. ORGANIZATIONAL STRUCTURE

We are a holding company for the following principal businesses and developments: (1) 100% economic interest in our Macau gaming subconcession holder, Melco Crown Macau, which is the operator of our gaming and non-gaming businesses in various properties in Macau; (2) a majority equity and economic interest in SCI, the holding company of Studio City; and (3) a majority equity and economic interest in MCP, a company listed on the Philippine Stock Exchange, the holding company of City of Dreams Manila.

The following diagram illustrates our organizational structure, and the place of formation, ownership interest and affiliation of each of our significant subsidiaries, as of April 5, 2016:



Notes:

- (1) The treasury shares represent i) new shares issued by us and held by the depository bank to facilitate the administration and operations of our share incentive plans, and are to be delivered to the directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options; ii) the shares purchased under a trust arrangement for the benefit of certain beneficiaries who are awardees under our share incentive plan adopted on October 6, 2011 by our Company, or the 2011 Share Incentive Plan and held by a trustee to facilitate the future vesting of restricted shares in selected directors, employees and consultants under our 2011 Share Incentive Plan. For a description of our share incentive plans, see “Item 6. Directors, Senior Management and Employees — E. Share Ownership — Share Incentive Plans”; and (iii) the shares repurchased by us under the stock repurchase programs adopted by our board of directors on August 7, 2014 and May 20, 2015, respectively, pending for retirement.

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- (2) The shares of these companies are owned 96% by Melco Crown Macau and 4% by MPEL Nominee Two Limited.
- (3) Five shares of this company (representing less than 0.01% of the total issued share capital of the company) are owned by 5 nominee directors.
- (4) The shares of this company is owned 0.01% by MPEL Nominee Two Limited and 0.01% by MPEL Nominee Three Limited.

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

D. PROPERTY, PLANT AND EQUIPMENT

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

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

Overview

We are a holding company and, through our subsidiaries, develop, own and operate casino gaming and entertainment casino resort facilities in Asia. Our future operating results are subject to significant business, economic, regulatory and competitive uncertainties and risks, many of which are beyond our control. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations.” For detailed information regarding our operations and development projects, see “Item 4. Information on the Company — B. Business Overview.”

A. OPERATING RESULTS

Operations

Our primary business segments consist of:

City of Dreams

City of Dreams, as of December 31, 2015, operated approximately 500 gaming tables and approximately 1,250 gaming machines, and approximately 1,400 hotel rooms and suites, over 30 restaurants and bars, approximately 70 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons and banquet and meeting facilities. A wet stage

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performance theater with approximately 2,000 seats features The House of Dancing Water produced by Franco Dragone. The Club Cubic nightclub features approximately 2,434 square meters (equivalent to approximately 26,200 square feet) of live entertainment space. City of Dreams targets premium market and rolling chip players from regional markets across Asia.

We are expanding our retail precinct at City of Dreams, which is anticipated to open in mid-2016. We are also developing the fifth hotel tower at City of Dreams.

For the years ended December 31, 2015, 2014 and 2013, net revenues generated from City of Dreams amounted to US\$2,794.7 million, US\$3,848.6 million and US\$3,857.0 million representing 70.3%, 80.1% and 75.8% of our total net revenues, respectively.

Altira Macau

Altira Macau, as of December 31, 2015, operated approximately 124 gaming tables and 62 gaming machines, approximately 230 hotel rooms, several fine dining and casual restaurants and recreation and leisure facilities. Altira Macau is designed to provide a casino and hotel experience that caters to Asian rolling chip players sourced primarily through gaming promoters. For the years ended December 31, 2015, 2014 and 2013, net revenues generated from Altira Macau amounted to US\$574.8 million, US\$744.9 million and US\$1,033.8 million representing 14.5%, 15.5% and 20.3% of our total net revenues, respectively.

Studio City

On July 27, 2011, we acquired a 60% equity interest in SCI, the developer, owner and operator of Studio City. Studio City is a large-scale cinematically-themed integrated entertainment, retail and gaming resort located in Cotai, with gaming facilities, luxury hotel offerings, and various entertainment, retail and food and beverage outlets to attract a diverse range of customers, with a current focus on the mass market segment in Asia and, in particular, from Greater China. Studio City opened its doors to customers in October 2015. As of December 31, 2015, Studio City operated 200 gaming table and 1,175 gaming machines. Starting from January 1, 2016, Studio City operates a further of 50 gaming tables. For the years ended December 31, 2015, 2014 and 2013, net revenues generated from Studio City amounted to US\$125.3 million, US\$1.8 million and US\$1.1 million representing 3.2%, 0.04% and 0.02% of our total net revenues, respectively.

Mocha Clubs

As of December 31, 2015, we operated seven Mocha Clubs with a total of 1,259 gaming machines in operation. Mocha Clubs focus primarily on general mass market players, including day-trip customers, outside the conventional casino setting. For the years ended December 31, 2015, 2014 and 2013, net revenues generated from Mocha Clubs amounted to US\$136.2 million, US\$147.4 million and US\$148.7 million representing 3.4%, 3.1% and 2.9% of our total net revenues, respectively. The source of revenues was substantially all from gaming machines. For the years ended December 31, 2015, 2014 and 2013, gaming machine revenues represented 98.2%, 98.4% and 98.8% of net revenues generated from Mocha Clubs, respectively.

Corporate and Others

Corporate and Others primarily includes Taipa Square Casino, a casino on Taipa Island, Macau, operating within Hotel Taipa Square, which we operate under a right-to-use agreement, and other corporate costs. For the years ended December 31, 2015, 2014 and 2013, net revenues generated from Corporate and Others amounted to US\$43.4 million, US\$52.1 million and US\$46.6 million representing 1.1%, 1.1% and 0.9% of our total net revenues, respectively.

City of Dreams Manila

We completed the acquisition of a majority interest in the issued share capital of MCP on December 19, 2012 and completed the injection of the entire interest of MCE Leisure Philippines, which is the developer and

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operator of our Philippines casino hotel resort project, “City of Dreams Manila” in March 2013. City of Dreams Manila opened its doors to customers in December 2014, with a grand opening in the first quarter of 2015. As of December 31, 2015, City of Dreams Manila operated approximately 1,579 slot machines, 83 electronic table games and 261 gaming tables. It also includes three branded hotel towers, several entertainment venues and features a wide selection of regional and international food and beverage offerings as well as extended retail shops. For the years ended December 31, 2015 and 2014, net revenues generated from City of Dreams Manila amounted to US\$300.4 million and US\$7.6 million representing 7.6% and 0.2% of our total net revenues, respectively. No revenue was generated from City of Dreams Manila for the year ended December 31, 2013.

Summary of Financial Results

For the year ended December 31, 2015, our total net revenues were US\$3.97 billion, a decrease of 17.2% from US\$4.80 billion of net revenues for the year ended December 31, 2014. Net income attributable to Melco Crown Entertainment for the year ended December 31, 2015 was US\$105.7 million, as compared to net income of US\$608.3 million for the year ended December 31, 2014. The decline in profitability was primarily attributable to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau, partially offset by the net revenues generated by Studio City and City of Dreams Manila, which started operations in October 2015 and December 2014, respectively.

	Year Ended December 31,		
	2015	2014	2013
	<i>(in thousands of US\$)</i>		
Net revenues	\$ 3,974,800	\$ 4,802,309	\$ 5,087,178
Total operating costs and expenses	(3,876,385)	(4,116,949)	(4,247,354)
Operating income	98,415	685,360	839,824
Net income attributable to Melco Crown Entertainment	\$ 105,747	\$ 608,280	\$ 637,463

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

- On February 7, 2013, MCE Finance issued the 2013 Senior Notes
- On March 11, 2013, we completed the early redemption of the RMB Bonds in full
- On March 13, 2013, the cooperation agreement and the lease agreement between us and the Philippine Parties became effective
- On March 28, 2013, we completed the early redemption of our 2010 Senior Notes
- In April 2013, MCP completed the 2013 Top-up Placement, including the over-allotment option
- On January 24, 2014, MCE Leisure Philippines issued the Philippine Notes
- On June 24, 2014, MCP completed the 2014 Top-up Placement
- On July 28, 2014, we drew down the entire delayed draw term loan facility under the Studio City Project Facility
- On December 14, 2014, City of Dreams Manila started operations with its grand opening on February 2, 2015
- In June 2015, we completed an amendment to the 2011 Credit Facilities, known as the 2015 Credit Facilities, drew down the entire term loan facility under the 2015 Credit Facilities and repaid the entire outstanding balance of the 2011 Credit Facilities
- On October 27, 2015, Studio City started operations with its grand opening on the same date
- On November 18, 2015, we completed an amendment to the Studio City Project Facility
- On November 23, 2015, MCP completed the 2015 Private Placement

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate our casino operations, including table games and gaming machines:

- *Rolling chip volume*: the amount of non-negotiable chips wagered and lost by the rolling chip market segment.
- *Rolling chip win rate*: rolling chip table games win (calculated before discounts and commissions) as a percentage of rolling chip volume.
- *Mass market table games drop*: the amount of table games drop in the mass market table games segment.
- *Mass market table games hold percentage*: mass market table games win as a percentage of mass market table games drop.
- *Table games win*: the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues.
- *Gaming machine handle*: the total amount wagered in gaming machines.
- *Gaming machine win rate*: gaming machine win expressed as a percentage of gaming machine handle.

In the rolling chip market segment, customers purchase identifiable chips known as non-negotiable chips, or rolling chips, from the casino cage, and there is no deposit into a gaming table's drop box for rolling chips purchased from the cage. Rolling chip volume and mass market table games drop are not equivalent. Rolling chip volume is a measure of amounts wagered and lost. Mass market table games drop measures buy in. Rolling chip volume is generally substantially higher than mass market table games drop. As these volumes are the denominator used in calculating win rate or hold percentage, with the same use of gaming win as the numerator, the win rate is generally lower in the rolling chip market segment than the hold percentage in the mass market table games segment.

Our combined expected rolling chip win rate (calculated before discounts and commissions) across our properties is in the range of 2.7% to 3.0%.

We use the following KPIs to evaluate our hotel operations:

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

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

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Revenues

Our total net revenues for the year ended December 31, 2015 were US\$3.97 billion, a decrease of US\$0.83 billion, or 17.2%, from US\$4.80 billion for the year ended December 31, 2014. The decline in total net

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revenues was primarily attributable to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau primarily driven by deteriorating demand from Chinese players as well as restrictive policies, partially offset by the net revenues generated by Studio City and City of Dreams Manila, which started operations in October 2015 and December 2014, respectively.

Our total net revenues for the year ended December 31, 2015 consisted of US\$3.77 billion of casino revenues, representing 94.8% of our total net revenues, and US\$207.5 million of net non-casino revenues (total non-casino revenues after deduction of promotional allowances). Our total net revenues for the year ended December 31, 2014 comprised US\$4.65 billion of casino revenues, representing 96.9% of our total net revenues, and US\$148.1 million of net non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2015 were US\$3.77 billion, representing a US\$0.89 billion, or 19.1%, decrease from casino revenues of US\$4.65 billion for the year ended December 31, 2014, primarily due to a decrease in casino revenues at City of Dreams and Altira Macau of US\$1,049.1 million, or 28.2%, and US\$165.9 million, or 22.8%, respectively, primarily driven by deteriorating demand from Chinese players as well as restrictive policies, partially offset by an increase in casino revenues at City of Dreams Manila of US\$254.2 million since it started operations on December 14, 2014 and the casino revenues at Studio City of US\$94.4 million since it started operations on October 27, 2015.

Altira Macau. Altira Macau's rolling chip volume for the year ended December 31, 2015 was US\$23.8 billion, representing a decrease of US\$9.8 billion, or 29.2%, from US\$33.6 billion for the year ended December 31, 2014. The rolling chip win rate (calculated before discounts and commissions) was 2.83% for the year ended December 31, 2015, within our expected level of 2.7% to 3.0%, and increased from 2.76% for the year ended December 31, 2014. In the mass market table games segment, mass market table games drop was US\$616.1 million for the year ended December 31, 2015, representing a decrease of 18.6% from US\$756.7 million for the year ended December 31, 2014. The mass market table games hold percentage was 17.9% for the year ended December 31, 2015, demonstrating an increase from 15.8% for the year ended December 31, 2014. Average net win per gaming machine per day was US\$98 for the year ended December 31, 2015.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2015 of US\$44.0 billion represented a decrease of US\$38.1 billion, or 46.4%, from US\$82.1 billion for the year ended December 31, 2014. The rolling chip win rate (calculated before discounts and commissions) was 2.91% for the year ended December 31, 2015, in line with our expected range of 2.7% to 3.0%, and increased from 2.83% for the year ended December 31, 2014. In the mass market table games segment, mass market table games drop was US\$4.71 billion for the year ended December 31, 2015 which represented a decrease of US\$0.58 billion, or 11.0%, from US\$5.29 billion for the year ended December 31, 2014. The mass market table games hold percentage was 35.1% in the year ended December 31, 2015, while decreasing from 37.5% for the year ended December 31, 2014. Average net win per gaming machine per day was US\$404 for the year ended December 31, 2015, a decrease of US\$60, or 12.9%, from US\$464 for the year ended December 31, 2014.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day remained stable at US\$303 for both years ended December 31, 2015 and 2014.

Studio City. Studio City started operations on October 27, 2015. Mass market table games drop was US\$365.3 million and the mass market table games hold percentage was 22.4% for the year ended December 31, 2015. Average net win per gaming machine per day was US\$168 for the year ended December 31, 2015.

City of Dreams Manila. City of Dreams Manila started operations on December 14, 2014. City of Dreams Manila's rolling chip volume for the year ended December 31, 2015 was US\$3.3 billion. The rolling chip win rate (calculated before discounts and commissions) was 2.30% for the year ended December 31, 2015. Our expected range was 2.7% to 3.0%. In the mass market table games segment, mass market table games drop was US\$441.4 million and the mass market table games hold percentage was 26.3% for the year ended December 31, 2015. Average net win per gaming machine per day was US\$170 for the year ended December 31, 2015.

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Rooms. Room revenues (including the retail value of promotional allowances) for the year ended December 31, 2015 were US\$199.7 million, representing a US\$63.3 million, or 46.4%, increase from room revenues (including the retail value of promotional allowances) of US\$136.4 million for the year ended December 31, 2014. The increase was primarily due to the room revenues at City of Dreams Manila and Studio City since they started operations on December 14, 2014 and October 27, 2015, respectively. City of Dreams Manila has three hotels comprising Crown Towers hotel, Nobu Hotel and Hyatt City of Dreams Manila, which offer approximately 950 rooms in aggregate. Studio City consists of Celebrity Tower and the all-suite Star Tower, which offers approximately 1,600 guest rooms in total.

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

	Year Ended December 31,					
	2015	2014	2015	2014	2015	2014
	Average daily rate (US\$)		Occupancy rate		REVPAR (US\$)	
Altira Macau	212	232	98%	99%	209	229
City of Dreams	201	197	99%	99%	198	195
Studio City	136	—	98%	—	133	—
City of Dreams Manila	191	207	86%	63%	164	130

Food, beverage and others. Food, beverage and other revenues (including the retail value of promotional allowances) for the year ended December 31, 2015 included food and beverage revenues of US\$126.8 million and entertainment, retail and other revenues of US\$117.5 million. Food, beverage and other revenues (including the retail value of promotional allowances) for the year ended December 31, 2014 included food and beverage revenues of US\$84.9 million and entertainment, retail and other revenues of US\$108.4 million. The increase of US\$51.1 million in food, beverage and other revenues from the year ended December 31, 2014 to the year ended December 31, 2015 was primarily from a full year operation of City of Dreams Manila which features entertainment venues including DreamPlay by DreamWorks, Centerplay and two night clubs, and newly-opened Studio City with its attractions including Golden Reel, Batman Dark Flight, The House of Magic, as well as a vast array of food and beverage outlets. The increase was offset in part by the decrease in food, beverage and other revenues at City of Dreams mainly due to lower yield of rental income, lower food and beverage revenues and the decrease in ticket sales mainly from the decrease in visitation on certain non-gaming attractions and the temporary closure of TABOO show during the year ended December 31, 2015.

Operating costs and expenses

Total operating costs and expenses were US\$3.88 billion for the year ended December 31, 2015, representing a decrease of US\$240.6 million, or 5.8%, from US\$4.12 billion for the year ended December 31, 2014. The decrease in operating costs was in-line with the declined gaming volume and associated lower revenues at City of Dreams and Altira Macau, partially offset by operating costs from City of Dreams Manila and newly-opened Studio City and the provision of input value-added tax as well as no gain on disposal of assets held for sale for the year ended December 31, 2015.

Casino. Casino expenses decreased by US\$591.6 million, or 18.2%, to US\$2.65 billion for the year ended December 31, 2015 from US\$3.25 billion for the year ended December 31, 2014 primarily due to decrease in gaming tax and other levies and commission expenses at City of Dreams and Altira Macau, which decreased as a result of decreased gaming volume and an associated lower revenues, partially offset by the casino expenses at City of Dreams Manila and Studio City.

Rooms. Room expenses, which represent the costs of operating the hotel facilities were US\$23.4 million and US\$12.7 million for the years ended December 31, 2015 and 2014, respectively. The increase was primarily from the hotel operations in City of Dreams Manila and Studio City.

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Food, beverage and others. Food, beverage and other expenses were US\$120.8 million and US\$85.6 million for the years ended December 31, 2015 and 2014, respectively. The increase was primarily due to the payroll, performers' fee and other operating costs associated with City of Dreams Manila and Studio City, partially offset by the decrease in operating costs for the non-gaming attractions at City of Dreams, which was in-line with the decrease in business volumes.

General and administrative. General and administrative expenses increased by US\$72.2 million, or 23.2%, to US\$383.9 million for the year ended December 31, 2015 from US\$311.7 million for the year ended December 31, 2014, primarily due to the general and administrative expenses for City of Dreams Manila and Studio City since their openings.

Payments to the Philippine Parties. Payments to the Philippine Parties increased to US\$16.5 million for the year ended December 31, 2015 from US\$0.9 million for the year ended December 31, 2014, due to the full year operations of City of Dreams Manila in 2015.

Pre-opening costs. Pre-opening costs were US\$168.2 million for the year ended December 31, 2015 as compared to US\$94.0 million for the year ended December 31, 2014. Such costs relate primarily to personnel training, rental, marketing, advertising and administrative costs in connection with new or start-up operations. Pre-opening costs for the years ended December 31, 2015 and 2014 primarily related to the payroll expenses, rental, marketing, advertising and administrative costs in connection with Studio City and City of Dreams Manila. The increase was primarily due to the production cost for the short film "The Audition" and the increase in payroll expenses, marketing, advertising and other administrative costs associated with Studio City to cope with its opening on October 27, 2015, partially offset by the decrease in pre-opening costs in City of Dreams Manila, which started operations in December 2014 with the grand opening on February 2, 2015.

Development costs. Development costs were US\$0.1 million and US\$10.7 million for the years ended December 31, 2015 and 2014, respectively, which were predominantly for corporate business development.

Amortization of gaming subconcession. Amortization of our gaming subconcession continued to be recognized on a straight-line basis at an annual rate of US\$57.2 million for each of the years ended December 31, 2015 and 2014.

Amortization of land use rights. Amortization of land use rights expenses were US\$54.1 million and US\$64.5 million for the years ended December 31, 2015 and 2014, respectively. The decrease was primarily due to the extension of the estimated lease term of the land use rights in Macau since October 2015.

Depreciation and amortization. Depreciation and amortization expenses were US\$359.3 million and US\$246.7 million for the years ended December 31, 2015 and 2014, respectively. The increase was primarily due to the full year depreciation of assets at City of Dreams Manila and approximately two months of depreciation of assets at Studio City, partially offset by the decrease due to certain assets becoming fully depreciated at City of Dreams during the year ended December 31, 2015 and the extension of estimated useful life of building structures of Altira Macau and City of Dreams since October 2015.

Property charges and others. Property charges and others generally include costs related to the remodeling and rebranding of a property, which might include the retirement, disposal or write-off of assets. Property charges and others for the year ended December 31, 2015 were US\$38.1 million, which primarily included US\$30.3 million provision of input value-added tax primarily pertaining to certain construction of City of Dreams Manila, which is expected to be non-recoverable and US\$5.5 million termination costs as a result of departmental restructuring. Property charges and others for the year ended December 31, 2014 were US\$8.7 million, which primarily included assets write-off of US\$3.5 million on furniture, fixtures and equipment damaged by the typhoon in the Philippines and assets write-off and impairments of US\$3.2 million as a result of the remodel of non-gaming attractions at City of Dreams.

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Non-operating expenses, net

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

Interest income was US\$13.9 million for the year ended December 31, 2015, as compared to US\$20.0 million for the year ended December 31, 2014. The decrease was primarily due to lower level of deposits placed at banks during the year ended December 31, 2015.

Interest expenses were US\$118.3 million (net of capitalized interest of US\$134.8 million) for the year ended December 31, 2015, compared to US\$124.1 million (net of capitalized interest of US\$96.9 million) for the year ended December 31, 2014. The decrease in net interest expenses (net of interest capitalization) of US\$5.8 million was primarily due to: (i) higher interest capitalization of US\$37.9 million primarily associated with the Studio City and City of Dreams construction and development projects; (ii) lower interest charge of US\$2.5 million arisen from the refinancing of the 2011 Credit Facilities with 2015 Credit Facilities in late June 2015; partially offset by (iii) US\$35.0 million higher interest expenses on the term loan under the Studio City Project Facility drew in July 2014.

Other finance costs for the year ended December 31, 2015 of US\$45.8 million, included US\$38.5 million of amortization of deferred financing costs (net of capitalization of US\$5.5 million) and US\$7.3 million of loan commitment and other finance fees. Other finance costs for the year ended December 31, 2014 of US\$47.0 million, included US\$28.0 million of amortization of deferred financing costs (nil capitalization) and US\$19.0 million of loan commitment and other finance fees. The increase in amortization of deferred financing costs compared to the year ended December 31, 2014 was primarily due to the recognition of amortized deferred financing costs incurred for the term loan under the Studio City Project Facility drawn in July 2014, which were offset in part by the capitalization of amortization of deferred financing costs for the year. The decrease in loan commitment and other finance fees compared to the year ended December 31, 2014 was primarily associated with the drawdown of term loan under the Studio City Project Facility in July 2014.

Loss on extinguishment of debt for the year ended December 31, 2015 was US\$0.5 million, which mainly represented the unamortized deferred financing costs of the 2011 Credit Facilities that are not eligible for capitalization. There was no loss on extinguishment of debt for the year ended December 31, 2014.

Costs associated with debt modification for the year ended December 31, 2015 were US\$7.6 million, which mainly represented legal and professional fees incurred for the loan documentation amendment of Studio City Project Facility and refinancing the 2011 Credit Facilities with 2015 Credit Facilities that are not eligible for capitalization. There were no costs associated with debt modification for the year ended December 31, 2014.

Income tax expense

Income tax expense for the year ended December 31, 2015 was primarily attributable to a lump sum tax payable of US\$2.8 million in lieu of Macau Complementary Tax otherwise due by Melco Crown Macau's shareholders on dividends distributable to them by Melco Crown Macau and Hong Kong Profits Tax of US\$0.8 million, partially offset by a deferred tax credit of US\$2.8 million. The effective tax rate for the year ended December 31, 2015 was a negative rate of 1.7%, as compared to a positive rate of 0.6% for the year ended December 31, 2014. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of profits generated by gaming operations exempted from Macau Complementary Tax of US\$64.4 million and US\$109.2 million during the years ended December 31, 2015 and 2014, respectively, which is set to expire in 2016, the effect of change in valuation allowance, the effect of different tax rates of subsidiaries operating in other jurisdictions, and the effect of expenses for which no income tax benefit is receivable for the years ended December 31, 2015 and 2014. Our management currently does not expect to realize significant

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income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau and Philippines operations; however, to the extent that the financial results of our Macau and Philippines operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance through earnings.

Net loss attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests of US\$166.6 million for the year ended December 31, 2015, which compared to that of US\$80.9 million for the year ended December 31, 2014, was primarily due to the share of the Studio City expenses of US\$104.3 million and City of Dreams Manila expenses of US\$62.3 million, respectively, by the respective minority shareholders for the year ended December 31, 2015. The year-over-year increase was primarily attributable to the increase in noncontrolling interests' share of Studio City's pre-opening costs, depreciation and amortization and other operating costs as well as the share of City of Dreams Manila's operating costs and financing costs mainly due to lower interest capitalization, partially offset by the share of net revenues generated by Studio City and City of Dreams Manila.

Net income attributable to Melco Crown Entertainment

As a result of the foregoing, we had net income of US\$105.7 million for the year ended December 31, 2015, compared to US\$608.3 million for the year ended December 31, 2014.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenues

Our total net revenues for the year ended December 31, 2014 were US\$4.80 billion, a decrease of US\$284.9 million, or 5.6%, from US\$5.09 billion for the year ended December 31, 2013. The decline in total net revenues was primarily attributable to lower group-wide rolling chip revenues primarily driven by deteriorating demand from Chinese players as well as restrictive policies including changes to travel and visa policies, partially offset by improved group-wide mass market table games revenues.

Our total net revenues for the year ended December 31, 2014 consisted of US\$4.65 billion of casino revenues, representing 96.9% of our total net revenues, and US\$148.1 million of net non-casino revenues (total non-casino revenues after deduction of promotional allowances). Our total net revenues for the year ended December 31, 2013 comprised US\$4.94 billion of casino revenues, representing 97.1% of our total net revenues, and US\$145.7 million of net non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2014 were US\$4.65 billion, representing a US\$287.3 million, or 5.8%, decrease from casino revenues of US\$4.94 billion for the year ended December 31, 2013, primarily due to a decrease in casino revenues at Altira Macau and City of Dreams of US\$290.3 million, or 28.5%, and US\$6.9 million, or 0.2%, respectively, partially offset by the casino revenue at City of Dreams Manila of US\$6.7 million since it started operations on December 14, 2014. The overall decrease was primarily a result of decreased rolling chip volume and rolling chip win rate at both Altira Macau and City of Dreams, primarily driven by deteriorating demand from Chinese players as well as restrictive policies including changes to travel and visa policies, partially offset by improved blended mass market table games drop and blended mass table games hold percentage.

Altira Macau. Altira Macau's rolling chip volume for the year ended December 31, 2014 was US\$33.6 billion, representing a decrease of US\$11.3 billion, or 25.2%, from US\$44.9 billion for the year ended December 31, 2013. The rolling chip win rate (calculated before discounts and commissions) was 2.76% for the year ended December 31, 2014, within our expected level of 2.7% to 3.0%, while decreasing from 2.96% for the year ended December 31, 2013. In the mass market table games segment, mass market table games drop was

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US\$756.7 million for the year ended December 31, 2014, representing an increase of 4.5% from US\$724.0 million for the year ended December 31, 2013. The mass market table games hold percentage was 15.8% for the year ended December 31, 2014, a slight increase from 15.4% for the year ended December 31, 2013.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2014 of US\$82.1 billion represented a decrease of US\$14.9 billion, or 15.4%, from US\$97.0 billion for the year ended December 31, 2013. The rolling chip win rate (calculated before discounts and commissions) was 2.83% for the year ended December 31, 2014, in line with our expected range of 2.7% to 3.0%, while decreasing from 2.95% for the year ended December 31, 2013. In the mass market table games segment, mass market table games drop was US\$5.29 billion for the year ended December 31, 2014 which represented an increase of US\$0.63 billion, or 13.5%, from US\$4.66 billion for the year ended December 31, 2013. The mass market table games hold percentage was 37.5% in the year ended December 31, 2014, demonstrating an increase from 34.6% for the year ended December 31, 2013. Average net win per gaming machine per day was US\$464 for the year ended December 31, 2014, an increase of US\$103, or 28.5%, from US\$361 for the year ended December 31, 2013.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2014 was US\$303, an increase of approximately US\$91, or 42.9%, from US\$212 for the year ended December 31, 2013.

Rooms. Room revenues (including the retail value of promotional allowances) for the year ended December 31, 2014 were US\$136.4 million, representing a US\$8.8 million, or 6.9%, increase from room revenues (including the retail value of promotional allowances) of US\$127.7 million for the year ended December 31, 2013. The increase was primarily due to improved occupancy and the positive impact from the increase in average daily rate. Altira Macau's average daily rate, occupancy rate and REVPAR were US\$232, 99% and US\$229, respectively, for the year ended December 31, 2014, as compared to US\$230, 99% and US\$227, respectively, for the year ended December 31, 2013. City of Dreams' average daily rate, occupancy rate and REVPAR were US\$197, 99% and US\$195, respectively, for the year ended December 31, 2014, as compared to US\$189, 97% and US\$183, respectively, for the year ended December 31, 2013.

Food, beverage and others. Food, beverage and other revenues (including the retail value of promotional allowances) for the year ended December 31, 2014 included food and beverage revenues of US\$84.9 million and entertainment, retail and other revenues of US\$108.4 million. Food, beverage and other revenues (including the retail value of promotional allowances) for the year ended December 31, 2013 included food and beverage revenues of US\$78.9 million, and entertainment, retail and other revenues of US\$103.7 million. The increase of US\$10.7 million in food, beverage and other revenues from the year ended December 31, 2013 to the year ended December 31, 2014 was primarily due to higher business volumes and improved yield of rental income at City of Dreams.

Operating costs and expenses

Total operating costs and expenses were US\$4.12 billion for the year ended December 31, 2014, representing a decrease of US\$130.4 million, or 3.1%, from US\$4.25 billion for the year ended December 31, 2013. The decrease in operating costs was primarily due to a decrease in operating costs at Altira Macau, which were in-line with the decreased gaming volume and associated decrease in revenues, a decrease in development costs, the gain on disposal of assets held for sale, partially offset by increase in general and administrative expenses and pre-opening costs to support expanding operations.

Casino. Casino expenses decreased by US\$206.3 million, or 6.0%, to US\$3.25 billion for the year ended December 31, 2014 from US\$3.45 billion for the year ended December 31, 2013 primarily due to decrease in gaming tax and other levies and commission expenses of US\$308.6 million, which decreased as a result of decreased gaming volume and an associated decrease in revenues, partially offset by an increase in payroll and other operating costs as well as complimentaries to gaming customers of US\$102.3 million.

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Rooms. Room expenses, which mainly represent the costs of operating the hotel facilities at Altira Macau and City of Dreams were US\$12.7 million and US\$12.5 million for the years ended December 31, 2014 and 2013, respectively. The slight increase was primarily due to an increase in payroll and other operating costs as a result of increased occupancy, partially offset by a higher level of complimentary hotel rooms offered to gaming customers for which the associated costs were included in casino expenses.

Food, beverage and others. Food, beverage and other expenses were US\$85.6 million and US\$93.3 million for the years ended December 31, 2014 and 2013, respectively. The decrease was primarily due to a higher level of complimentary food, beverage and others offered to gaming customers for which the associated costs were included in casino expenses, partially offset by an increase in payroll and other operating costs associated with the increase in revenues.

General and administrative. General and administrative expenses increased by US\$55.9 million, or 21.9%, to US\$311.7 million for the year ended December 31, 2014 from US\$255.8 million for the year ended December 31, 2013, primarily due to an increase in payroll expenses, share-based compensation, rental expenses, marketing and advertising expenses, as well as professional fees to support continuing and expanding operations.

Pre-opening costs. Pre-opening costs were US\$94.0 million for the year ended December 31, 2014 as compared to US\$17.0 million for the year ended December 31, 2013. Such costs relate primarily to personnel training, rental, marketing, advertising and administrative costs in connection with new or start-up operations. Pre-opening costs for the years ended December 31, 2014 and 2013 primarily related to the payroll expenses, rental and administrative costs in connection with City of Dreams Manila and Studio City. The increase was primarily due to the increase in payroll expenses and other administrative costs in City of Dreams Manila, mainly driven by the increase in headcount to cope with its opening on December 14, 2014.

Development costs. Development costs were US\$10.7 million for the year ended December 31, 2014, which predominantly related to professional and consultancy fees as well as marketing and promotion costs for corporate business development. Development costs for the year ended December 31, 2013 of US\$26.3 million primarily related to fees and costs associated with the corporate reorganization of MCP by the Company, as well as corporate business development.

Amortization of gaming subconcession. Amortization of our gaming subconcession continued to be recognized on a straight-line basis at an annual rate of US\$57.2 million for each of the years ended December 31, 2014 and 2013.

Amortization of land use rights. Amortization of land use rights expenses remained stable at US\$64.5 million and US\$64.3 million for the years ended December 31, 2014 and 2013, respectively.

Depreciation and amortization. Depreciation and amortization expenses were US\$246.7 million and US\$261.3 million for the years ended December 31, 2014 and 2013, respectively. The decrease was primarily due to certain assets becoming fully depreciated at City of Dreams and Altira Macau during the year ended December 31, 2014, offset in part by depreciation of assets at City of Dreams Manila, which started operations on December 14, 2014.

Property charges and others. Property charges and others generally include costs related to the remodeling and rebranding of a property, which might include the retirement, disposal or write-off of assets. Property charges and others for the year ended December 31, 2014 were US\$8.7 million, which primarily included assets write-off of US\$3.5 million on furniture, fixtures and equipment damaged by the typhoon in the Philippines and assets write-off and impairments of US\$3.2 million as a result of the remodel of non-gaming attractions at City of Dreams. Property charges and others for the year ended December 31, 2013 were US\$6.9 million, which primarily included a write-off of US\$3.0 million for the final payment in relation to a service contract at City of Dreams and assets write-off of US\$1.6 million as a result of the remodel of non-gaming attractions at City of Dreams.

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Gain on disposal of assets held for sale. Gain on disposal of assets held for sale of US\$22.1 million for the year ended December 31, 2014 related to the disposal of five units located at Golden Dragon Centre in Macau.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expenses, net of capitalized interest, amortization of deferred financing costs, loan commitment and other finance fees, foreign exchange (loss) gain, net, change in fair value of interest rate swap agreements, loss on extinguishment of debt and costs associated with debt modification, as well as other non-operating income, net.

Interest income was US\$20.0 million for the year ended December 31, 2014, as compared to US\$7.7 million for the year ended December 31, 2013. The increase was primarily driven by higher level of deposits placed at banks to yield higher interest income during the year ended December 31, 2014.

Interest expenses were US\$124.1 million (net of capitalized interest of US\$96.9 million) for the year ended December 31, 2014, compared to US\$152.7 million (net of capitalized interest of US\$31.0 million) for the year ended December 31, 2013. The decrease in net interest expenses (net of interest capitalization) of US\$28.6 million was primarily due to: (i) higher interest capitalization of US\$65.9 million primarily associated with the Studio City and City of Dreams Manila construction and development projects; (ii) a lower interest charge of US\$5.5 million as a result of the scheduled repayments of the term loan started from September 2013 and the repayment of the drawn revolving credit facility in late March 2013, both under the 2011 Credit Facilities; (iii) a lower interest charge of US\$4.3 million upon our repayment and redemption on the Deposit-Linked Loan and RMB Bonds in March 2013; (iv) lower interest charges of US\$1.1 million upon our redemption of our 2010 Senior Notes by our issuance of the lower interest rate 2013 Senior Notes in March 2013; partially offset by (v) US\$26.3 million higher interest expenses upon our drawdown of the term loan under the Studio City Project Facility in July 2014; (vi) US\$19.8 million higher interest expenses upon our issuance of the Philippine Notes in January 2014; and (vii) US\$5.8 million higher interest expenses on capital lease obligation relating to MCP's building lease payments entered in March 2013.

Other finance costs for the year ended December 31, 2014 of US\$47.0 million, included US\$28.0 million of amortization of deferred financing costs and US\$19.0 million of loan commitment and other finance fees. Other finance costs for the year ended December 31, 2013 of US\$43.8 million, included US\$18.2 million of amortization of deferred financing costs and US\$25.6 million of loan commitment and other finance fees. The increase in amortization of deferred financing costs compared to the year ended December 31, 2013 was primarily due to the recognition of amortized deferred financing costs incurred for the 2013 Senior Notes issued in February 2013, the Philippine Notes issued in January 2014 and the term loan under the Studio City Project Facility drawn in July 2014, which were offset in part by the cessation of amortization of deferred financing costs relating to the RMB Bonds and 2010 Senior Notes upon our redemption. The decrease in loan commitment and other finance fees compared to the year ended December 31, 2013 was primarily associated with the drawdown of term loan under the Studio City Project Facility in July 2014.

There was no loss on extinguishment of debt or costs associated with debt modification for the year ended December 31, 2014. Loss on extinguishment of debt for the year ended December 31, 2013 was US\$50.9 million, which mainly represented a portion of the 2010 Senior Notes redemption fees and unamortized deferred financing costs that are not eligible for capitalization.

Costs associated with debt modification for the year ended December 31, 2013 were US\$10.5 million, which mainly represented a portion of underwriting fee, legal and professional fees incurred for refinancing 2010 Senior Notes with 2013 Senior Notes that are not eligible for capitalization.

Income tax expense

Income tax expense for the year ended December 31, 2014 was primarily attributable to a lump sum tax payable of US\$2.8 million in lieu of Macau Complementary Tax otherwise due by Melco Crown Macau's shareholders on dividends distributable to them by Melco Crown Macau, Macau Complementary Tax of US\$2.8 million arising mainly due to a gain on disposal of assets held for sale and Hong Kong Profits Tax of US\$1.2 million, partially offset by a deferred tax credit of US\$4.5 million. No provision for income tax for certain subsidiaries of the Company in the Philippines for the years ended December 31, 2014 and 2013 and no provision for income tax in the United States of America for the year ended December 31, 2013 were provided as the subsidiaries incurred tax losses. The effective tax rate for the year ended December 31, 2014 was 0.6%, as compared to 0.4% for the year ended December 31, 2013. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of profits generated by gaming operations exempted from Macau Complementary Tax of US\$109.2 million and US\$125.7 million during the years ended December 31, 2014 and 2013, respectively, which is set to expire in 2016, the effect of change in valuation allowance, the effect of different tax rates of subsidiaries operating in other jurisdictions, and the effect of expenses for which no income tax benefit is receivable for the years ended December 31, 2014 and 2013. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau and Philippines operations; however, to the extent that the financial results of our Macau and Philippines operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance through earnings.

Net loss attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests of US\$80.9 million for the year ended December 31, 2014, which compared to that of US\$59.5 million for the year ended December 31, 2013, was primarily due to the share of the Studio City expenses of US\$40.0 million and City of Dreams Manila expenses of US\$40.9 million, respectively, by the respective minority shareholders for the year ended December 31, 2014. The year-over-year increase was primarily attributable to the noncontrolling interests' share of City of Dreams Manila's pre-operating expenses and financing costs during the year ended December 31, 2014 and the increase in the share of Studio City's pre-operating expenses, partially offset by the decrease in share of Studio City's financing costs mainly due to higher interest capitalization offset with the increase in interest expenses on the Studio City Project Facility, which was drawn in July 2014.

Net income attributable to Melco Crown Entertainment

As a result of the foregoing, we had net income of US\$608.3 million for the year ended December 31, 2014, compared to US\$637.5 million for the year ended December 31, 2013.

Adjusted Property EBITDA and Adjusted EBITDA

Our earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, gain on disposal of assets held for sale, Corporate and Others expenses and other non-operating income and expenses, or Adjusted property EBITDA were US\$932.0 million, US\$1,285.5 million and US\$1,379.1 million for the years ended December 31, 2015, 2014 and 2013, respectively. Adjusted property EBITDA of Altira Macau, City of Dreams and Mocha Clubs were US\$36.3 million, US\$798.5 million and US\$30.3 million, respectively, for the year ended December 31, 2015, US\$84.8 million, US\$1,165.6 million and US\$36.3 million, respectively, for the year ended December 31, 2014 and US\$147.3 million, US\$1,193.2 million and US\$40.2 million, respectively, for the year ended December 31, 2013. Studio City and City of Dreams Manila started operations on October 27, 2015 and December 14, 2014, respectively and recorded Adjusted property EBITDA of US\$11.6 million and US\$55.4 million, respectively, for the year ended December 31, 2015, negative US\$1.3 million and US\$6 thousand, respectively, for the year ended December 31, 2014, negative US\$1.1 million and negative US\$0.6 million, respectively, for the year ended December 31, 2013.

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Our earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, gain on disposal of assets held for sale and other non-operating income and expenses, or Adjusted EBITDA, were US\$816.2 million, US\$1,166.5 million and US\$1,287.8 million for the years ended December 31, 2015, 2014 and 2013, respectively.

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

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

Reconciliation of Adjusted EBITDA and Adjusted Property EBITDA to Net Income Attributable to Melco Crown Entertainment

	Year Ended December 31,		
	2015	2014	2013
	<i>(in thousands of US\$)</i>		
Adjusted property EBITDA	\$ 931,984	\$ 1,285,474	\$ 1,379,111
Corporate and Others expenses	(115,735)	(118,971)	(91,299)
Adjusted EBITDA	816,249	1,166,503	1,287,812
Payments to the Philippine Parties	(16,547)	(870)	—
Land rent to Belle Corporation	(3,476)	(3,562)	(3,045)
Pre-opening costs	(168,172)	(90,556)	(13,969)
Development costs	(110)	(10,734)	(26,297)
Depreciation and amortization	(470,634)	(368,394)	(382,806)
Share-based compensation	(20,827)	(20,401)	(14,987)
Property charges and others	(38,068)	(8,698)	(6,884)
Gain on disposal of assets held for sale	—	22,072	—
Interest and other non-operating expenses, net	(158,192)	(154,938)	(259,370)
Income tax expense	(1,031)	(3,036)	(2,441)
Net (loss) income	(60,808)	527,386	578,013
Net loss attributable to noncontrolling interests	166,555	80,894	59,450
Net income attributable to Melco Crown Entertainment	<u>\$ 105,747</u>	<u>\$ 608,280</u>	<u>\$ 637,463</u>

Critical Accounting Policies and Estimates

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

Property and Equipment and Other Long-lived Assets

During the development and construction stage of our casino gaming and entertainment casino resort facilities, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll benefit related costs, depreciation of plant and equipment used, 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.

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 casino gaming and entertainment casino resort facilities are completed and opened.

Property and equipment and other long-lived assets with a finite useful life are depreciated and amortized on a straight-line basis over the asset's estimated useful life. The estimated useful lives are based on factors including the nature of the assets, its relationship to other assets, our operating plans and anticipated use and other economic and legal factors that impose limits. The remaining estimated useful lives of the property and equipment are periodically reviewed. For the review of estimated useful lives of buildings of Altira Macau and City of Dreams, we considered factors such as the business and operating environment of gaming industry in Macau, laws and regulations in Macau and our anticipated usage of the buildings. As a result, effective from October 1, 2015, the estimated useful lives of certain buildings assets of Altira Macau and City of Dreams have been extended in order to reflect the estimated periods during which the buildings are expected to remain in service. The estimated useful lives of certain buildings assets of Altira Macau and City of Dreams were changed from 25 years to 40 years from the date the buildings are placed in service. The changes in estimated useful lives of these buildings assets have resulted in a reduction in depreciation of US\$5.8 million, an increase in net income attributable to Melco Crown Entertainment of US\$5.8 million and an increase in basic and diluted earnings per share of US\$0.004 for the year ended December 31, 2015.

Our land use rights in Macau under the land concession contracts for Altira Macau, City of Dreams and Studio City are being amortized over the estimated lease term of the land on a straight-line basis. The amortization of land use rights 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 rights were originally amortized over the initial term of 25 years, in which the expiry dates of the leases of the land use rights of Altira Macau, City of Dreams and Studio City are March 2031, August 2033 and October 2026, respectively. The estimated term of the leases are periodically reviewed. For the review of such estimated term of the leases under the applicable land concession contracts, we considered factors such as the business and operating environment of gaming industry in Macau,

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laws and regulations in Macau, and our development plans. As a result, effective from October 1, 2015, the estimated term of the leases under the land concession contracts for Altira Macau, City of Dreams and Studio City, in accordance with the relevant accounting standards, have been extended to April 2047, May 2049 and October 2055, respectively which aligned with the estimated useful lives of certain buildings assets of 40 years. The changes in estimated term of the leases under the applicable land concession contracts have resulted in a reduction in amortization of land use rights of US\$10.4 million, an increase in net income attributable to Melco Crown Entertainment of US\$6.8 million and an increase in basic and diluted earnings per share of US\$0.004 for the year ended December 31, 2015.

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

Our total capital expenditures for the years ended December 31, 2015, 2014 and 2013 were US\$1,455.8 million, US\$1,637.3 million and US\$912.4 million, respectively, of which US\$1,258.4 million, US\$1,312.7 million and US\$800.7 million, respectively, were attributable to our development and construction projects, with the remainder primarily related to the enhancements to our integrated resort offerings of our properties. The development and construction capital expenditures primarily related to the development and construction of Studio City during the years ended December 31, 2015, 2014 and 2013, to the development and construction of various projects at City of Dreams, including the fifth hotel tower during the year ended December 31, 2015, and to the development and construction of City of Dreams Manila during the years ended December 31, 2014 and 2013. Refer to note 24 to the consolidated financial statements included elsewhere in this annual report for further details of these capital expenditures.

We also evaluate the recoverability of our property and equipment and other long-lived assets with finite lives whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the carrying value of those assets to be held and used is 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 carrying value of the asset group exceeds the estimated undiscounted cash flows, we record an impairment loss to the extent the carrying value of the long-lived asset exceeds its fair value with fair value typically based on a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. All recognized impairment losses, whether for assets to be disposed of or assets to be held and used, are recorded as operating expenses.

No impairment loss was recognized during the years ended December 31, 2015 and 2013. During the year ended December 31, 2014, an impairment loss of US\$4.1 million was recognized mainly due to reconfiguration of the entertainment area at City of Dreams and renovation of the casinos at City of Dreams and Altira Macau.

Goodwill and Purchased Intangible Assets

We review the carrying value of goodwill and purchased intangible assets with indefinite useful lives, representing the trademarks of Mocha Clubs, that arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by our Company in 2006, for impairment at least on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To assess potential impairment of goodwill, we perform an assessment of the carrying value of our reporting units at least on an annual basis or when events and changes in circumstances occur that would more likely than not reduce the fair value of our reporting units below their carrying value. If the carrying value of a reporting unit exceeds its fair value, we would perform the second step in our assessment process and record an impairment loss to earnings to the extent the carrying amount of the reporting unit's goodwill exceeds its implied fair value. We estimate the fair value of

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our reporting units through internal analysis and external valuations, which utilize income and market valuation approaches through the application of capitalized earnings and discounted cash flow methods. These valuation techniques are based on a number of estimates and assumptions, including the projected future operating results of the reporting unit, discount rates, long-term growth rates and market comparables.

A detailed evaluation was performed as of December 31, 2015 and 2014 and each computed fair value of our reporting unit was in excess of the carrying amount, respectively. As a result of this evaluation, we determined that no impairment of goodwill existed as of December 31, 2015 and 2014.

Trademarks of Mocha Clubs are tested for impairment at least annually or when events occur or circumstances change that would more likely than not reduce their estimated fair value below their carrying value using the relief-from-royalty method and we determined that no impairment of trademarks existed as of December 31, 2015 and 2014. Under this method, we estimate the fair value of the trademarks through internal and external valuations, mainly based on the incremental after-tax cash flow representing the royalties that we are relieved from paying given we are the owner of the trademarks. These valuation techniques are based on a number of estimates and assumptions, including the projected future revenues of the trademarks, calculated using an appropriate royalty rate, discount rate and long-term growth rates.

Determining the fair value of goodwill and trademarks of Mocha Clubs is judgmental in nature and requires the use of significant estimates and assumptions, including projected future operating results of the reporting unit, discount rates, long-term growth rates and future market conditions. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management's intentions may result in future changes to the fair value of the goodwill and trademarks of Mocha Clubs.

Share-based Compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize the cost over the service period in accordance with applicable accounting standards. We use the Black-Scholes valuation model to value the equity instruments issued. The Black-Scholes valuation model requires the use of highly subjective assumptions of expected volatility of the underlying stock, risk-free interest rates and the expected term of options granted. Management determines these assumptions through internal analysis and external valuations utilizing current market rates, making industry comparisons and reviewing conditions relevant to us.

The expected volatility and expected term assumptions can impact the fair value of share options. We estimate the expected volatility based on our historical volatility and estimate the expected term based upon the vesting term or the historical expected term of publicly traded companies. We believe that the valuation techniques and the approach utilized in developing our assumptions are reasonable in calculating the fair value of the share options we granted. For 2015 awards, a 10% change in the volatility assumption would have resulted in a US\$0.8 million change in fair value and a 10% change in the expected term assumption would have resulted in a US\$0.3 million change in fair value. These assumed changes in fair value would have been recognized over the vesting schedule of such awards. It should be noted that a change in expected term would cause other changes, since the risk-free rate and volatility assumptions are specific to the term; we did not attempt to adjust those assumptions in performing the sensitivity analysis above.

Revenue Recognition

We recognize 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.

Casino revenues are measured by the aggregate net difference between gaming wins and losses less accruals for the anticipated payouts of progressive slot jackpots, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession.

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We follow the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of Grand Hyatt Macau hotel, Hyatt City of Dreams Manila (collectively the “Hyatt Hotels”) and Taipa Square Casino. For the operations of the Hyatt Hotels, we are the owner of the hotels property, and the hotel managers operate the hotels under management agreements providing management services to us, and we receive all rewards and take substantial risks associated with the hotels’ business; we are the principal and the transactions of the Hyatt Hotels are therefore recognized on a gross basis. For the operations of Taipa Square Casino, given that we operate the casino under a right to use agreement with the owner of the casino premises and have full responsibility for the casino operations in accordance with our gaming subconcession. As such, we are the principal and casino revenues are therefore recognized on a gross basis.

Room revenues, food and beverage revenues, and entertainment, retail and other revenues are recognized when services are performed. 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 fee escalations, are included in entertainment, retail and other revenues and are recognized on a straight-line basis over the terms of the related agreement.

Revenues are recognized net of certain sales incentives which are required to be recorded as a reduction of revenue; consequently, our casino revenues are reduced by discounts, commissions (including commission rebated indirectly to rolling chip players) and points earned in customer loyalty programs, such as the player’s club loyalty program. We estimate commission rebated indirectly to rolling chip players based on our assessment of gaming promoters’ practice and current market conditions.

The retail value of rooms, food and beverage, entertainment, retail and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The estimated cost of providing such promotional allowances is reclassified from rooms costs, food and beverage costs, and entertainment, retail and other services costs and is primarily included in casino expenses.

Accounts Receivable and Credit Risk

Financial instruments that potentially subject our Company to concentrations of credit risk consist principally of casino receivables. We issue credit in the form of markers to approved casino customers following investigations of creditworthiness including our gaming promoters in Macau and the Philippines. Such accounts receivable can be offset against commissions payable and any other value items held by us to the respective customer and for which we intend to set off when required. For the years ended December 31, 2015, 2014 and 2013, approximately 29.1%, 40.1% and 49.8% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters, respectively.

As of December 31, 2015 and 2014, a substantial portion of our markers were due from customers residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel, and other receivables, are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems it is probable the receivable is uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for doubtful debts is maintained to reduce our receivables to their carrying amounts, which approximate fair values. The allowance is estimated based on our specific review of customer accounts as well as management’s experience with collection trends in the casino industry and current economic and business conditions. For balances over a specified dollar amount, our review is based upon the age of the specific account balance, the customer’s financial condition, collection history and any other known information. At December 31, 2015, a 100 basis-point change in the estimated allowance for doubtful debts as a percentage of casino receivables would change the provision for doubtful debts by approximately US\$4.7 million.

Income Tax

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on the characteristics of the underlying assets and liabilities. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. As of December 31, 2015 and 2014, we recorded valuation allowances of US\$192.2 million and US\$127.9 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 carryforward periods. To the extent that the financial results of our operations improve and it becomes more likely than not that the deferred tax assets are realizable, the valuation allowances will be reduced.

Derivative Instruments and Hedging Activities

We seek to manage market risk, including interest rate risk associated with variable rate borrowings, through balancing fixed-rate and variable rate borrowings with the use of derivative financial instruments such as floating-for-fixed interest rate swap agreements. 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 statement of operations or in accumulated other comprehensive income, 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 our derivative instruments 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.

Recent Changes in Accounting Standards

See note 2 to the consolidated financial statements included elsewhere in this report for discussion of recent changes in accounting standards.

B. LIQUIDITY AND CAPITAL RESOURCES

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

As of December 31, 2015, we held unrestricted cash and cash equivalents, bank deposits with original maturity over three months and restricted cash of approximately US\$1,611.0 million, US\$724.7 million and US\$317.1 million, respectively.

In June 2015, Melco Crown Macau completed an amendment to the 2011 Credit Facilities, known as the 2015 Credit Facilities, which reduced and removed certain restrictions on our business that were imposed by the covenants of the 2011 Credit Facilities and extended the repayment maturity date of the loans made under the 2011 Credit Facilities. The 2015 Credit Facilities comprise a Hong Kong dollar term loan facility of HK\$3.90 billion (equivalent to approximately US\$501.3 million) with a term of 6 years and a multicurrency revolving credit facility of HK\$9.75 billion (equivalent to approximately US\$1.25 billion) with a term of 5 years. The 2015 Credit Facilities was used to refinance the outstanding balance of the 2011 Credit Facilities, with the remaining proceeds available for general corporate purposes. Under the 2015 Credit Facilities, we drew down the entire term loan and repaid the entire outstanding balance of the 2011 Credit Facilities, while the revolving credit facility under the 2015 Credit Facilities remains available for future drawdown, subject to satisfaction of certain conditions precedent. Further, the 2015 Credit Facilities introduced an incremental facility of up to US\$1.3 billion to be made available, upon further agreement with the existing lenders under the 2015 Credit Facilities or other entities.

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In addition, under the Studio City Project Facility (as amended from time to time), we have HK\$10,855,880,000 (equivalent to approximately US\$1.4 billion) comprising a five year HK\$10,080,460,000 (equivalent to approximately US\$1.3 billion) delayed draw term loan facility and a HK\$775,420,000 (equivalent to approximately US\$100.0 million) revolving credit facility. On July 28, 2014, we drew down the term loan under the Studio City Project Facility, while the revolving credit facility under the Studio City Project Facility remains available for future drawdown, subject to satisfaction of certain conditions precedent.

On October 14, 2015, MCP entered a PHP2.35 billion (equivalent to approximately US\$50.0 million) Philippine Credit Facility with the availability up to August 31, 2016, which remains available for future drawdown, subject to satisfaction of certain conditions precedent. None of the Philippine Credit Facility has been drawn as of December 31, 2015.

In August 2014, we received an indictment from the Taipei District Prosecutor's Office against the Taiwan branch office of one of our subsidiaries and certain of its employees for alleged violations of certain Taiwan banking and foreign exchange laws. In January 2013, the same Prosecutor's Office froze one of such Taiwan branch office's deposit accounts, which had a balance of approximately New Taiwan dollar 2.98 billion (equivalent to approximately US\$102.2 million) at the time the account was frozen, in connection with the investigation related to this indictment. In October 2015, the Taipei District Court rendered a not guilty verdict in favor of the defendants, on all charges alleging violation of Taiwan banking and foreign exchange laws. The Taipei District Court also lifted the freeze order over such deposit account in October 2015. Such deposit was released from restricted cash in our financial statements upon lifting of the freeze order. The case is now under appeal at the Taipei High Court. See "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Legal and Administrative Proceedings" for more details.

Under the Regular License granted by PAGCOR, the Philippine Licensees are required to set-up an escrow account with an amount of US\$100.0 million with a universal bank mutually agreed by PAGCOR and the Philippine Licensees. All funds for the development of the casino project shall pass through the escrow account and all drawdowns of funds from the escrow account must be applied to City of Dreams Manila. The escrow account should have a maintaining balance of US\$50.0 million equivalent until City of Dreams Manila's completion. On March 21, 2013, MCE Leisure Philippines, as one of the Philippine Licensees, established a new escrow account replacing the existing escrow account and deposited US\$50.0 million equivalent to the new escrow account. The escrow account funds were released from restricted cash during the year ended December 31, 2015.

The unspent cash proceeds from the offering of the Studio City Notes, and drawdown of the term loan under the Studio City Project Facility, are restricted only for payment of construction and development costs and other project costs of the Studio City project in accordance with Studio City Notes and Studio City Project Facility terms.

We have been able to meet our working capital needs, and we believe that our operating cash flow, existing cash balances, funds available under the 2015 Credit Facilities, Studio City Project Facility and Philippine Credit Facility and additional equity or debt financings will be adequate to satisfy our current and anticipated operating, debt and capital commitments, including our development project plans, as described in "— Other Financing and Liquidity Matters" below. For any additional financing requirements, we cannot provide assurance that future borrowings will be available. See "Item 3. Key Information — D. Risk Factors — Risks Relating to Our Financing and Indebtedness" for more information. We have significant indebtedness and will continue to evaluate our capital structure and opportunities to enhance it in the normal course of our activities.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	Year Ended December 31,		
	2015	2014	2013
	<i>(in thousands of US\$)</i>		
Net cash provided by operating activities	\$ 522,026	\$ 894,614	\$ 1,151,934
Net cash used in investing activities	(469,656)	(1,605,269)	(1,209,270)
Net cash (used in) provided by financing activities	(29,688)	926,950	(264,967)
Effect of foreign exchange on cash and cash equivalents	(9,311)	(397)	(5,149)
Net increase (decrease) in cash and cash equivalents	13,371	215,898	(327,452)
Cash and cash equivalents at beginning of year	1,597,655	1,381,757	1,709,209
Cash and cash equivalents at end of year	<u>\$ 1,611,026</u>	<u>\$ 1,597,655</u>	<u>\$ 1,381,757</u>

Operating Activities

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

Net cash provided by operating activities was US\$522.0 million for the year ended December 31, 2015, compared to US\$894.6 million for the year ended December 31, 2014. The decrease in net cash provided by operating activities was mainly due to decline in underlying operating performance as described in the foregoing section net with decreased working capital for the operations. Net cash provided by operating activities was US\$894.6 million for the year ended December 31, 2014, compared to US\$1,151.9 million for the year ended December 31, 2013. The decrease in net cash provided by operating activities was mainly due to decline in underlying operating performance, as described in the foregoing section, and increased working capital for the operations.

Investing Activities

Net cash used in investing activities was US\$469.7 million for the year ended December 31, 2015, compared to net cash used in investing activities of US\$1,605.3 million for the year ended December 31, 2014. The decrease was primarily due to a decrease in restricted cash, advance payments for construction costs and deposits for acquisition of property and equipment, partially offset by an increase in net placement of bank deposits with original maturity over three months and capital expenditure payments. Net cash used in investing activities for the year ended December 31, 2015 included capital expenditure payments of US\$1,291.4 million, net increase of bank deposits with original maturity over three months of US\$614.1 million, land use rights payment of US\$31.7 million, deposits for acquisition of property and equipment of US\$28.8 million and advance payments for construction costs of US\$19.7 million, which were offset in part by a decrease in restricted cash of US\$1,495.6 million during the year ended December 31, 2015 and the escrow funds refundable to the Philippine Parties of US\$24.6 million.

The net decrease of US\$1,495.6 million in the amount of restricted cash for the year ended December 31, 2015 was primarily due to the withdrawal and payment of Studio City project costs and interest of US\$1,130.9 million, the release of US\$225.0 million completion guarantee support cash from restricted cash upon the amendment of Studio City Project Facility, the release of Taiwan branch office's deposit of US\$90.7 million upon lifting of the freeze order and the release of US\$50.0 million escrow account funds upon the completion of City of Dreams Manila.

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The increase of US\$614.1 million in the amount of bank deposits with original maturity over three months was due to new deposits placed during the year, partially offset by the withdrawal upon maturity of the deposits. As of December 31, 2015, we have placed bank deposits of US\$724.7 million with their original maturity over three months for a better yield (December 31, 2014: US\$110.6 million).

Our total capital expenditure payments for the year ended December 31, 2015 were US\$1,291.4 million. Such expenditures were associated with our development and construction projects as well as enhancements to our integrated resort offerings of our properties. Deposits for acquisition of property and equipment were US\$28.8 million for the year ended December 31, 2015 mainly associated with Studio City. We also paid US\$24.4 million and US\$7.3 million for the scheduled installment of Studio City's and City of Dreams' land premium payments during the year ended December 31, 2015.

Net cash used in investing activities was US\$1,605.3 million for the year ended December 31, 2014, compared to net cash used in investing activities of US\$1,209.3 million for the year ended December 31, 2013. The increase was primarily due to increased capital expenditure payments in 2014 related to Studio City and City of Dreams Manila. Net cash used in investing activities for the year ended December 31, 2014 included capital expenditure payment of US\$1,214.9 million, an increase in restricted cash of US\$678.2 million, advance payments for construction costs of US\$107.6 million, deposits for acquisition of property and equipment of US\$99.4 million and the land use rights payment of US\$50.5 million, which were offset in part by a net decrease in bank deposits with original maturity over three months of US\$516.3 million and net proceeds from sale of assets held for sale of US\$29.3 million.

The net increase of US\$678.2 million in the amount of restricted cash for the year ended December 31, 2014 was primarily due to the drawdown of the term loan under the Studio City Project Facility of US\$1,295.7 million and capital injection for the Studio City project from our Company and our SCI minority shareholder of US\$230.0 million, partially offset the withdrawal and payment of Studio City project costs and interest of US\$847.5 million.

The decrease of US\$516.3 million in the amount of bank deposits with original maturity over three months was due to maturity of deposits partially offset by new deposits placed during the year. As of December 31, 2014, we have placed bank deposits of US\$110.6 million with their original maturity over three months for a better yield (December 31, 2013: US\$626.9 million).

Net proceeds of US\$29.3 million was received from the sale of assets held for sale, which completed during the year ended December 31, 2014 with a gain of US\$22.1 million being recognized.

Our total capital expenditure payments for the year ended December 31, 2014 were US\$1,214.9 million. Such expenditures were mainly associated with enhancements to our integrated resort offerings and for the development of Studio City and City of Dreams Manila. Deposits for acquisition of property and equipment were US\$99.4 million for the year ended December 31, 2014 mainly associated with Studio City and City of Dreams Manila. We also paid US\$47.0 million and US\$3.5 million for the scheduled installment of Studio City's and City of Dreams' land premium payments during the year ended December 31, 2014.

We expect to incur significant capital expenditures for the development of the fifth hotel tower at City of Dreams in Cotai, Macau and the future development of the remaining undeveloped land at Studio City. See "— Other Financing and Liquidity Matters" below for more information.

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The following table sets forth our capital expenditures incurred by segment on an accrual basis for the years ended December 31, 2015, 2014 and 2013.

	Year Ended December 31,		
	2015	2014	2013
	<i>(in thousands of US\$)</i>		
Macau:			
Mocha Clubs	\$ 6,446	\$ 13,116	\$ 6,515
Altira Macau	18,404	21,984	5,464
City of Dreams	331,503	264,922	97,654
Studio City	968,696	907,455	440,826
Sub-total	1,325,049	1,207,477	550,459
The Philippines:			
City of Dreams Manila	98,884	405,196	359,854
Corporate and Others	31,909	24,632	2,042
Total capital expenditures	<u>\$ 1,455,842</u>	<u>\$ 1,637,305</u>	<u>\$ 912,355</u>

Our capital expenditures for the year ended December 31, 2015 decreased from that of the year ended December 31, 2014 primarily due to the completion of City of Dreams Manila, net with the increase for the development of Studio City and various projects at City of Dreams, including the fifth hotel tower. Our capital expenditures for the year ended December 31, 2014 increased significantly from that of the year ended December 31, 2013 primarily due to the development of Studio City, City of Dreams Manila and various projects at City of Dreams, including the fifth hotel tower.

Advance payments for construction costs for the year ended December 31, 2015 were US\$19.7 million, compared to US\$107.6 million for the year ended December 31, 2014, which were incurred primarily for the development of various projects at City of Dreams, including the fifth hotel tower. Advance payments for construction costs for the year ended December 31, 2014 were US\$107.6 million, compared to US\$161.6 million for the year ended December 31, 2013, which were incurred primarily for the development of Studio City, City of Dreams Manila and various projects at City of Dreams, including the fifth hotel tower.

Financing Activities

Net cash used in financing activities amounted to US\$29.7 million for the year ended December 31, 2015, primarily due to (i) the scheduled repayment of the term loan under 2011 Credit Facilities of US\$64.2 million; (ii) dividend payments of US\$62.9 million; (iii) the payment of debt issuance cost primarily associated with the 2015 Credit Facilities of US\$49.9 million, which were offset in part by (iv) net proceeds from the refinancing of 2011 Credit Facilities with 2015 Credit Facilities of US\$148.3 million.

Net cash provided by financing activities amounted to US\$927.0 million for the year ended December 31, 2014, primarily due to (i) the proceeds of the drawdown of the term loan under the Studio City Project Facility of US\$1,295.7 million; (ii) the proceeds of the issuance of the Philippine Notes of US\$336.8 million; (iii) net proceeds from the issuance of shares of MCP of US\$122.2 million; and (iv) the capital injection of US\$92.0 million from the SCI minority shareholder, in accordance with our shareholder agreement, which were offset in part by (v) dividend payments of US\$342.7 million; (vi) repurchase of shares of US\$300.5 million (including commission costs); (vii) the scheduled repayments of the term loan under 2011 Credit Facilities of US\$256.7 million; and (viii) the payment of debt issuance cost primarily associated with the Philippine Notes and Studio City Project Facility of US\$12.7 million.

Net cash used in financing activities amounted to US\$265.0 million for the year ended December 31, 2013, primarily due to (i) the early redemption of 2010 Senior Notes of US\$600.0 million and the associated redemption costs of US\$102.5 million; (ii) the early redemption of the RMB Bonds and Deposit-Linked Loan of

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US\$721.5 million which was partly funded by the proceeds from the offering of the 2013 Senior Notes and the proceeds from the issuance of the RMB Bonds pledged for the Deposit-Linked Loan; (iii) the repayment of the revolving credit facility under the 2011 Credit Facilities of US\$212.5 million; (iv) the scheduled repayments of the term loan under the 2011 Credit Facilities of US\$128.4 million; (v) prepaid debt issuance costs of US\$56.5 million associated with the Studio City Project Facility; (vi) the payment of debt issuance costs associated with the 2013 Senior Notes and Studio City Notes of US\$19.6 million and US\$7.0 million, respectively; (vii) the settlement of the scheduled Studio City acquisition cost installment of US\$25.0 million; and (viii) the purchase of MCE shares of US\$8.8 million under trust arrangement for further vesting of restricted shares. These were offset in part by (i) the proceeds of the issuance of the 2013 Senior Notes of US\$1.0 billion; (ii) net proceeds from the issuance of shares of MCP of US\$338.5 million; and (iii) capital injection of US\$280.0 million from the SCI minority shareholder, in accordance with our shareholder agreement.

Indebtedness

The following table presents a summary of our indebtedness as of December 31, 2015:

	<u>As of December 31, 2015</u> <i>(in thousands of US\$)</i>
Studio City Project Facility	\$ 1,295,689
2013 Senior Notes	1,000,000
Studio City Notes	825,000
2015 Credit Facilities	501,285
Philippine Notes	318,026
Aircraft Term Loan	22,705
	<u>\$ 3,962,705</u>

Major changes in our indebtedness during the year ended and subsequent to December 31, 2015 are summarized below.

In June 2015, Melco Crown Macau completed an amendment to the 2011 Credit Facilities, known as the 2015 Credit Facilities, which reduced and removed certain restrictions on our business that were imposed by the covenants of the 2011 Credit Facilities and extended the repayment maturity date of the loans made under the 2011 Credit Facilities. The 2015 Credit Facilities comprise a Hong Kong dollar term loan facility of HK\$3.90 billion (equivalent to approximately US\$501.3 million) with a term of 6 years and a multicurrency revolving credit facility of HK\$9.75 billion (equivalent to approximately US\$1.25 billion) with a term of 5 years. Under the 2015 Credit Facilities, we drew down the entire term loan and repaid the entire outstanding balance of the 2011 Credit Facilities, while the revolving credit facility under the 2015 Credit Facilities remains available for future drawdown, subject to satisfaction of certain conditions precedent. In addition, the 2015 Credit Facilities introduced an incremental facility of up to US\$1.3 billion to be made available, upon further agreement with either any of the existing lenders under the 2015 Credit Facilities or other entities.

On October 14, 2015, MCP entered a PHP2.35 billion (equivalent to approximately US\$50.0 million) Philippine Credit Facility with the availability up to August 31, 2016, which remains available for future drawdown, subject to satisfaction of certain conditions precedent. None of the Philippine Credit Facility has been drawn as of December 31, 2015.

In November 2015, Studio City Company Limited, as the borrower under the Studio City Project Facility, completed an amendment to the Studio City 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. The amendment also included the creation of a new secured liquidity account held in the name of the borrower, which is freely used for Studio City operation, and credited with the US\$225.0 million completion support funds previously provided by SCI as cash collateral in favor of the security agent for the facility. The opening date conditions under the Studio City Project Facility were met on February 1, 2016.

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Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of our obligations relating to our control and/or ownership of certain of our subsidiaries and their assets. Under the terms of such credit facility agreements, the occurrence of certain change of control events, including a decline below certain thresholds in the aggregate direct or indirect shareholdings of Melco Crown Macau, MCE Finance, Studio City Investments Limited, MCE Cotai Investments Limited or certain of its subsidiaries held by us and/or Melco and Crown or certain of our subsidiaries (as the case may be) may result in an event of default and/or a requirement to prepay the credit facilities in relation to such indebtedness in full. Other applicable change of control events under the credit facility agreements include the Company ceasing to be publicly listed on certain designated stock exchanges or steps being taken in connection with the liquidation or dissolution of MCE Finance. The terms of the Studio City Notes, 2013 Senior Notes and Philippine Notes also contain change of control provisions whereby the occurrence of a relevant change of control event will require us to offer to repurchase the Studio City Notes, 2013 Senior Notes or Philippine Notes (as the case may be) (and, in the case of a decline of the shareholding of Melco Crown Macau under the 2013 Senior Notes, which is accompanied by a ratings decline) at a price equal to 101% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amount specified under such indebtedness to the date of repurchase.

For further details of the above indebtedness, see note 11 to the consolidated financial statements included elsewhere in this annual report, which includes information regarding the type of debt facilities used, the maturity profile of debt, the currency and interest rate structure, the charge on our assets and the nature and extent of any restrictions on our ability, and the ability of our subsidiaries, to transfer funds as cash dividends, loans or advances. See also “Item 5. Operating and Financial Review and Prospects — F. Tabular Disclosure of Contractual Obligations” for details of the maturity profile of debt and “Item 11. Quantitative and Qualitative Disclosures about Market Risk” for further understanding of our hedging of interest rate risk and foreign exchange risk exposure.

Other Financing and Liquidity Matters

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

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

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

For the purpose of financing the first phase of Studio City, we offered the US\$825.0 million Studio City Notes and drew down the term loan of HK\$10,080,460,000 (equivalent to approximately US\$1.3 billion) under the Studio City Project Facility, in November 2012 and July 2014, respectively. As of the date of this annual report, MCE and the SCI minority shareholder have contributed US\$1,250.0 million to the first phase of Studio City in accordance with the shareholder agreement. The first phase of Studio City’s grand opening occurred on October 27, 2015 and the opening date conditions under the Studio City Project Facility were met on February 1, 2016.

On May 20, 2015, our board approved the implementation of a US\$500 million stock repurchase program which, together with the Company’s dividend policy, provides us with another mechanism to return

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surplus capital efficiently while retaining flexibility to fund our current operations and future development pipeline. For our dividend policy, see “Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy.” During the year ended December 31, 2015, no ordinary shares were repurchased under this program.

The Company commenced expansion of its retail precinct at City of Dreams, which is expected to open in mid-2016. We are also developing the fifth hotel tower at City of Dreams.

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

As of December 31, 2015, we had capital commitments contracted for but not incurred mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams Manila and City of Dreams totaling US\$254.7 million including advance payments for construction costs of US\$26.5 million. In addition, we have contingent liabilities arising in the ordinary course of business. For further details for our commitments and contingencies, see note 22 to the consolidated financial statements included elsewhere in this annual report.

Each of Melco Crown Macau and Studio City Company Limited has a corporate rating of “BB” and “BB-” by Standard & Poor’s, respectively, and each of MCE Finance and Studio City Finance has a corporate rating of “Ba3” and “B2” by Moody’s Investors Service, respectively. For future borrowings, any decrease in our corporate rating could result in an increase in borrowing costs.

Restrictions on Distributions

For discussion on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances and the impact such restrictions have on our ability to meet our cash obligations, see “Item 4. Information on the Company — B. Business Overview — Restrictions on Distribution of Profits.” See also “Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy” and note 19 to the consolidated financial statements included elsewhere in this annual report.

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

We have entered into license or hotel management agreements with the following entities or groups for allowing us to have exclusive and non-transferable license rights to use their trademarks for our properties:

- Crown Melbourne Limited in relation to the use of the Crown trademark in Macau and the Philippines;
- Hyatt group in relation to the use of various trademarks owned by Hyatt group for the branding of the twin-tower hotels at City of Dreams;
- Hard Rock Holdings Limited in relation to the use of the Hard Rock brand in Macau at City of Dreams.
- Nobu Hospitality LLC in relation to the use of certain trademarks and intellectual property rights owned by Nobu in connection with its development, operation and management of the Nobu hotel and restaurant at City of Dreams Manila;
- Hyatt International Corporation and MCE Leisure Philippines, under which various trademarks owned by Hyatt are licensed to MCE Leisure Philippines for its operation of a hotel at City of Dreams Manila; and
- DreamWorks Animation and MCE Leisure Philippines, under which various trademarks and other intellectual property rights owned by DreamWorks Animation are licensed to MCE Leisure Philippines for its operation of DreamPlay by DreamWorks, a family entertainment center at City of Dreams Manila.

In addition, we also purchase gaming tables and gaming machines and enter into licensing agreements for the use of certain tradenames and, in the case of the gaming machines, the right to use software in connection therewith. These include a license to use a jackpot system for the gaming machines. For other intellectual property that we owned, see “Item 4. Information on the Company — B. Business Overview — Intellectual Property.”

D. TREND INFORMATION

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

- Policies and campaigns implemented by the Chinese government, including restrictions on travel, anti-corruption campaign and close monitoring of cross-border currency movement, as well as slowdown of economic growth in China, may lead to a decline and limit the recovery and growth in the number of patrons visiting our properties and the spending amount of such patrons;
- The gaming and leisure market in Macau and the Philippines are developing and the competitive landscapes are expected to evolve as more gaming and non-gaming facilities are developed in the regions where our properties are located. More supply of integrated resorts in the Cotai region of Macau and the Entertainment City of the Philippines intensify the competition in the business that we are in;
- Gaming promoters in Macau are experiencing decreased liquidity that has resulted in the cessation of business of certain gaming promoters, this trend may affect our operations in a number of ways:
 - as most of our gaming promoters are provided with credit as part of the ordinary course of business, our gaming promoters’ failure in business may expose us to higher credit risk;
 - if any of our gaming promoters ceases business or fails to maintain the required standards of regulatory compliance, probity and integrity, their exposure to patron and other litigations and regulatory enforcement actions may increase, this in turn may expose us to higher risk for litigation, regulatory enforcement actions and damage to our reputations; and
 - since we depend on gaming promoters for our VIP gaming revenue, their failure may expose us to a higher operational risk.

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

E. OFF-BALANCE SHEET ARRANGEMENTS

Except as disclosed in note 22(d) to the consolidated financial statements included elsewhere in this annual report, we have not entered into any material financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our 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.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Our total long-term indebtedness and other known contractual obligations are summarized below as of December 31, 2015.

	Payments Due by Period				Total
	Less than 1 year	1-3 years	3-5 years	More than 5 years	
	<i>(in millions of US\$)</i>				
Long-term debt obligations⁽¹⁾:					
Studio City Project Facility	\$ 77.7	\$1,218.0	\$ —	\$ —	\$1,295.7
2013 Senior Notes	—	—	—	1,000.0	1,000.0
Studio City Notes	—	—	825.0	—	825.0
2015 Credit Facilities	22.6	90.2	90.2	298.3	501.3
Philippine Notes	—	—	318.0	—	318.0
Aircraft Term Loan	6.2	13.0	3.5	—	22.7
Fixed interest payments ⁽²⁾	140.0	280.0	235.7	6.2	661.9
Variable interest payments ⁽³⁾	71.4	76.4	13.8	2.8	164.4
Other finance fees ⁽⁴⁾	1.0	2.0	0.1	—	3.1
Capital lease obligations⁽⁵⁾	32.0	73.2	87.8	679.0	872.0
Operating lease obligations:					
Operating leases, including City of Dreams Manila and Mocha Clubs locations	25.3	45.2	39.4	80.4	190.3
Construction costs and property and equipment retention payables	53.6	0.6	—	—	54.2
Other contractual commitments:					
Government annual land use fees ⁽⁶⁾	1.9	4.0	5.2	23.9	35.0
Fixed interest on land premium ⁽⁶⁾	0.1	—	—	—	0.1
Construction, plant and equipment acquisition commitments ⁽⁷⁾	156.2	98.5	—	—	254.7
Gaming subconcession premium ⁽⁸⁾	26.9	53.8	53.8	40.1	174.6
Total contractual obligations	\$ 614.9	\$1,954.9	\$1,672.5	\$ 2,130.7	\$6,373.0

- (1) See note 11 to the consolidated financial statements included elsewhere in this annual report for further details on these debt facilities.
- (2) Amounts included the gross up withholding tax on interest expenses for the Philippine Notes in accordance with the terms of the notes facility and security agreement.
- (3) Amounts for all periods represent our estimated future interest payments on our debt facilities based upon amounts outstanding and HIBOR or LIBOR as at December 31, 2015 plus the applicable interest rate spread in accordance with the respective debt agreements. Actual rates will vary.
- (4) The amounts represent the other finance fees for the Philippine Notes in accordance with the terms of the notes facility and security agreement.
- (5) See note 12 to the consolidated financial statements included elsewhere in this annual report for further details on capital lease obligations.
- (6) The City of Dreams, Altira Macau and Studio City sites are located on land parcels in which we have received a land concession from the Macau government for a 25-year term, renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. See "Item 4. Information on the Company — B. Business Overview — Our Land and Premises" for further details of the land concession obligations.

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- (7) See note 22(a) to the consolidated financial statements included elsewhere in this annual report for further details on construction, plant and equipment acquisition commitments.
- (8) In accordance with our gaming subconcession, we are required to pay a fixed annual premium of MOP30.0 million (approximately US\$3.7 million) and minimum variable premium of MOP45.0 million (approximately US\$5.6 million) per year based on number of gaming tables and gaming machines we operate in addition to the 39% gross gaming win tax (which is not included in this table as the amount is variable in nature). Amounts for all periods are calculated based on our gaming tables and gaming machines in operation as at December 31, 2015 through to the termination of the gaming subconcession in June 2022.

G. SAFE HARBOR

See “Special Note Regarding Forward-Looking Statements.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. DIRECTORS AND SENIOR MANAGEMENT****Directors and Executive Officers**

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

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
Lawrence Yau Lung Ho	39	Co-chairman, chief executive officer and executive director
James Douglas Packer	48	Co-chairman and non-executive director
John Peter Ben Wang	55	Non-executive director
Clarence Yuk Man Chung	53	Non-executive director
William Todd Nisbet	48	Non-executive director
Robert John Rankin	52	Non-executive director
James Andrew Charles MacKenzie	62	Independent non-executive director
Thomas Jefferson Wu	43	Independent non-executive director
Alec Yiu Wa Tsui	66	Independent non-executive director
Robert Wason Mactier	51	Independent non-executive director
Geoffrey Stuart Davis	47	Executive vice president and chief financial officer
Stephanie Cheung	53	Executive vice president and chief legal officer
Akiko Takahashi	62	Executive vice president and chief human resources/corporate social responsibility officer
Ying Tat Chan aka Ted Chan	44	Chief operating officer
Jaya Jesudason	73	Executive vice president, construction and design

Directors

Mr. Lawrence Yau Lung Ho was appointed as our executive director on December 20, 2004 and has served as our co-chairman and chief executive officer since December 2004. Since November 2001, Mr. Ho has also served as the managing director and, since March 2006, the chairman and chief executive officer of Melco. Mr. Ho has also been appointed as the chairman and non-executive director of Summit Ascent Holdings Limited, a company listed on the Main Board of the HKSE, since July 10, 2013.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho also serves on numerous boards and committees of privately held companies in Hong Kong, Macau and mainland China. He is a member of the Board of Directors and a vice patron of The Community Chest of Hong Kong; member of Science and Technology Council of the Macau SAR Government; member of All China Youth Federation; member of Macau Basic Law Promotional Association; chairman of Macau International Volunteers Association; 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 Association of Property Agents and Real Estate Developers of Macau and director executive of Macao Chamber of Commerce. In recognition of Mr. Ho's excellent directorship and entrepreneurial spirit, Institutional Investor honored him as the "Best CEO" in 2005. He was also granted the "5th China Enterprise Award for Creative Businessmen" by the China Marketing Association and China Enterprise News, "Leader of Tomorrow" by Hong Kong Tatler and the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2005.

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

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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. And 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.

In 2014, Mr. Ho was selected by FinanceAsia magazine as one of the “Best CEOs in Hong Kong” for the fifth time, and was one of the recipients of the Asian Corporate Director Recognition Awards for three consecutive years. In 2015, he was also awarded “Asia’s Best CEO” at the Asian Excellence Awards by Corporate Governance Asia magazine for the fourth time, and was granted the Leadership Gold Award in the Business Awards of Macau.

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. James Douglas Packer was appointed as our non-executive director on March 8, 2005 and has served as our co-chairman since March 2005. Mr. Packer is the majority owner of Crown, an operator of casinos and integrated resorts. Mr. Packer is also the chairman of Consolidated Press Holdings Pty Limited (the largest shareholder of Crown), having been appointed in January 2006. Mr. Packer is a director of Crown Melbourne Limited, a casino and integrated resort operator, having been appointed in July 1999, and Burswood Limited, a casino and integrated resort operator, having been appointed in September 2004. His previous directorships include Challenger Limited (formerly called Challenger Financial Services Group Limited) from November 2003 to September 2009, SEEK Limited from October 2003 to August 2009, Sunland Group Limited from July 2006 to August 2009, Ten Network Holdings Limited from December 2010 to March 2011, Ellerston Capital Limited from August 2004 to August 2011, Consolidated Media Holdings Limited from December 2007 to November 2012 and Crown from July 2007 to December 2015.

Mr. John Peter Ben Wang was appointed as our non-executive director on November 21, 2006. Mr. Wang is currently the deputy chairman and executive director of Summit Ascent Holdings Limited (“Summit Ascent”), a company listed on the HKSE, and before that, he was the chairman of Summit Ascent from March 2011 to July 2013. He previously held non-executive directorships in MelcoLot Limited, Oriental Ginza Holdings Limited (now renamed as Carnival Group International Limited), China Precious Metal Resources Holdings Co., Ltd., and Anxin-China Holdings Limited, companies listed on the HKSE. Mr. Wang was the chief financial officer of Melco from 2004 to September 2009. Prior to joining Melco in 2004, he had over 18 years of professional experience in the securities and investment banking industry. He was the managing director of JS Cresvale Securities International Limited (HK) from 1998 to 2004 and prior to 1998, he worked for Deutsche Morgan Grenfell (HK), CLSA (HK), Barclays (Singapore), SG Warburg (London), Salomon Brothers (London), the London Stock Exchange and Deloitte Haskins & Sells (London). Mr. Wang qualified as a chartered accountant with the Institute of Chartered Accountants in England and Wales in 1985. He graduated from the University of Kent at Canterbury in the United Kingdom with a bachelor degree in accounting in July 1982.

Mr. Clarence Yuk Man Chung was appointed as our non-executive director on November 21, 2006. He has also been an executive director of Melco since May 2006. He joined Melco in December 2003. Mr. Chung has served as a director of Melco Leisure since 2008. Before joining Melco, he has more than 25 years of experience 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 year 2013) by Inside Asian Gaming magazine. Mr. Chung has been the chairman and chief executive officer of Entertainment Gaming Asia Inc., a company listed on the Nasdaq Capital Market, since August 2008 and October 2008, respectively. Mr. Chung has been the chairman and president of MCP, a company listed on the Philippine Stock Exchange, since December 2012. Mr. Chung has also been appointed as a director of a number of our subsidiaries incorporated in various different jurisdictions. Mr. Chung obtained a master’s degree

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in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology and is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Mr. William Todd Nisbet was appointed as our non-executive director on October 14, 2009. He is also a Director of Studio City International Holdings Limited and has been appointed as a director of MCP, a company listed on the Philippine Stock Exchange, since December 2012. In addition, Mr. Nisbet has also been appointed as a director of a number of our subsidiaries incorporated in various different jurisdictions. Mr. Nisbet joined Crown, an operator of casinos and integrated resorts, in 2007. In his role as Executive Vice President – Strategy and Development at Crown, Mr. Nisbet is responsible for all development and new business opportunities for Crown. Prior to joining Crown, Mr. Nisbet was one of the original founding members of the Wynn Resorts management team holding the position of Executive Vice President – Project Director from August 2000 through July 2007 for Wynn Design and Development, a development subsidiary of Wynn Resorts Limited (“Wynn”), an operator of casinos and integrated resorts. Serving this role with Wynn, Mr. Nisbet led the development efforts for Wynn Resorts in both Las Vegas and Macau. Prior to joining Wynn, Mr. Nisbet was the vice president of operations for Marnell Corrao Associates. During Mr. Nisbet’s 14 years at Marnell Corrao from 1986 to 2000, he was responsible for managing various aspects of the construction of some of Las Vegas’ most elaborate and industry-defining properties. Mr. Nisbet obtained a bachelor of science degree in Finance from the University of Nevada, Las Vegas in 1993.

Mr. Robert John Rankin was appointed as our non-executive director on May 20, 2015. He is also Chairman of Crown and Chief Executive Officer of Consolidated Press Holdings Pty Limited, Crown’s major shareholder. Mr. Rankin joined Deutsche Bank AG in June 2009 and has been a member of the Group Executive Committee since January 2011. He was the first CEO from Asia Pacific to become a member of the Group Executive Committee. Between October 2009 and June 2012, he was the Chief Executive Officer for Deutsche Bank in the Asia Pacific (ex-Japan) region and was responsible for the Bank’s management and strategic development in the region. In June 2012, Mr. Rankin was appointed Co-Global Head of Corporate Banking & Securities (“CB&S”) and Global Head of Corporate Finance where he was based out of London. Mr. Rankin completed Bachelor degrees in Economics and Law from the University of Sydney in 1985 and 1987 respectively before taking time off to travel through India and Southeast Asia. Upon returning to Sydney, Mr. Rankin worked as a securities and mergers and acquisitions lawyer at Blake Dawson Waldron. Whilst working at Blake Dawson Waldron, Mr. Rankin was also a member of the Australian Stock Exchange Listing Committee.

After joining the Australian arm of the Swiss Bank Corporation (merging to become UBS in 1998), Mr. Rankin quickly rose through the ranks in the Sydney office of UBS and relocated to Hong Kong in 2001 to be the UBS Head of Asia Pacific telecommunications, media and technology. In 2003, he was named by UBS as Managing Director and Co-Head of Investment Banking, Asia Pacific (ex Japan), and was sole Managing Director and Head a year later. In this role, he had responsibility for corporate and government advisory engagements, debt and equity origination and mergers and acquisitions in the region. He also served on the UBS Investment Bank Board. Mr. Rankin joined Deutsche Bank in 2009 where he immediately repeated the growth success he managed at UBS. Under his leadership, Deutsche Bank became the No.1 ranked investment bank for initial public offerings in the Asia region and No.3 for overall investment banking in 2012 according to Dealogic.

As Co-Head of CB&S Mr. Rankin was responsible for Deutsche Bank’s leading global investment banking business serving institutional, corporate and sovereign clients from over 100 offices in 40 countries. As Head of Corporate Finance, he oversaw Deutsche Bank’s leading global capital markets, origination and advisory businesses and acted as trusted advisor to many of Deutsche Bank’s most important clients. CB&S is consistently ranked as a top-tier investment bank for Corporate Finance and Sales & Trading and recognized as an industry leader in areas including Electronic Trading, Structured Finance and Prime Finance. It has a strong global franchise across mergers and acquisitions, including advisory, debt and equity origination and issuance, and capital markets coverage of large and medium-sized corporations. In addition to his client responsibilities, Mr. Rankin oversaw several internal CB&S programmes covering regulatory readiness, cultural change and talent development.

Mr. James Andrew Charles MacKenzie was appointed as an independent non-executive director on April 24, 2008 and was appointed as an independent non-executive director of MCP, our subsidiary listed on the Philippine Stock Exchange on December 19, 2012. He is the chairman of our audit committee and also serves as the MCP audit committee chairman and as a member of MCP's nominating and corporate governance committee and compensation committee. Mr. MacKenzie was appointed as the chairman of ShineWing Australia on February 1, 2015 and the chairman of Victorian Funds Management Corporation on June 25, 2015. He has extensive experience as a company director, having held a number of directorships including, director and co-vice chairman of Yancoal Australia Limited, from June 2012 to April 2014, non-executive director and chairman of Mirvac Group from November 2005 to January 2014 and November 2005 to November 2013 respectively, and non-executive director and chairman of Pacific Brands Limited from May 2008 to May 2013 and May 2008 to May 2012 respectively. He led the transformation of the Victorian Government's Personal Injury Schemes from 2000 to 2007. Prior to 2005, Mr. MacKenzie held senior executive positions with ANZ Banking Group, Standard Chartered Bank and Norwich Union plc and was a partner in both the Melbourne and Hong Kong offices of an international accounting firm now part of Deloitte. In 2001, Mr. MacKenzie was awarded the Australian Centenary Medal for services to public administration. In October 2015, Mr. MacKenzie was appointed as the President of the Victorian Arts Centre Trust for a term from December 11, 2015 to June 30, 2018. He obtained a bachelor of business (accounting and quantitative methods) degree from the Swinburne University of Technology in 1974. Mr. MacKenzie has been a Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors since 1974 and 1994, respectively.

Mr. Thomas Jefferson Wu was appointed as an independent non-executive director on December 18, 2006. He is also the chairman of our compensation committee, and a member of our audit committee and nominating and corporate governance committee. Mr. Wu has been the managing director of Hopewell Holdings Limited, a business conglomerate listed on the HKSE, since October 2009. He has served in various roles with the Hopewell Holdings group since 1999, including group controller from March 2000 to June 2001, executive director since June 2001, chief operating officer from January 2002 to August 2002, deputy managing director from August 2003 to June 2007 and co-managing director from July 2007 to September 2009. He has served as the managing director of Hopewell Highway Infrastructure Limited since July 2003.

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

Mr. Wu is active in public service in both Hong Kong and Mainland China. He serves in a number of advisory roles at different levels of government. In Mainland China, he is a member of the Heilongjiang Provincial Committee of the 11th Chinese People's Political Consultative Conference, a Standing Committee member and a member of the Huadu District Committee of The Chinese People's Political Consultative Conference, among other public service capacities.

In Hong Kong, Mr. Wu's major public service appointments include being a member of the Hong Kong Government's Standing Committee on Disciplined Services Salaries and Conditions of Service, the Vice Patron of the Community Chest of Hong Kong, a member of Hong Kong Tourism Board and a board member of the Asian Youth Orchestra Limited. He is also a member of the Business School Advisory Council of The Hong Kong University of Science and Technology. Previously, he was a council member of The Hong Kong Polytechnic University and the Hong Kong Baptist University and a member of the Court of The Hong Kong University of Science and Technology.

In addition to his professional and public service engagements, Mr. Wu is mostly known for his passion for ice hockey, as well as the sport's development in Hong Kong and the region. He is the vice president (Asia/Oceania) of International Ice Hockey Federation, the co-founder and chairman of Hong Kong Amateur Club Limited and the Hong Kong Academy of Ice Hockey Limited, as well as the chairman of Hong Kong Ice

Hockey Officials Association Limited. He is also the honorary president of the Hong Kong Ice Hockey Association Limited — the national sports association of ice hockey in Hong Kong, the vice-chairman of Chinese Ice Hockey Association, honorary president of Macau Ice Sports Federation and honorary chairman of Ice Hockey Association of Taipei Municipal Athletics Federation.

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

Mr. Alec Yiu Wa Tsui was appointed as an independent non-executive director on December 18, 2006. He is the chairman of our nominating and corporate governance committee, a member of our audit committee and a member of our compensation committee. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission of Hong Kong from 1989 to 1993, joined the HKSE in 1994 as an executive director of the finance and operations services division and was its chief executive from February 1997 to July 2000. He was also the chief operating officer of Hong Kong Exchanges and Clearing Limited from March to August 2000. He was the chairman of the Hong Kong Securities Institute from 2001 to 2004. He was a consultant of the Shenzhen Stock Exchange from July 2001 to June 2002. Mr. Tsui was an independent non-executive director of each of China BlueChemical Limited from April 2006 to June 2012, China Chengtong Development Group Limited from March 2003 to November 2013 and China Oilfield Services Limited from June 2009 to June 2015, all of which are companies listed on the HKSE. Mr. Tsui has been the chairman of WAG Worldsec Corporate Finance Limited since 2006 and a director of Industrial and Commercial Bank of China (Asia) Limited since August 2000. He is also an independent non-executive director of a number of companies listed on the HKSE, Nasdaq, the Shanghai Stock Exchange and the Philippine Stock Exchange, including COSCO International Holdings Limited since 2004, China Power International Development Limited since 2004, Pacific Online Limited since 2007, ATA Inc. since 2008, Summit Ascent Holdings Limited since March 2011, MCP since December 2012, Kangda International Environmental Company Limited since July 2014 and DTXS Silk Road Investment Holdings Company Limited since December 2015.

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

Mr. Robert Wason Mactier was appointed as an independent non-executive director on December 18, 2006. He is a member of our compensation committee and nominating and corporate governance committee. Mr. Mactier joined the board of directors of STW Communications Group Limited, a publicly listed Australian communications and advertising company, in December 2006 and became its independent non-executive chairman in July 2008. He was a non-executive director of Aurora Community Television Limited from 2005 to 2012. Since 1990, Mr. Mactier has held a variety of executive roles across the Australian investment banking and securities markets. He has been a consultant to UBS AG in Australia since June 2007. From March 1997 to January 2006, Mr. Mactier worked with Citigroup Pty Limited and its predecessor firms in Australia, and prior to this he worked with E.L. & C. Baillieu Limited from November 1994 to February 1997 and Ord Minnett Securities Limited from May 1990 to October 1994. During this time, he has gained broad advisory and capital markets transaction experience and specific industry expertise within the telecommunications, media, gaming, entertainment and technology sectors and across the private equity sectors. Prior to joining the investment banking industry, Mr. Mactier qualified as a chartered accountant in 1987, working with KPMG from January 1986 to April 1990 across their audit, management consulting and corporate finance practices. He obtained a bachelor’s degree in economics from the University of Sydney, Australia in 1986 and has been a Member of the Australian Institute of Company Directors since 2007.

Executive Officers

Mr. Geoffrey Stuart Davis is our executive vice president and chief financial officer and he was appointed to his current role in April 2011. Prior to that, he served as our deputy chief financial officer from August 2010 to March 2011 and our senior vice president, corporate finance from 2007, when he joined our Company. Prior to joining us, Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he was the vice president of corporate communications for Park Place Entertainment, the largest gaming company in the world at the time. 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 from Brown University in 1991.

Ms. Stephanie Cheung is our executive vice president and chief legal officer and she was appointed to her current role in December 2008. Prior to that, she held the title of general counsel from November 2006, when she joined our Company. She has acted as the secretary to our board since she joined our Company. Prior to joining us, Ms. Cheung was an of counsel at Troutman Sanders from 2004 to 2006 and prior to that she 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 in 1986 and a master's degree in business administration from York University in 1994. Ms. Cheung is admitted as a solicitor in Ontario, Canada, England and Wales, and Hong Kong.

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

Mr. Ying Tat Chan aka Ted Chan is our chief operating officer and he was appointed to his current role in February 2012. Mr. Chan oversees all business units of our group. Previously, since September 2010, he was our co-chief operating officer, gaming and before that he served as president of Altira Macau from November 2008. Prior to his appointment as president of Altira Macau, between 1998 and 2008, Mr. Chan held senior executive roles with First Shanghai Financial Holding Limited, Melco, Mocha Clubs and Amax Entertainment Holdings Limited. He graduated with a bachelor's degree in business administration from the Chinese University of Hong Kong in 1995 and with a master's degree in financial management under a long distance learning course from the University of London, the United Kingdom in 1998.

Mr. Jaya Jesudason is our executive vice president, construction and design. He joined our Company in 2007 as Project Director for the completion of the City of Dreams Project. Prior to that, he worked at Kowloon-Canton Railway Corporation as a general manager of the west rail project and other rail projects. He was also a divisional manager for the Hong Kong airport project of the Hong Kong Airport Authority.

B. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Our directors and executive officers receive compensation in the form of salaries, discretionary bonuses, equity awards, contributions to pension schemes and other benefits. The aggregate amount of

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compensation paid, and benefits in kind granted, including contingent or deferred compensation accrued for the year, to all the directors and executive officers of our Company as a group, amounted to approximately US\$25.27 million for the year ended December 31, 2015.

Bonus Plan

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

Equity Awards

On March 30, 2015, we granted share options to acquire 1,203,528 of our ordinary shares pursuant to the 2011 Share Incentive Plan, to directors and senior executive officers of our Company with exercise prices of US\$7.48 per share, and 750,882 restricted shares with grant date fair value (closing price of the grant date) at US\$7.24 per share. On March 18, 2016, we granted share options to acquire 2,271,504 of our ordinary shares pursuant to the 2011 Share Incentive Plan, to directors and senior executive officers of our Company with exercise prices of US\$5.7567 per share, and 1,048,992 restricted shares with grant date fair value (closing price of the grant date) at US\$5.7567 per share. The options expire 10 years from the date of grant. We will issue ordinary shares to such grantees upon vesting of restricted shares at par value. See "— E. Share Ownership" for descriptions of the 2011 Share Incentive Plan.

On September 29, 2015, we granted 2,346,767 restricted MCP Shares with grant date fair value (closing price of the grant date) at PHP3.99 per MCP Share pursuant to the MCP Share Incentive Plan, to directors and senior executive officers of our Company. We will issue MCP Shares to such grantees upon vesting of restricted MCP Shares at par value. See "— E. Share Ownership" for descriptions of the MCP Share Incentive Plan.

Pension, Retirement or Similar Benefits

For the year ended December 31, 2015, we set aside or accrued approximately US\$0.3 million to provide pension, retirement or similar benefits to our senior executive officers. Our directors, other than Mr. Lawrence Ho who participates in his capacity as our chief executive officer, do not participate in such schemes. For a description of the pension scheme in which our senior executive officers in Hong Kong participate, see "— D. Employees."

C. BOARD PRACTICES

Composition of Board of Directors

Our board consists of ten directors, including three directors nominated by each of Melco and Crown and four independent directors. Nasdaq Marketplace Rule 5605(b)(1) generally requires that a majority of an issuer's board of directors must consist of independent directors, but provides for certain phase-in periods under Nasdaq Marketplace Rule 5615(c)(3). However, Nasdaq Marketplace Rule 5615(a)(3) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers, our Cayman Islands counsel, has provided a letter to Nasdaq certifying that under Cayman Islands law, we are not required to have a majority of independent directors serving on our board. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our board.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. An individual shareholder or we, as the Company, have (as applicable) the right to seek damages if a duty owed by our directors is breached.

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

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

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board. Our directors are not subject to a term of office and hold office until such time as they 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.

Committees of the Board of Directors

Our board established an audit committee, a compensation committee and a nominating and corporate governance committee in December 2006. Each committee has its defined scope of duties and terms of reference within its own charter, which empowers the committee members to make decisions on certain matters. The charters of these board committees were adopted by our board on November 28, 2006 and have been amended and restated on several occasions, with the latest versions of the nominating and corporate governance committee charter and the audit committee charter adopted on August 8, 2015 and December 9, 2015 respectively and the latest version of the compensation committee charter adopted on August 5, 2015. These charters are found on our website. Each of these committees consists entirely of directors whom our board has determined to be independent under the "independence" requirements of the Nasdaq corporate governance rules. The current membership of these three committees and summary of its respective charter are provided below.

Audit Committee

Our audit committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui and James Andrew Charles MacKenzie, and is chaired by Mr. MacKenzie. Each of the committee members satisfies the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, or the Exchange Act. We believe that Mr. MacKenzie qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F. The purpose of the committee is to assist our board in overseeing and monitoring:

- the audits of the financial statements of our Company;
- the qualifications and independence of our independent auditors;
- the performance of our independent auditors;

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- 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 auditor, the review of the financial statements and related material, the internal audit process and the procedure for receiving complaints regarding accounting, internal accounting controls, auditing or other related matters;
- the disclosure, in accordance with our relevant policies, of any material information regarding the quality or integrity of our financial statements, which is brought to its attention by our disclosure committee;
- the integrity and effectiveness of our internal audit function; and
- the risk management policies, procedures and practices.

The duties of the committee include:

- reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor and after considering a tendering process for the appointment of the independent auditor every five years;
- approving the remuneration and terms of engagement of the independent auditor and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- at least annually, obtaining a written report from our independent auditor describing matters relating to its independence and quality control procedures;
- discussing with our independent auditor and our management, among other things, the audits of the financial statements, including whether any material information brought to their attention should be disclosed, issues regarding accounting and auditing principles and practices and the management's internal control report;
- reviewing and recommending the financial statements to our disclosure committee for inclusion within our quarterly earnings releases and to our board for inclusion in our annual reports;
- approving all material related party transactions brought to its attention, without further approval of our board;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- approving the internal audit charter and annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- assessing Chief Risk Officer and senior management's policies and procedures to identify, accept, mitigate, allocate or otherwise manage various types of risks presented by management, and making recommendations with respect to our risk management process for the board's approval;
- reviewing our financial controls, internal control and risk management systems, and discussing with our management the system of internal control and ensuring that our management has discharged its duty to have an effective internal control system including the adequacy of resources, the qualifications and experience of our accounting and financial staff, and their training programs and budget;
- together with our board, evaluating the performance of the audit committee on an annual basis;
- assessing the adequacy of its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Compensation Committee

Our compensation committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui and Robert Wason Mactier, and is chaired by Mr. Wu. The purpose of the committee is to discharge 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 chief executive officer may not be present at any compensation committee meeting during which his compensation is deliberated.

The duties of the committee include:

- 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 director and executive officers, including the chief executive officer;
- at least annually, reviewing and approving our general compensation scheme, incentive compensation plans 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 director and 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 its charter; and
- co-operating with the other board committees in any areas of overlapping responsibilities.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Thomas Jefferson Wu, Alec Yiu Wa Tsui and Robert Wason Mactier, and is chaired by Mr. Tsui. The purpose of the committee is to assist our board in discharging its responsibilities regarding:

- the identification of qualified candidates to become members and chairs of the board committees and to fill any such vacancies, and reviewing the appropriateness of the continued service of directors;
- ensuring that our board meets the criteria for independence under the Nasdaq corporate governance rules and nominating directors who meet such independence criteria;
- oversight of our compliance with legal and regulatory requirements, in particular the legal and regulatory requirements of Macau (including the relevant laws related to the gaming industry), the Cayman Islands, the SEC and Nasdaq;
- the development and recommendation to our board of a set of corporate governance principles applicable to our Company; and

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- the disclosure, in accordance with our relevant policies, of any material information (other than that regarding the quality or integrity of our financial statements), which is brought to its attention by the disclosure committee.

The duties of the committee include:

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

Employment Agreements

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

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

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

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

D. EMPLOYEES

Employees

We had 21,414 and 18,367 employees as of December 31, 2015 and 2014, respectively. The following table sets forth the number of employees categorized by the areas of operations and as a percentage of our workforce as of December 31, 2015 and 2014. Staff remuneration packages are determined taking into account market conditions and the performance of the individuals concerned, and are subject to review from time to time.

	As of December 31,			
	2015		2014	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs	703	3.3%	750	4.1%
Altira Macau	1,929	9.0%	2,428	13.2%
City of Dreams	8,250	38.5%	9,244	50.3%
Corporate and centralized services	804	3.8%	837	4.6%
Studio City	5,228	24.4%	95	0.5%
City of Dreams Manila	4,500	21.0%	5,013	27.3%
Total	<u>21,414</u>	<u>100.0%</u>	<u>18,367</u>	<u>100.0%</u>

We have implemented a number of human resource initiatives over recent years for the benefit of our employees and their families. These initiatives include a unique in-house learning academy, an on-site high school diploma program and Diploma in Casino Management program (a collaboration with The University of Macau), scholarship awards, as well as fast track promotion training initiatives. In September 2015, we launched the MCE University program with the Edinburgh Napier University, an overseas institution based in the United Kingdom which was rated 'Excellent' in Eduniversal 2014 ranking, to bring a bachelor degree program in-house.

E. SHARE OWNERSHIP**Share Ownership of Directors and Members of Senior Management**

The following table sets forth the beneficial interest of each director and executive officer in our ordinary shares as of April 5, 2016.

<u>Name</u>	<u>Number of ordinary shares</u>	<u>Approximate percentage of shareholding</u>
Lawrence Yau Lung Ho	559,229,043 (1)	34.29%
	13,313,352 (2)	0.82%
James Douglas Packer	559,229,043 (3)	34.29%
	47,022 (4)	0.0029%
John Peter Ben Wang	*	*
Clarence Yuk Man Chung	*	*
William Todd Nisbet	*	*
Robert John Rankin	*	*
James Andrew Charles MacKenzie	*	*
Thomas Jefferson Wu	*	*
Alec Yiu Wa Tsui	*	*
Robert Wason Mactier	*	*
Geoffrey Stuart Davis	*	*
Stephanie Cheung	*	*
Akiko Takahashi	*	*
Ying Tat Chan aka Ted Chan	*	*
Jaya Jesudason	*	*

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

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- (1) Represents 559,229,043 ordinary shares beneficially owned by Mr. Lawrence Ho through Melco Leisure. See “Item 7. Major shareholders and related party transactions” for more details.
- (2) Represents 13,313,352 ordinary shares in which Mr. Lawrence Ho had direct interest as of April 5, 2016, of which 9,250,843 ordinary shares are in the form of share options and restricted shares granted under the 2006 and 2011 Share Incentive Plans. The following table summarizes, as of April 5, 2016, the outstanding options and restricted shares held by Mr. Lawrence Ho:

<u>Name</u>	<u>Type of awards</u>	<u>Grant date</u>	<u>Last exercisable date and expiration date of share options</u>	<u>Exercise price of share options per share / Fair value of restricted shares at grant date per share (US\$)</u>	<u>Number of underlying shares outstanding</u>
Lawrence Yau Lung Ho	Share options	March 17, 2009	March 16, 2019	1.09	2,898,774
	Share options	November 25, 2009	March 17, 2018	1.43	755,058
	Share options	March 23, 2011	March 22, 2021	2.52	1,446,498
	Share options	March 29, 2012	March 28, 2022	4.70	474,399
	Share options	May 10, 2013	May 9, 2023	5.7567 ⁺	362,610
	Share options	March 28, 2014	March 27, 2024	5.7567 ⁺	320,343
	Share options	March 30, 2015	March 29, 2025	5.7567 ⁺	690,291
	Share options	March 18, 2016	March 17, 2026	5.7567	1,302,840
	Restricted shares	May 10, 2013	N/A	8.27	60,435
	Restricted shares	March 28, 2014	N/A	12.49	160,171
	Restricted shares	March 30, 2015	N/A	7.24	345,144
	Restricted shares	March 18, 2016	N/A	5.7567	434,280

+ With effect from March 18, 2016, all outstanding share options awarded in 2013, 2014 and 2015 under the 2011 Share Incentive Plan were modified to state a lower exercise price and extend the vesting schedule.

- (3) Represents 559,229,043 ordinary shares beneficially owned by Mr. James Packer through Crown Asia Investments. See “Item 7. Major shareholders and related party transactions” for more details.
- (4) Represents 47,022 ordinary shares in which Mr. James Packer had direct interest as of April 5, 2016, of which 35,094 ordinary shares are in the form of restricted shares granted under the 2011 Share Incentive Plan. The following table summarizes, as of April 5, 2016, the outstanding restricted shares held by Mr. James Packer:

<u>Name</u>	<u>Type of awards</u>	<u>Grant date</u>	<u>Last exercisable date and expiration date of share options</u>	<u>Exercise price of share options per share / Fair value of restricted shares at grant date per share (US\$)</u>	<u>Number of underlying shares outstanding</u>
James Douglas Packer	Restricted shares	March 28, 2014	N/A	12.49	3,204
	Restricted shares	March 30, 2015	N/A	7.24	11,046
	Restricted shares	March 18, 2016	N/A	5.7567	20,844

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

Share Incentive Plans

We adopted the 2006 Share Incentive Plan, 2011 Share Incentive Plan and MCP Share Incentive Plan. The 2006 Share Incentive Plan has been succeeded by our 2011 Share Incentive Plan. No further awards may be granted under the 2006 Share Incentive Plan. All subsequent awards will be issued under the 2011 Share Incentive Plan. Awards previously granted under the 2006 Share Incentive Plan shall remain subject to the terms and conditions of the 2006 Share Incentive Plan. As of December 31, 2015, there was no unvested share options and restricted share under the 2006 Share Incentive Plan.

2011 Share Incentive Plan

We adopted the 2011 Share Incentive Plan to provide our employees, directors and consultants with incentives to increase shareholder value, and to attract and retain the services of those upon whom we depend for the success of our business. The 2011 Share Incentive Plan was conditionally approved by our shareholders at the extraordinary general meeting held on October 6, 2011 and became effective upon commencement of dealings in our shares on the HKSE on December 7, 2011. The 2011 Share Incentive Plan was further amended by our shareholders at the annual general meeting held on May 20, 2015 and became effective upon the voluntary withdrawal of our shares on the HKSE on July 3, 2015. The maximum aggregate number of shares which may be issued pursuant to all awards is 100,000,000 shares and the plan will expire 10 years after December 7, 2011. As of December 31, 2015, we have granted (i) share options to subscribe for a total of 7,235,811 shares and (ii) restricted shares in respect of a total of 4,179,537 shares, pursuant to the 2011 Share Incentive Plan. The 2011 Share Incentive Plan succeeds the 2006 Share Incentive Plan.

On May 15, 2013, we announced our grant of the authorization to the trustee which administers our 2011 Share Incentive Plan to purchase ADSs on Nasdaq for the purpose of satisfying our obligations to deliver ADSs under the 2011 Share Incentive Plan (“Purchase Program”). Under the Purchase Program, the trustee can purchase ADS on the open market at the price range to be determined by the Company’s management from time to time. This Purchase Program may be terminated or suspended by us at any time. During the year ended December 31, 2015, no ADS purchase was made by the trustee.

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

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

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

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

Plan Administration. Our compensation committee will administer the 2011 Share Incentive Plan and has the power to, among other actions, designate eligible participants, determine the number and types of awards to be granted, and set the terms and conditions of each award granted. The compensation committee’s decisions are final, binding, and conclusive for all purposes and upon all parties.

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

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Exercise Price. Our compensation committee may determine the exercise price or purchase price, if any, of any award. Our compensation committee, in its absolute and sole discretion, may reduce the exercise price amount set forth in any award agreement after grant. If we grant an incentive share option award to an employee who, at the time of that grant, owns shares representing more than 10% of the voting power of all classes of our shares, the exercise price may not be less than 110% of the fair market value of our ordinary shares on the date of that grant.

Term of Awards. The term of each award shall be stated in the award agreement. If the participant ceases to be eligible for any reason, the validity of the award shall depend on the terms and conditions of the award agreement. An option may not be exercised after 10 years from the date of the grant and other timing limits may apply to such exercise as set out in the award agreement or the 2011 Share Incentive Plan.

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

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

The 2011 Share Incentive Plan will expire 10 years after December 7, 2011, the date on which it became effective. No awards may be granted pursuant to the plan after that time.

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

MCP Share Incentive Plan

Apart from the 2006 Share Incentive Plan and the 2011 Share Incentive Plan, our subsidiary, MCP adopted the MCP Share Incentive Plan to promote the success and enhance the value of MCP, by linking the personal interests of members of the board of directors, employees and consultants of MCP, its subsidiaries, holding companies and affiliated companies. The MCP Share Incentive Plan, with amendments, was approved by our shareholders and by MCP shareholders on June 21, 2013. The Philippine Securities and Exchange Commission approved such amendments on June 24, 2013, which is the effective date of the MCP Share Incentive Plan. The MCP Share Incentive Plan was further amended by our shareholders at the annual general meeting held on May 20, 2015 and by MCP shareholders at the annual stockholders meeting held on May 18, 2015. The amended MCP Share Incentive Plan is pending the approval of the Philippine Securities and Exchange Commission, before it can take effect. The MCP Share Incentive Plan will expire 10 years after June 24, 2013. The maximum aggregate number of MCP Shares which may be issued pursuant to all awards under the MCP Share Incentive Plan is 442,630,330, subject to compliance with the Securities Regulation Code of the Philippines, as amended, and the rules and regulations promulgated thereunder ("Securities Law"). The overall

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limit on the number of MCP Shares which may be issued upon exercise of all outstanding awards granted and yet to be exercised under the MCP Share Incentive Plan and any other share incentive plans of MCP must not exceed 5% of the MCP Shares in issue from time to time.

Persons eligible to participate in the plan include directors, employees and consultants of MCP, its subsidiaries and the Parent for the purposes of the MCP Share Incentive Plan.

The compensation committee of MCP board may determine the exercise price, or purchase price, if any, of any award. There is no requirement under the Philippine law governing the determination of the option exercise price, except that option exercise price shall not be below the par value of the shares. The compensation committee of MCP board, in its absolute and sole discretion, may reduce the exercise price amount set forth in any award agreement after grant, but in any event shall be in compliance with the Securities Law. If MCP grants an incentive share option award to an employee who, at the time of that grant, owns MCP Shares representing more than 10% of the voting power of all classes of MCP Shares, the exercise price may not be less than 110% of the fair market value of MCP Shares on the date of that grant.

An option may not be exercised after 10 years from the date of the grant and other timing limits may apply to such exercise.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**A. MAJOR SHAREHOLDERS**

The following table sets forth the beneficial ownership of our ordinary shares as of April 5, 2016 by all persons who are known to us to be the beneficial owners of 5% or more of our share capital.

Name	Ordinary shares beneficially owned (1)	
	Number	%
Melco Leisure (2)(3)	559,229,043	34.29
Crown Asia Investments (4)(5)	559,229,043	34.29

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act, and includes voting or investment power with respect to the securities. Melco and Crown continue to have a shareholders' agreement relating to certain aspects of the voting and disposition of our ordinary shares held by them, and may accordingly constitute a "group" within the meaning of Rule 13d-3. See "— Melco Crown Joint Venture." However, Melco and Crown each disclaim beneficial ownership of the shares of our Company owned by the other.
- (2) The address of Melco and Melco Leisure is c/o The Penthouse, 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. Melco is listed on the Main Board of the HKSE.
- (3) As at April 5, 2016, Mr. Lawrence Yau Lung Ho, our co-chairman, chief executive officer and executive director as well as the chairman, chief executive officer and executive director of Melco, personally holds 27,699,132 ordinary shares of Melco, representing approximately 1.79% of Melco's ordinary shares outstanding. In addition, 119,303,024 ordinary shares of Melco are held by Lasting Legend Ltd., 294,527,606 ordinary shares of Melco are held by Better Joy Overseas Ltd., 50,830,447 ordinary shares of Melco are held by Mighty Dragon Developments Limited, 7,294,000 ordinary shares of Melco are held by The L3G Capital Trust, representing approximately 7.71%, 19.04%, 3.29% and 0.47% of Melco's shares, all of which companies are owned by persons and/or trusts affiliated with Mr. Ho. Mr. Ho also has interest in Great Respect Limited, a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho and his immediate family members and held 306,382,187 ordinary shares of Melco, representing 19.81% of Melco's shares. Therefore, we believe that Mr. Ho beneficially owns an aggregate of 806,036,396 ordinary shares of Melco, representing approximately 52.11% of Melco's ordinary shares outstanding. Melco Leisure is a direct wholly-owned subsidiary of Melco.
- (4) The address of Crown, Crown Entertainment Group Holdings and Crown Asia Investments is Level 3, Crown Towers, 8 Whiteman Street, Southbank, Victoria 3006, Australia. Crown is listed on the Australian Stock Exchange.
- (5) As of April 5, 2016, Crown was approximately 53.01% owned by Consolidated Press Holdings Pty Limited and its related corporations, which is a group related to Mr. James Packer. Crown Asia Investments is a direct wholly-owned subsidiary of Crown Entertainment Group Holdings and Crown Entertainment Group Holdings is a wholly-owned subsidiary of Crown.

As of December 31, 2015, a total of 1,630,924,523 ordinary shares were outstanding, of which 511,393,805 ordinary shares were registered in the name of a nominee of Deutsche Bank Trust Company Americas, the depository under the deposit agreement. We have no further information as to shares held, or beneficially owned, by U.S. persons. Since the completion of our initial public offering in December 2006, all ordinary shares underlying the ADSs have been held in Hong Kong by the custodian, Deutsche Bank AG, Hong Kong Branch, on behalf of the depository.

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

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

Melco Crown Joint Venture

In November 2004, Melco and PBL agreed to form an exclusive new joint venture in Asia to develop and operate casino, gaming machines and casino hotel businesses and properties in a territory defined to include Greater China (comprising Macau, China, Hong Kong and Taiwan), Singapore, Thailand, Vietnam, Japan, the Philippines, Indonesia, Malaysia and other countries that may be agreed (but not including Australia and New Zealand), or the Territory.

In March 2005, Melco and PBL concluded the joint venture arrangements resulting in our Company becoming a 50/50 owned holding company and entered into a shareholders’ deed that governed their joint venture relationship in our Company and our subsidiaries. Subsequently, Crown acquired all the gaming businesses and investments of PBL, including PBL’s investment in our Company. We act as the exclusive vehicle of Melco and Crown to carry on casino, gaming machines and casino hotel operations in Macau, while activities in other parts of the Territory will be carried out under other entities formed by Melco and Crown.

Amended and Restated Shareholders’ Deed

Melco and PBL entered into a shareholders’ deed post our initial offering which was effective in December 2006. In connection with the acquisition of the gaming businesses and investments of PBL by Crown, Melco and Crown have entered into a new variation to the shareholders’ deed with us, which became effective in July 2007. The new shareholders’ deed includes the following principal terms:

Exclusivity. Melco and Crown must not (and must ensure that their respective Affiliates and major shareholders do not), other than through us, directly or indirectly own, operate or manage a casino, a gaming slots business or a casino hotel, or acquire or hold an interest in an entity that owns, operates or manages such businesses in Macau, except that Melco and Crown may acquire and hold up to 5% of the voting securities in a public company engaged in such businesses.

Directors. Melco and Crown may each nominate up to three directors and shall vote in favor of the three directors nominated by the other and will not vote to remove directors nominated by the other. Melco and Crown will procure that the number of directors appointed to our board shall not be less than ten. However, if the number of directors on our board is increased, each of Melco and Crown will agree to increase the number of directors that they will nominate so that not less than 60% of our board will be directors nominated by Melco and Crown and voted in favor of by the other.

Transfer of Shares. Without the approval of the other party, Melco and Crown may not create any security interest or agree to create any security interest in our shares. In addition, without approval from the other, Melco and Crown may not transfer or otherwise dispose of our shares, except for: (1) permitted transfers to their wholly owned subsidiaries; (2) transfers of up to 1% of our issued and outstanding shares over any three month period up to a total cap of 5% of our issued and outstanding shares; (3) transfers subject to customary rights of first refusal and tag-along rights in favor of Crown or Melco (as the case may be) with respect to their transfers of our shares; and (4) in the case of Melco, the assured entitlement distribution by Melco to its shareholders of the assured entitlement ADSs.

Events of Default. If there is an event of default, which is defined as a material breach of the shareholders’ deed, an insolvency event of Melco or Crown or their subsidiaries which hold our shares, or a change in control of the Melco or Crown subsidiaries which hold our shares, and it is not cured within the prescribed time period, then the non-defaulting shareholder may exercise: (1) a call option to purchase our shares owned by the defaulting shareholder at a purchase price equal to 90% of the fair market value of the shares; or (2) a put option to sell all of the shares it owns in us to the defaulting shareholder at a purchase price equal to 110% of the fair market value of the shares.

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Notice from a Regulatory Authority. If a regulatory authority directs either Melco or Crown to end its relationship with the other, or makes a decision that would have a material adverse effect on its rights or benefits in us, then Melco and Crown may serve a notice of proposed sale to the other and, if the other shareholder does not want to purchase those shares, may sell the shares to a third party.

Term. The shareholders' deed will continue unless agreed in writing by all of the parties or if a shareholder ceases to hold any of our shares in accordance with the shareholders' deed.

B. RELATED PARTY TRANSACTIONS

For discussion of significant related party transactions we entered into during the years ended December 31, 2015, 2014 and 2013, see note 23 to the consolidated financial statements included elsewhere in this annual report.

Employment Agreements

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

Equity Incentive Plans

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

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

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

Legal and Administrative Proceedings

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

In August 2014, we received an indictment from the Taipei District Prosecutor's Office against the Taiwan branch office of one of our subsidiaries and certain of its employees for alleged violations of certain Taiwan banking and foreign exchange laws. In January 2013, the same Prosecutor's Office froze one of such Taiwan branch office's deposit accounts in connection with the investigation related to this indictment. The frozen deposit account had a balance of approximately New Taiwan dollar 2.98 billion (equivalent to approximately US\$102.2 million) at the time the account was frozen. Upon the lifting of the freeze order in October 2015, we have presented the balance of such deposit account as cash and cash equivalents in our financial statements. We will vigorously defend any allegations against us, as based on Taiwan legal advice received, we believe that our operations in Taiwan are in compliance with Taiwan laws. As of the date of this

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annual report, the legal proceedings would have no material impact on our financial statements as a whole. We are monitoring this case closely if there is any development in the case. We will account for the funds and provide relevant disclosures as and when appropriate as this case develops.

Crown Melbourne Limited, the owner of a number of “Crown” trademarks licensed to us, is from time to time involved in legal proceedings regarding “Crown” trademarks used in Macau. We understand that Crown Melbourne Limited will continue to take vigorous measures to protect its trademarks. We believe we have a valid right under our trademark license agreement with Crown Melbourne Limited to use the Crown trademarks in Macau in our hotel casino business.

Dividend Policy

On February 25, 2014, our board adopted a new dividend policy under which, subject to our capacity to pay from accumulated and future earnings and the cash balance and future commitments at the time of declaration of dividend, we intend to provide our shareholders with quarterly dividends of approximately 30% of consolidated net income attributable to Melco Crown Entertainment for the relevant quarter. Our Board is reviewing our current dividend payout ratio, as part of our commitment to maximizing shareholder value, taking into consideration our financial performance and market conditions.

On March 16, 2015, June 5, 2015, September 4, 2015, December 4, 2015, we paid quarterly dividend of US\$0.0171 per ordinary share, US\$0.0112 per ordinary share, US\$0.0045 per ordinary share and US\$0.0061 per ordinary share, respectively, to our shareholders. On February 18, 2016, the Company’s board declared a special dividend of US\$0.2146 per ordinary share which was paid to our shareholders on March 16, 2016.

Our board retains complete discretion on whether to pay dividends. Even if our board decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our board may deem relevant. Dividends will be declared and paid in Hong Kong dollar for holders of ordinary shares and U.S. dollar for holders of ADSs.

All subsidiaries incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity’s profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity’s share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries’ statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries’ financial statements in the year in which it is approved by the boards of directors of the relevant subsidiaries.

Our 2015 Credit Facilities, the 2013 Senior Notes, Studio City Notes, Studio City Project Facility and other indebtedness we may incur contain, or may be expected to contain, restrictions on payment of dividends to us, which is expected to affect our ability to pay dividends in the foreseeable future. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Shares and ADSs. We cannot assure you that we will make dividend payments in the future.”

Under the Cayman Companies Law, subject to the provisions of our Articles, the share premium account of our Company may be applied to pay distributions or dividends to shareholders, provided that immediately following the date the distribution or dividend is proposed to be paid, we are able to pay our debts as they fall due in the ordinary course of business.

B. SIGNIFICANT CHANGES

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

ITEM 9. THE OFFER AND LISTING**A. OFFERING AND LISTING DETAILS**

Our ADSs, each representing three ordinary shares, have been listed on Nasdaq under the symbol “MPEL” since December 19, 2006. Our ordinary shares were listed on the HKSE and began trading under the stock code “6883” on December 7, 2011 and were delisted from the HKSE on July 3, 2015.

The following table provides the high and low trading prices for our ADSs on Nasdaq and for our ordinary shares on the HKSE for the periods indicated as follows:

	Nasdaq		HKSE	
	High (in US\$)	Low	High (in HK\$)	Low
Monthly High and Low				
April 2016 (through April 5)	16.48	15.52	—	—
March 2016	18.00	14.66	—	—
February 2016	16.56	12.05	—	—
January 2016	17.12	12.89	—	—
December 2015	17.58	14.71	—	—
November 2015	20.23	15.51	—	—
October 2015	19.39	13.37	—	—
Quarterly High and Low				
First Quarter 2016	18.00	12.05	—	—
Fourth Quarter 2015	20.23	13.37	—	—
Third Quarter 2015 (1)	24.00	12.80	46.65	46.65
Second Quarter 2015	25.12	17.82	64.70	45.40
First Quarter 2015	28.17	20.40	71.50	53.65
Fourth Quarter 2014	27.19	21.04	70.85	55.75
Third Quarter 2014	37.00	24.77	95.65	65.30
Second Quarter 2014	41.90	29.76	105.00	78.00
First Quarter 2014	45.70	35.06	126.80	93.60
Annual High and Low				
2015 (1)	28.17	12.80	71.50	45.40
2014	45.70	21.04	126.80	55.75
2013	39.42	17.32	102.50	42.40
2012	16.98	9.13	43.20	24.25
2011	16.15	6.46	—	—

(1) The trading prices for our ordinary shares on the HKSE are for the period up to July 3, 2015.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

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

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

We incorporate by reference into this annual report (1) the summary description of our amended and restated memorandum and articles of association adopted under Cayman law, contained in our registration statement on Form F-3 (File No. 333-178215) originally filed with the SEC on November 29, 2011, as amended and (2) our amended and restated memorandum and articles of association (adopted on March 25, 2015, with effect from July 3, 2015) which is attached hereto as Exhibit 1.1 adopted under Cayman law. The amendments made in our amended and restated memorandum and articles of association (adopted on March 25, 2015, with effect from July 3, 2015) included the removal of provisions that were inserted solely for compliance with the Hong Kong listing rules and inclusion of provisions that were previously removed for compliance with the Hong Kong listing rules and new provisions. Such amendments included, among others, the following:

- removal of the provisions that required the retirement of one third of the directors at each annual meeting and requirements for rotation of directors and imposed restrictions on interested directors voting, and being counted in the quorum, in respect of resolutions to be passed by the Directors except in certain circumstances; and
- inclusion of provisions that provide for the 7 day notice period for general meetings of shareholders, votes at meetings of shareholders to be decided on a show of hands unless a poll is demanded, ability for interested directors to vote where such interest is previously disclosed and the Company to hold shares in treasury upon purchase or redemption.

C. MATERIAL CONTRACTS

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” and “Item 7. Major Shareholders and Related Party Transactions” or elsewhere in this annual report on Form 20-F.

D. EXCHANGE CONTROLS

Foreign Currency Exchange

The H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. The H.K. dollar is pegged to the U.S. dollar within a narrow range and

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the Pataca is in turn pegged to the H.K. dollar. With regards to our operations in Macau, the majority of our revenues are denominated in H.K. dollar, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Pataca and H.K. dollar. In addition, a significant portion of our indebtedness, as a result of the 2013 Senior Notes, Studio City Notes and certain expenses, have been and are denominated in U.S. dollar, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollar. We accept foreign currencies from our customers and therefore, in addition to H.K. dollar and Pataca, we also hold other foreign currencies.

No foreign exchange controls exist in Macau and Hong Kong and there is a free flow of capital into and out of Macau and Hong Kong. There are no restrictions on remittances of H.K. dollar or any other currency from Macau and Hong Kong to persons not resident in Macau and Hong Kong for the purpose of paying dividends or otherwise.

With regard to our subsidiaries registered in the Philippines, the currency primarily used for transactions, gaming or otherwise, is the Philippine peso. Also, we have certain indebtedness and bank accounts denominated in U.S. dollar. The Philippine peso is the only currency that is acceptable as legal tender in the country. The Philippines has been liberalizing foreign exchange controls in the country, and has adopted a floating exchange rate regime. In any event, Philippine peso still fluctuated against H.K. dollar and U.S. dollar from time to time. Although there are no restrictions or limits on the amounts of Philippine peso or foreign currency that may be taken in or out of the country, the Bangko Sentral ng Pilipinas (BSP), the Central Bank of the Philippines, imposed a requirement that inward and outward transfers of Philippine peso in excess of PHP10,000 must be with prior authorization of BSP, while foreign currency in excess of USD10,000 or its equivalent must be declared to the Bureau of Customs Desk in the airport upon arrival or before departure, as the case may be.

E. TAXATION

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

United States Federal Income Taxation

The following discussion describes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the ADSs or ordinary shares. This discussion applies only to U.S. Holders that hold the ADSs or ordinary shares as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended (generally, property held for investment) and that have the U.S. dollar as their functional currency. This discussion is based on the tax laws of the United States as of the date of this annual report and U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion neither deals with the tax consequences to any particular investor nor describes all of the tax consequences applicable to persons in special tax situations such as:

- banks;
- certain financial institutions;

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- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark to market;
- U.S. expatriates;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding ADSs or ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock;
- persons who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- partnerships or pass-through entities, or persons holding ADSs or ordinary shares through such entities.

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

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are the beneficial owner of ADSs or ordinary shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any State thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

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

The discussion below assumes the representations contained in the deposit agreement are true and the obligations in the deposit agreement and any related agreement will be complied with in accordance with their terms. If you own ADSs, you should be treated as the owner of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes.

The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security (for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). Accordingly, the availability of the reduced

tax rate for any dividends received by certain non-corporate U.S. Holders, including individuals U.S. Holders (as discussed below), could be affected by actions taken by intermediaries in the chain of ownership between the holders of ADSs and our Company if as a result of such actions the holders of ADSs are not properly treated as beneficial owners of underlying common shares.

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

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

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, any dividends may be taxed at the lower capital gains rate applicable to “qualified dividend income,” provided (1) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the United States, (2) we are neither a PFIC nor treated as such with respect to you (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Under U.S. Internal Revenue Service authority, ADSs will be considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the Nasdaq, as are our ADSs. You should consult your tax advisors regarding the availability of the lower capital gains rate applicable to qualified dividend income for any dividends paid with respect to our ADSs or ordinary shares.

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

Taxation of Disposition of ADSs or Ordinary Shares

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

Passive Foreign Investment Company

Based on the market price of our ADSs and ordinary shares, and the composition of our income and assets, we do not believe we were a PFIC for U.S. federal income tax purposes for our taxable year ended December 31, 2015. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you we will not be a PFIC for any taxable year. Furthermore, because PFIC status is a factual determination based on actual results for the entire taxable year, our U.S. counsel expresses no opinion with respect to our PFIC status and expresses no opinion with respect to this paragraph. A non-U.S. corporation will be a PFIC for U.S. federal income tax purposes for any taxable year if either:

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

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

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

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, we generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold ADSs or ordinary shares, unless we cease to be a PFIC and you make a “deemed sale” election with respect to the ADSs or ordinary shares. If such election is made, you will be deemed to have sold ADSs or ordinary shares you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described in the following two paragraphs. After the deemed sale election, your ADSs or ordinary shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

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

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

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

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

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the PFIC rules described above regarding excess distributions and recognized gains. If you make a mark-to-market election for the ADSs or ordinary shares, you will include in income for each year we are a PFIC an amount equal to the excess, if any, of the fair market value of the ADSs or ordinary shares as of the close of your taxable year over your adjusted basis in such ADSs or ordinary shares. You will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowable only to the extent of any net mark-to-market gains on the ADSs or ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or ordinary shares, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ADSs or ordinary shares, as well as to any loss realized on the actual sale or other disposition of the ADSs or ordinary shares, to the extent the amount of such loss does not exceed the net mark-to-market gains previously included for such ADSs or ordinary shares. Your basis in the ADSs or ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under “— Taxation of Dividends and Other Distributions on the ADSs or Ordinary Shares,” except the lower rate applicable to qualified dividend income would not apply.

The mark-to-market election is available only for “marketable stock,” which generally is stock that is regularly traded on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. Our ADSs are listed on the Nasdaq, which is a qualified exchange or other market for these purposes. Consequently, if the ADSs continue to be listed on Nasdaq and are regularly traded, and you are a holder of ADSs, we expect the mark-to-market election would be available to you if we were to become a PFIC. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. You should consult your tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

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

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

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

Information Reporting and Backup Withholding

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

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

Additional Reporting Requirements

Certain U.S. Holders who are individuals are required to report information relating to an interest in our common shares, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions). You should consult your tax advisors regarding the effect, if any, of these rules on your ownership and disposition of ADSs or ordinary shares.

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

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file an annual report on Form 20-F no later than four months after the close of each fiscal year, which is December 31. As permitted by the SEC, in Item 19 of this annual report, we incorporate by reference certain information we have filed with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this annual report.

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Copies of reports and other information, when so filed, may be inspected without charge at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our financial statements have been prepared in accordance with U.S. GAAP. Our annual reports will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP.

Nasdaq Marketplace Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depository bank, Deutsche Bank. In addition, we intend to post our annual report on our website www.melco-crown.com. Nasdaq Marketplace Rule 5255(c) permits foreign private issuers like us to follow "home country practice" in certain corporate governance matters. Walkers, our Cayman Islands counsel, has provided a letter to the Nasdaq certifying that under the Companies Law (as amended) of the Cayman Islands, we are not required to deliver annual reports to our shareholders prior to an annual general meeting.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We believe our and our subsidiaries' primary exposure to market risk will be interest rate risk associated with our substantial indebtedness.

Interest Rate Risk

Our exposure to interest rate risk is associated with our substantial indebtedness bearing interest based on floating rates. As of December 31, 2015, we are subject to fluctuations in HIBOR and LIBOR as a result of our 2015 Credit Facilities, Aircraft Term Loan and Studio City Project Facility. In addition, we entered into interest rate swaps in connection with portion of our drawdown under our Studio City Project Facility in accordance with our lenders' requirements at such time under the Studio City Project Facility. As of December 31, 2015, we had two interest rate swap agreements with total nominal amount of HK\$1,867,199,900 (equivalent to approximately US\$240.0 million) that expired in March 2016. In March 2016, we entered into another two interest rate swap agreements with a total nominal amount of HK\$1,867,199,900 (equivalent to approximately US\$240.0 million) that will expire in September 2016.

We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and we may supplement by hedging activities in a manner we deem prudent. We cannot be sure that these risk management strategies have had the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

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As of December 31, 2015 and 2014, approximately 54% and 55%, respectively, of our total indebtedness was based on fixed rates. Based on December 31, 2015 and 2014 indebtedness and interest rate swap levels, an assumed 100 basis point change in HIBOR and LIBOR would cause our annual interest cost to change by approximately US\$15.8 million and US\$15.0 million, respectively.

Interests in the security we provide to the lenders under our credit facilities, or other security or guarantees, are required by the counterparties to our hedging transactions, which could increase our aggregate secured indebtedness. We do not intend to engage in transactions in derivatives or other financial instruments for trading or speculative purposes and we expect the provisions of our existing and any future credit facilities to restrict or prohibit the use of derivatives and financial instruments for purposes other than hedging.

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollar. The majority of our revenues are denominated in H.K. dollar, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Pataca, H.K. dollar and Philippine peso. In addition, a significant portion of our indebtedness, as a result of the 2013 Senior Notes and Studio City Notes, and certain expenses, have been and are denominated in U.S. dollar, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollar. We also have a certain portion of our assets and liabilities, including the issuance of Philippine Notes in January 2014, denominated in Philippine peso.

The value of the H.K. dollar, Pataca and Philippine peso against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be broken or modified and subjected to fluctuation. Any significant fluctuations in the exchange rates between H.K. dollar, Pataca or Philippine peso to U.S. dollar may have a material adverse effect on our revenues and financial condition.

We accept foreign currencies from our customers and as of December 31, 2015, in addition to H.K. dollar, Pataca and Philippine peso, we also hold other foreign currencies. However, any foreign exchange risk exposure associated with those currencies is minimal.

We have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the years ended December 31, 2015 and 2014. Instead, we maintain a certain amount of our operating funds in the same currencies in which we have obligations, thereby reducing our exposure to currency fluctuations. However, we occasionally enter into foreign exchange transactions as part of financing transactions and capital expenditure programs.

See note 11 to the consolidated financial statements included elsewhere in this annual report for further details related to our indebtedness as of December 31, 2015.

Major currencies in which our cash and bank balances (including bank deposits with original maturity over three months and restricted cash) held as of December 31, 2015 were U.S. dollar, H.K. dollar, New Taiwan dollar, Philippine peso and Pataca. Based on the cash and bank balances as of December 31, 2015 and 2014, an assumed 1% change in the exchange rates between currencies other than U.S. dollar against the U.S. dollar would cause a maximum foreign transaction gain or loss of approximately US\$23.3 million and US\$31.1 million for the years ended December 31, 2015 and 2014, respectively.

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Based on the balances of indebtedness denominated in currencies other than U.S. dollar as of December 31, 2015 and 2014, an assumed 1% change in the exchange rates between currencies other than U.S. dollar against the U.S. dollar would cause a foreign transaction gain or loss of approximately US\$21.2 million and US\$20.5 million for the years ended December 31, 2015 and 2014, respectively.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not applicable.

D. AMERICAN DEPOSITORY SHARES

Persons depositing shares are charged a fee for each issuance of ADSs, including issuances resulting from distributions of shares, share dividends, share splits, bonus and rights distributions and other property, and for each surrender of ADSs in exchange for deposited securities. The fee in each case is not in excess of US\$5.00 for each 100 ADSs (or fraction thereof) issued or surrendered. Any holder of ADSs is charged a fee not in excess of US\$5.00 per 100 ADSs (or portion thereof) issued upon the exercise of rights. The depositary also charges a fee not in excess of US\$5.00 per 100 ADSs held for the distribution of cash proceeds pursuant to cash dividends, sale of rights and other entitlements or otherwise. The depositary may also charge an annual fee not in excess of US\$5.00 per 100 ADSs for the operation and maintenance costs in administering the ADSs. Persons depositing shares may also be required to pay the following charges:

- Taxes (including any applicable interest and penalties thereon) and other governmental charges;
- Cable, telex, facsimile and electronic transmission and delivery expenses;
- Registration fees as may from time to time be in effect for the registration of shares or other deposited securities with the foreign registrar and applicable to transfers of shares or other deposited securities to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- Expenses and charges incurred by the depositary in connection with the conversion of foreign currency;
- Fees and expenses incurred by the depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to the shares, deposited securities and ADSs; and
- Any additional fees, charges, costs or expenses that may be incurred by the depositary from time to time.

We will pay all other charges and expenses of the depositary and any agent of the depositary, except the custodian, pursuant to agreements from time to time between us and the depositary. We and the depositary may amend the fees described above from time to time.

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Depository fees payable upon the issuance and cancellation of ADSs are generally paid to the depository by the brokers receiving the newly issued ADSs from the depository and by the brokers delivering the ADSs to the depository for cancellation. Depository fees payable in connection with distributions of cash or securities to ADS holders and the depository service fee are charged by the depository to the holders of record of ADSs as of the applicable ADS record date.

In the case of cash distributions, service fees are generally deducted from the cash being distributed. In the case of distributions other than cash, such as stock dividends or certain rights, the depository charges the applicable ADS record date holder concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or in The Depository Trust Company (“DTC”)), the depository sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depository generally collects the fees through the settlement systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients’ ADSs in DTC accounts in turn charge their clients’ accounts the amount of the service fees paid to the depository.

Fees and Other Payments Made by the Depository to Us

In 2015, we received approximately US\$2.3 million (after tax) reimbursement from the depository for our expenses incurred in connection with investor relationship programs related to the ADS facility and the travel expense of our key personnel in connection with such programs.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, our management, with the participation of our chief executive officer and our chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, it should be noted that any controls and procedures, no matter how well designed and operated, can only provide reasonable, but not absolute, assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC’s rules and forms, and accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control Over Financial Reporting

Our Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act.

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Our Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our Company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our Company's assets;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Company's management assessed the effectiveness of our Company's internal control over financial reporting as of December 31, 2015. In making this assessment, our Company's management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework (2013)* ("2013 framework").

Based on this assessment, management concluded that, as of December 31, 2015, our Company's internal control over financial reporting is effective based on this 2013 framework.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of our Company's internal control over financial reporting as of December 31, 2015, has been audited by Deloitte Touche Tohmatsu, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Controls Over Financial Reporting

There were no changes in our Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our Company's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board has determined that James Andrew Charles MacKenzie qualifies as "audit committee financial expert" as defined in Item 16A of Form 20-F. Each of the members of our audit committee satisfies the "independence" requirements of the Nasdaq corporate governance rules and Rule 10A-3 under the Exchange Act. See "Item 6. Directors, Senior Management and Employees."

ITEM 16B. CODE OF ETHICS

Our board has adopted a code of business conduct and ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chief executive officer, chief financial officer and any other persons who perform similar functions for us. The code of business conduct and

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ethics was last amended on May 19, 2015. We have posted our current code of business conduct and ethics on our website at www.melco-crown.com. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Deloitte Touche Tohmatsu, our principal external auditor, for the years indicated. We did not pay any other fees to our auditor during the years indicated below.

	Year Ended December 31,	
	2015	2014
	(In thousands of US\$)	
Audit fees (1)	\$ 1,443	\$ 892
Audit-related fees (2)	—	108
Tax fees (3)	53	48
All other fees (4)	—	187

- (1) "Audit fees" means the aggregate fees billed in each of the fiscal years indicated for our calendar year audits.
- (2) "Audit-related fees" means the aggregate fees billed in respect of the review of our interim financial statements for the six months ended June 30, 2014.
- (3) "Tax fees" include fees billed for tax consultations.
- (4) "All other fees" include the aggregate fees billed for enterprise resource planning (ERP) software consultations.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Deloitte Touche Tohmatsu, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services which are approved by our audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On May 20, 2015, we announced that our board authorized a program to repurchase up to an aggregate of US\$500 million of shares of our outstanding common stock in the open market until the expiry of our current share repurchase mandate granted to our board upon conclusion of the 2016 annual general meeting or the revocation or variation of such mandate by our shareholders. The timing and amount of the repurchase transactions is determined by management and may depend on a variety of factors, including market conditions and other considerations. The program does not obligate us to acquire any amount of our ordinary shares and the program may be modified or discontinued at any time without prior notice. We did not carry out share repurchase during 2015.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Nasdaq Marketplace Rule 5255(c) permits foreign private issuers like us to follow “home country practice” in certain corporate governance matters. For example, Nasdaq Marketplace Rule 5605(b)(1)(A) generally requires that a majority of an issuer’s board of directors must consist of independent directors. We rely on this “home country practice” exception and do not have a majority of independent directors serving on our board.

In addition, Nasdaq Marketplace Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our Company and its subsidiaries a reasonable period of time prior to our Company’s annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depository bank, Deutsche Bank. We intend to post our annual report on our website www.melco-crown.com.

Lastly, Nasdaq Marketplace Rule 5635(d) requires each issuer to obtain shareholder approval for the issuance of securities in connection with a transaction other than a public offering involving certain issuances of ordinary shares in amounts equaling 20% or more of such issuer’s ordinary shares there outstanding. Walkers, our Cayman Islands counsel, has provided letters to Nasdaq certifying that under the Companies Law (as amended) of the Cayman Islands, we are not required to: (i) have a majority of independent directors serving on our board; (ii) deliver annual reports to our shareholders prior to an annual general meeting; or (iii) obtain shareholders’ approval prior to any issuance of our ordinary shares. The foregoing is subject to our memorandum and articles of association, as amended and restated from time to time.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Melco Crown Entertainment Limited and its subsidiaries are included at the end of this annual report.

ITEM 19. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1*	Amended and Restated Memorandum and Articles of Association adopted on March 25, 2015, with effect from July 3, 2015
2.1	Form of Registrant's American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 registration statement (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.3	Form of Deposit Agreement among Melco Crown Entertainment Limited, the depositary and the holders and beneficial owners of the American depositary shares issued thereunder (incorporated by reference to Exhibit (a) from Amendment No. 1 to our registration statement on Form F-6 (File No. 333-139159) filed with the SEC on November 29, 2011)
2.4	Deed of Variation and Amendment dated July 27, 2007 between our Company, Melco Leisure and Entertainment Group Limited, Melco International Development Limited, PBL Asia Investments Limited, Publishing and Broadcasting Limited and Crown Limited (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
2.5	Amended and Restated Shareholders' Deed dated December 12, 2007 among our Company, Melco Leisure and Entertainment Group Limited, Melco, PBL Asia Investments Limited and Crown Limited (incorporated by reference to Exhibit 2.7 from our annual report on Form 20-F for the fiscal year ended December 31, 2007 (File No. 001-33178), filed with the SEC on April 9, 2008)
2.6	Form of Registration Rights Agreement among our Company, Melco and PBL (incorporated by reference to Exhibit 4.10 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.7	Indenture, dated November 26, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited from time to time 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 (incorporated by reference to Exhibit 2.10 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.8	Pledge Agreement, dated November 26, 2012, by Studio City Finance Limited in favor of DB Trustees (Hong Kong) Limited as collateral agent (incorporated by reference to Exhibit 2.11 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.9	Pledge Over Accounts, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as collateral agent and Bank of China Limited, Macau Branch as escrow agent and note disbursement agent (incorporated by reference to Exhibit 2.12 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.10	Escrow Agreement, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as escrow agent (incorporated by reference to Exhibit 2.13 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)

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<u>Exhibit Number</u>	<u>Description of Document</u>
2.11	Intercompany Note, dated November 26, 2012, issued by Studio City Investments Limited (incorporated by reference to Exhibit 2.14 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.12	Note Disbursement and Account Agreement, dated November 26, 2012, among Studio City Finance Limited, Studio City Company Limited as borrower, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as note disbursement agent (incorporated by reference to Exhibit 2.15 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.13	Senior Term Loan and Revolving Facilities Agreement, dated January 28, 2013, among Studio City Investments Limited, Studio City Company Limited, certain guarantors as specified therein, Australia and New Zealand Banking Group Limited, Bank of America, N.A., Bank of China Limited, Macau Branch, Citigroup Global Markets Asia Limited, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Macau) Limited and UBS AG Hong Kong Branch as bookrunner mandated lead arrangers, certain other entities as specified therein as mandated lead arranger, lead arrangers, arranger, senior managers and managers, certain financial institutions as lenders, Deutsche Bank AG, Hong Kong Branch as facility agent, Industrial and Commercial Bank of China (Macau) Limited as agent and security trustee, disbursement agent and agent for the agent and security trustee and Bank of China Limited, Macau Branch as issuing bank (incorporated by reference to Exhibit 2.16 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.14	Indenture, dated February 7, 2013, among MCE Finance Limited, certain subsidiaries of MCE Finance Limited from time to time parties thereto and Deutsche Bank Trust Company Americas as trustee, principal paying agent, registrar and transfer agent (incorporated by reference to Exhibit 2.17 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.15	Amendment Agreement, dated March 1, 2013, between Studio City Investments Limited and Deutsche Bank AG, Hong Kong Branch as facility agent, relating to a senior facilities agreement dated January 28, 2013 (incorporated by reference to Exhibit 2.18 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.16	Notes Facility and Security Agreement, dated December 19, 2013, among MCE Leisure Philippines as issuer of the Philippine Notes, MCP and certain of its subsidiaries from time to time as guarantors and pledgers thereto, various financial institutions as holders of the Philippine Notes, Australia and New Zealand Banking Group Limited and Deutsche Bank AG, Manila Branch as joint lead managers and Philippine National Bank — Trust Banking Group as facility agent, registrar, paying agent and security trustee (incorporated by reference to Exhibit 2.19 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
2.17	Guaranty, dated January 21, 2014 by our Company in favor of Philippine National Bank — Trust Banking Group as facility agent on behalf of itself and the holders of Philippine Notes (incorporated by reference to Exhibit 2.20 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)

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<u>Exhibit Number</u>	<u>Description of Document</u>
2.18	Loan Agreement dated December 23, 2013, among MCE (Philippines) Investments Limited as lender, MCE Leisure Philippines as borrower and MCP and certain of its subsidiaries from time to time as guarantors, in respect of a term loan facility by the lender to the borrower in the amount of up to US\$340 million (incorporated by reference to Exhibit 2.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
4.1	Form of Indemnification Agreement with our directors and executive officers (incorporated by reference to Exhibit 10.1 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.2	Form of Directors' Agreement (incorporated by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.3	Form of Employment Agreement between our Company and an executive officer (incorporated by reference to Exhibit 10.3 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.4	English Translation of Subconcession Contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region between Wynn Macau and PBL Macau, dated September 8, 2006 (incorporated by reference to Exhibit 10.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.5	Senior Facilities Agreement dated September 5, 2007 for Melco PBL Gaming (Macau) Limited as Original Borrower, arranged by Australia and New Zealand Banking Group Limited, Banc of America Securities Asia Limited, Barclays Capital, Deutsche Bank AG, Hong Kong Branch and UBS AG Hong Kong Branch as Coordinating Lead Arrangers with Deutsche Bank AG, Hong Kong Branch acting as Agent and DB Trustees (Hong Kong) Limited acting as Security Agent (incorporated by reference to Exhibit 10.32 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
4.6	Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 7, 2007, between Melco PBL Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.6 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.7	Second Amendment Agreement in Respect of the Senior Facilities Agreement, dated September 1, 2008, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.7 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.8	Third Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 1, 2008, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.8 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated October 8, 2009, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.10	English Translation of Order of the Secretary for Public Works and Transportation published in Macau Official Gazette no. 9 of March 1, 2006 (incorporated by reference to Exhibit 10.13 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.11	Agreement dated March 9, 2005 between Melco Leisure and Entertainment Group Limited and MPBL (Greater China) (formerly known as Melco Entertainment Limited) (incorporated by reference to Exhibit 10.15 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.12	Assignment Agreement dated May 11, 2005 in relation to a memorandum of agreement dated October 28, 2004 and a subscription agreement in relation to convertible loan notes in the aggregate principal amount of HK\$1,175,000,000 to be issued by Melco among Great Respect, as assignor, MPBL (Greater China) (formerly known as Melco Entertainment Limited), as assignee, and Melco, as issuer (incorporated by reference to Exhibit 10.16 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.13	Novation and Termination Agreement (with respect to the Management Agreement for Grand Hyatt Macau dated June 18, 2006 and the Management Agreement for Hyatt Regency Macau dated June 18, 2006) dated August 30, 2008 between Hyatt of Macau Ltd., Melco Crown (COD) Developments Limited and Melco Crown COD (GH) Hotel Limited (incorporated by reference to Exhibit 4.20 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.14	Management Agreement dated August 30, 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.15	Hotel Trademark License Agreement by and between Hard Rock Holdings Limited and Melco Hotel and Resorts (Macau) Limited (now known as Melco Crown (COD) Developments Limited) dated January 22, 2007 (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.16	Novation Agreement (in respect of Hotel Trademark License Agreement) dated August 30, 2008 between Hard Rock Holdings Limited, Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited (incorporated by reference to Exhibit 4.23 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.17	Casino Trademark License Agreement by and between Hard Rock Holdings Limited and Melco PBL Gaming Limited (now known as Melco Crown Macau) dated January 22, 2007 (incorporated by reference to Exhibit 4.22 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco PBL Gaming Limited (now known as Melco Crown Macau) dated January 22, 2007 (incorporated by reference to Exhibit 4.23 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.19	Memorabilia Lease (hotel) between Hard Rock Cafe International (STP) Inc. and Melco Hotel and Resorts (Macau) Limited (now known as Melco Crown (COD) Developments Limited) dated January 22, 2007 (incorporated by reference to Exhibit 4.24 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.20	Novation Agreement (in respect of Hotel Memorabilia Lease) dated August 30, 2008 between Hard Rock Café International (STP), Inc., Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.21	Promissory Transfer of Shares Termination Agreement dated December 17, 2009 in connection with the termination of share purchase of Sociedade de Fomento Predial Omar, Limitada (“Omar”) between Double Margin Limited, Leong On Kei, a.k.a. Angela Leong, MPEL (Macau Peninsula) Limited and Omar (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2009 (File No. 001-333178), filed with the SEC on March 31, 2010)
4.22	Shareholders’ Agreement relating to Melco PBL Gaming Limited (now known as Melco Crown Macau) dated November 22, 2006 among PBL Asia Limited, MPBL Investments, Manuela António and Melco PBL Gaming (incorporated by reference to Exhibit 10.22 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.23	Termination Letter dated December 15, 2006 in connection with Shareholders Agreement Relating to Melco PBL Gaming Limited (now known as Melco Crown Macau) dated November 22, 2006 (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.24	Letter dated December 15, 2006 in connection with appointment of Mr. Lawrence Ho as the managing director of Melco PBL Gaming Limited (now known as Melco Crown Macau) (incorporated by reference to Exhibit 4.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.25	Termination Agreement relating to the Shareholders’ Agreement dated December 15, 2006 among PBL Asia Limited, Melco PBL Investments Limited (now known as Melco Investments Limited), Lawrence Yau Lung Ho and Melco PBL Gaming (Macau) Limited (now known as Melco Crown Macau) (incorporated by reference to Exhibit 4.5 from our registration statement on Form F-3 (File No. 333-171847), filed with the SEC on January 25, 2010)
4.26	2006 Share Incentive Plan, amended by AGM in May 2009 (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2009 (File No. 001-333178), filed with the SEC on March 31, 2010)
4.27	Trade Mark License dated November 30, 2006 between Crown Limited (now known as Crown Resorts Limited) and the Registrant as the licensee (incorporated by reference to Exhibit 10.24 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.28	Agreement between the Registrant and Melco Leisure and Entertainment Group Limited dated March 27, 2007 (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.29	Agreement between the Registrant and PBL Asia Investments Limited dated March 27, 2007 (incorporated by reference to Exhibit 4.33 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.30	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 25/2008 in relation to the City of Dreams Land Concession (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2010 (File No. 001-33178) filed with the SEC on April 1, 2011)
4.31	Fifth Amendment Agreement in Respect of the Senior Facilities Agreement, dated June 22, 2011, between, amongst others, Melco Crown Macau (now known as Melco Crown Macau), Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.32	Sale and Purchase Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, East Asia Satellite Television (Holdings) Limited and eSun Holdings Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.33	Implementation Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, MCE Cotai Investments Limited, New Cotai, LLC and New Cotai Holdings, LLC (incorporated by reference to Exhibit 4.39 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.34	Amendment No. 1 the Shareholders' Agreement relating to Studio City International Holdings Limited, dated September 25, 2012, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.35	Cooperation Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., Belle Corporation, PremiumLeisure and Amusement, Inc., MCE Leisure (Philippines) Corporation, MCE Holdings (Philippines) Corporation and MCE Holdings No. 2 (Philippines) Corporation (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.36	Contract of Lease, dated October 25, 2012, between Belle Corporation and MCE Leisure (Philippines) Corporation (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.37	Closing Arrangement Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., SM Development Corporation, Belle Corporation, PremiumLeisure and Amusement, Inc., MCE Leisure (Philippines) Corporation, MCE Holdings (Philippines) Corporation, MCE Holdings No. 2 (Philippines) Corporation, MPEL Projects Limited and Melco Property Development Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.38	Acquisition Agreement, dated December 7, 2012, among Interpharma Holdings & Management Corporation, Pharma Industries Holdings Limited, MCE (Philippines) Investments Limited and MCE (Philippines) Investments No.2 Corporation (incorporated by reference to Exhibit 4.40 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.39	Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MCE Holdings No. 2 (Philippines) Corporation, MCE Holdings (Philippines) Corporation and MCE Leisure (Philippines) Corporation (incorporated by reference to Exhibit 4.42 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.40	Sixth Amendment Agreement in Respect of the Senior Facilities Agreement, dated April 5, 2013, between Melco Crown Macau and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.43 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.41	Amendment No. 2 to the Shareholders' Agreement relating to Studio City International Holdings Limited, dated May 17, 2013, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.44 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
4.42	Amendment No. 3 to the Shareholders' Agreement relating to Studio City International Holdings Limited dated June 3, 2014 among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.43 from our annual report on Form 20-F for the fiscal year ended December 31, 2014 (File No. 001-33178), filed with the SEC on April 15, 2015)
4.43	Amendment No. 4 to the Shareholders' Agreement relating to Studio City International Holdings Limited dated July 21, 2014, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.44 from our annual report on Form 20-F for the fiscal year ended December 31, 2014 (File No. 001-33178), filed with the SEC on April 15, 2015)
4.44*	2011 Share Incentive Plan, as amended by annual general meeting on May 20, 2015, with effect from July 3, 2015
4.45*	Seventh Amendment in Respect of the Senior Facilities Agreement, dated June 19, 2015, between Melco Crown Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent
4.46*	Amendments, Waivers and Consent Request Letter, dated October 26, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent
4.47*	Supplemental Amendments, Waivers and Consent Request Letter, dated November 16, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent
8.1*	List of Subsidiaries
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers

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<u>Exhibit Number</u>	<u>Description of Document</u>
15.2*	Consent of Deloitte Touche Tohmatsu
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

MELCO CROWN ENTERTAINMENT LIMITED

Date: April 12, 2016

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Co-Chairman and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1*	Amended and Restated Memorandum and Articles of Association adopted on March 25, 2015, with effect from July 3, 2015
2.1	Form of Registrant's American Depositary Receipt (included in Exhibit 2.3)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 registration statement (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.3	Form of Deposit Agreement among Melco Crown Entertainment Limited, the depositary and the holders and beneficial owners of the American depositary shares issued thereunder (incorporated by reference to Exhibit (a) from Amendment No. 1 to our registration statement on Form F-6 (File No. 333-139159) filed with the SEC on November 29, 2011)
2.4	Deed of Variation and Amendment dated July 27, 2007 between our Company, Melco Leisure and Entertainment Group Limited, Melco International Development Limited, PBL Asia Investments Limited, Publishing and Broadcasting Limited and Crown Limited (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
2.5	Amended and Restated Shareholders' Deed dated December 12, 2007 among our Company, Melco Leisure and Entertainment Group Limited, Melco, PBL Asia Investments Limited and Crown Limited (incorporated by reference to Exhibit 2.7 from our annual report on Form 20-F for the fiscal year ended December 31, 2007 (File No. 001-33178), filed with the SEC on April 9, 2008)
2.6	Form of Registration Rights Agreement among our Company, Melco and PBL (incorporated by reference to Exhibit 4.10 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.7	Indenture, dated November 26, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited from time to time 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 (incorporated by reference to Exhibit 2.10 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.8	Pledge Agreement, dated November 26, 2012, by Studio City Finance Limited in favor of DB Trustees (Hong Kong) Limited as collateral agent (incorporated by reference to Exhibit 2.11 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.9	Pledge Over Accounts, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as collateral agent and Bank of China Limited, Macau Branch as escrow agent and note disbursement agent (incorporated by reference to Exhibit 2.12 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.10	Escrow Agreement, dated November 26, 2012, among Studio City Finance Limited, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as escrow agent (incorporated by reference to Exhibit 2.13 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)

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<u>Exhibit Number</u>	<u>Description of Document</u>
2.11	Intercompany Note, dated November 26, 2012, issued by Studio City Investments Limited (incorporated by reference to Exhibit 2.14 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.12	Note Disbursement and Account Agreement, dated November 26, 2012, among Studio City Finance Limited, Studio City Company Limited as borrower, DB Trustees (Hong Kong) Limited as trustee and collateral agent and Bank of China Limited, Macau Branch as note disbursement agent (incorporated by reference to Exhibit 2.15 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.13	Senior Term Loan and Revolving Facilities Agreement, dated January 28, 2013, among Studio City Investments Limited, Studio City Company Limited, certain guarantors as specified therein, Australia and New Zealand Banking Group Limited, Bank of America, N.A., Bank of China Limited, Macau Branch, Citigroup Global Markets Asia Limited, Credit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Industrial and Commercial Bank of China (Macau) Limited and UBS AG Hong Kong Branch as bookrunner mandated lead arrangers, certain other entities as specified therein as mandated lead arranger, lead arrangers, arranger, senior managers and managers, certain financial institutions as lenders, Deutsche Bank AG, Hong Kong Branch as facility agent, Industrial and Commercial Bank of China (Macau) Limited as agent and security trustee, disbursement agent and agent for the agent and security trustee and Bank of China Limited, Macau Branch as issuing bank (incorporated by reference to Exhibit 2.16 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.14	Indenture, dated February 7, 2013, among MCE Finance Limited, certain subsidiaries of MCE Finance Limited from time to time parties thereto and Deutsche Bank Trust Company Americas as trustee, principal paying agent, registrar and transfer agent (incorporated by reference to Exhibit 2.17 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.15	Amendment Agreement, dated March 1, 2013, between Studio City Investments Limited and Deutsche Bank AG, Hong Kong Branch as facility agent, relating to a senior facilities agreement dated January 28, 2013 (incorporated by reference to Exhibit 2.18 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
2.16	Notes Facility and Security Agreement, dated December 19, 2013, among MCE Leisure Philippines as issuer of the Philippine Notes, MCP and certain of its subsidiaries from time to time as guarantors and pledgers thereto, various financial institutions as holders of the Philippine Notes, Australia and New Zealand Banking Group Limited and Deutsche Bank AG, Manila Branch as joint lead managers and Philippine National Bank — Trust Banking Group as facility agent, registrar, paying agent and security trustee (incorporated by reference to Exhibit 2.19 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
2.17	Guaranty, dated January 21, 2014 by our Company in favor of Philippine National Bank — Trust Banking Group as facility agent on behalf of itself and the holders of Philippine Notes (incorporated by reference to Exhibit 2.20 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)

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<u>Exhibit Number</u>	<u>Description of Document</u>
2.18	Loan Agreement dated December 23, 2013, among MCE (Philippines) Investments Limited as lender, MCE Leisure Philippines as borrower and MCP and certain of its subsidiaries from time to time as guarantors, in respect of a term loan facility by the lender to the borrower in the amount of up to US\$340 million (incorporated by reference to Exhibit 2.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
4.1	Form of Indemnification Agreement with our directors and executive officers (incorporated by reference to Exhibit 10.1 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.2	Form of Directors' Agreement (incorporated by reference to Exhibit 10.2 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.3	Form of Employment Agreement between our Company and an executive officer (incorporated by reference to Exhibit 10.3 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.4	English Translation of Subconcession Contract for operating casino games of chance or games of other forms in the Macau Special Administrative Region between Wynn Macau and PBL Macau, dated September 8, 2006 (incorporated by reference to Exhibit 10.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.5	Senior Facilities Agreement dated September 5, 2007 for Melco PBL Gaming (Macau) Limited as Original Borrower, arranged by Australia and New Zealand Banking Group Limited, Banc of America Securities Asia Limited, Barclays Capital, Deutsche Bank AG, Hong Kong Branch and UBS AG Hong Kong Branch as Coordinating Lead Arrangers with Deutsche Bank AG, Hong Kong Branch acting as Agent and DB Trustees (Hong Kong) Limited acting as Security Agent (incorporated by reference to Exhibit 10.32 from our registration statement on Form F-1 (File No. 333-146780), as amended, initially filed with the SEC on October 18, 2007)
4.6	Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 7, 2007, between Melco PBL Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.6 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.7	Second Amendment Agreement in Respect of the Senior Facilities Agreement, dated September 1, 2008, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.7 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.8	Third Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 1, 2008, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.8 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated October 8, 2009, between Melco Crown Gaming (Macau) Limited (now known as Melco Crown Macau) and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.10	English Translation of Order of the Secretary for Public Works and Transportation published in Macau Official Gazette no. 9 of March 1, 2006 (incorporated by reference to Exhibit 10.13 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.11	Agreement dated March 9, 2005 between Melco Leisure and Entertainment Group Limited and MPBL (Greater China) (formerly known as Melco Entertainment Limited) (incorporated by reference to Exhibit 10.15 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.12	Assignment Agreement dated May 11, 2005 in relation to a memorandum of agreement dated October 28, 2004 and a subscription agreement in relation to convertible loan notes in the aggregate principal amount of HK\$1,175,000,000 to be issued by Melco among Great Respect, as assignor, MPBL (Greater China) (formerly known as Melco Entertainment Limited), as assignee, and Melco, as issuer (incorporated by reference to Exhibit 10.16 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.13	Novation and Termination Agreement (with respect to the Management Agreement for Grand Hyatt Macau dated June 18, 2006 and the Management Agreement for Hyatt Regency Macau dated June 18, 2006) dated August 30, 2008 between Hyatt of Macau Ltd., Melco Crown (COD) Developments Limited and Melco Crown COD (GH) Hotel Limited (incorporated by reference to Exhibit 4.20 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.14	Management Agreement dated August 30, 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.15	Hotel Trademark License Agreement by and between Hard Rock Holdings Limited and Melco Hotel and Resorts (Macau) Limited (now known as Melco Crown (COD) Developments Limited) dated January 22, 2007 (incorporated by reference to Exhibit 4.21 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.16	Novation Agreement (in respect of Hotel Trademark License Agreement) dated August 30, 2008 between Hard Rock Holdings Limited, Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited (incorporated by reference to Exhibit 4.23 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.17	Casino Trademark License Agreement by and between Hard Rock Holdings Limited and Melco PBL Gaming Limited (now known as Melco Crown Macau) dated January 22, 2007 (incorporated by reference to Exhibit 4.22 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco PBL Gaming Limited (now known as Melco Crown Macau) dated January 22, 2007 (incorporated by reference to Exhibit 4.23 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.19	Memorabilia Lease (hotel) between Hard Rock Cafe International (STP) Inc. and Melco Hotel and Resorts (Macau) Limited (now known as Melco Crown (COD) Developments Limited) dated January 22, 2007 (incorporated by reference to Exhibit 4.24 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.20	Novation Agreement (in respect of Hotel Memorabilia Lease) dated August 30, 2008 between Hard Rock Café International (STP), Inc., Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.21	Promissory Transfer of Shares Termination Agreement dated December 17, 2009 in connection with the termination of share purchase of Sociedade de Fomento Predial Omar, Limitada (“Omar”) between Double Margin Limited, Leong On Kei, a.k.a. Angela Leong, MPEL (Macau Peninsula) Limited and Omar (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2009 (File No. 001-333178), filed with the SEC on March 31, 2010)
4.22	Shareholders’ Agreement relating to Melco PBL Gaming Limited (now known as Melco Crown Macau) dated November 22, 2006 among PBL Asia Limited, MPBL Investments, Manuela António and Melco PBL Gaming (incorporated by reference to Exhibit 10.22 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.23	Termination Letter dated December 15, 2006 in connection with Shareholders Agreement Relating to Melco PBL Gaming Limited (now known as Melco Crown Macau) dated November 22, 2006 (incorporated by reference to Exhibit 4.27 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.24	Letter dated December 15, 2006 in connection with appointment of Mr. Lawrence Ho as the managing director of Melco PBL Gaming Limited (now known as Melco Crown Macau) (incorporated by reference to Exhibit 4.28 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.25	Termination Agreement relating to the Shareholders’ Agreement dated December 15, 2006 among PBL Asia Limited, Melco PBL Investments Limited (now known as Melco Investments Limited), Lawrence Yau Lung Ho and Melco PBL Gaming (Macau) Limited (now known as Melco Crown Macau) (incorporated by reference to Exhibit 4.5 from our registration statement on Form F-3 (File No. 333-171847), filed with the SEC on January 25, 2010)
4.26	2006 Share Incentive Plan, amended by AGM in May 2009 (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2009 (File No. 001-333178), filed with the SEC on March 31, 2010)
4.27	Trade Mark License dated November 30, 2006 between Crown Limited (now known as Crown Resorts Limited) and the Registrant as the licensee (incorporated by reference to Exhibit 10.24 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
4.28	Agreement between the Registrant and Melco Leisure and Entertainment Group Limited dated March 27, 2007 (incorporated by reference to Exhibit 4.32 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.29	Agreement between the Registrant and PBL Asia Investments Limited dated March 27, 2007 (incorporated by reference to Exhibit 4.33 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)
4.30	English Translation of the amended Order of Secretary for Public Works and Transportation published in Macau Official Gazette No. 25/2008 in relation to the City of Dreams Land Concession (incorporated by reference to Exhibit 4.30 from our annual report on Form 20-F for the fiscal year ended December 31, 2010 (File No. 001-33178) filed with the SEC on April 1, 2011)
4.31	Fifth Amendment Agreement in Respect of the Senior Facilities Agreement, dated June 22, 2011, between, amongst others, Melco Crown Macau (now known as Melco Crown Macau), Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.32	Sale and Purchase Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, East Asia Satellite Television (Holdings) Limited and eSun Holdings Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.33	Implementation Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, MCE Cotai Investments Limited, New Cotai, LLC and New Cotai Holdings, LLC (incorporated by reference to Exhibit 4.39 from our annual report on Form 20-F for the fiscal year ended December 31, 2011 (File No. 001-33178), filed with the SEC on April 19, 2012)
4.34	Amendment No. 1 the Shareholders' Agreement relating to Studio City International Holdings Limited , dated September 25, 2012, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.35 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.35	Cooperation Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., Belle Corporation, PremiumLeisure and Amusement, Inc., MCE Leisure (Philippines) Corporation, MCE Holdings (Philippines) Corporation and MCE Holdings No. 2 (Philippines) Corporation (incorporated by reference to Exhibit 4.36 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.36	Contract of Lease, dated October 25, 2012, between Belle Corporation and MCE Leisure (Philippines) Corporation (incorporated by reference to Exhibit 4.37 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.37	Closing Arrangement Agreement, dated October 25, 2012, among SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., SM Development Corporation, Belle Corporation, PremiumLeisure and Amusement, Inc., MCE Leisure (Philippines) Corporation, MCE Holdings (Philippines) Corporation, MCE Holdings No. 2 (Philippines) Corporation, MPEL Projects Limited and Melco Property Development Limited (incorporated by reference to Exhibit 4.38 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.38	Acquisition Agreement, dated December 7, 2012, among Interpharma Holdings & Management Corporation, Pharma Industries Holdings Limited, MCE (Philippines) Investments Limited and MCE (Philippines) Investments No.2 Corporation (incorporated by reference to Exhibit 4.40 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.39	Operating Agreement, dated March 13, 2013, among Belle Corporation, SM Investments Corporation, PremiumLeisure and Amusement, Inc., MCE Holdings No. 2 (Philippines) Corporation, MCE Holdings (Philippines) Corporation and MCE Leisure (Philippines) Corporation (incorporated by reference to Exhibit 4.42 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.40	Sixth Amendment Agreement in Respect of the Senior Facilities Agreement, dated April 5, 2013, between Melco Crown Macau and Deutsche Bank AG, Hong Kong Branch as agent (incorporated by reference to Exhibit 4.43 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 18, 2013)
4.41	Amendment No. 2 to the Shareholders' Agreement relating to Studio City International Holdings Limited, dated May 17, 2013, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.44 from our annual report on Form 20-F for the fiscal year ended December 31, 2012 (File No. 001-33178), filed with the SEC on April 15, 2014)
4.42	Amendment No. 3 to the Shareholders' Agreement relating to Studio City International Holdings Limited dated June 3, 2014 among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.43 from our annual report on Form 20-F for the fiscal year ended December 31, 2014 (File No. 001-33178), filed with the SEC on April 15, 2015)
4.43	Amendment No. 4 to the Shareholders' Agreement relating to Studio City International Holdings Limited dated July 21, 2014, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (incorporated by reference to Exhibit 4.44 from our annual report on Form 20-F for the fiscal year ended December 31, 2014 (File No. 001-33178), filed with the SEC on April 15, 2015)
4.44*	2011 Share Incentive Plan, as amended by annual general meeting on May 20, 2015, with effect from July 3, 2015
4.45*	Seventh Amendment in Respect of the Senior Facilities Agreement, dated June 19, 2015, between Melco Crown Macau, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent
4.46*	Amendments, Waivers and Consent Request Letter, dated October 26, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent
4.47*	Supplemental Amendments, Waivers and Consent Request Letter, dated November 16, 2015, in connection with the Senior Term Loan and Revolving Facilities Agreement dated January 28, 2013 issued by Studio City Investments Limited and Studio City Company Limited, to Deutsche Bank AG, Hong Kong Branch as facility agent
8.1*	List of Subsidiaries
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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<u>Exhibit Number</u>	<u>Description of Document</u>
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers
15.2*	Consent of Deloitte Touche Tohmatsu
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this annual report on Form 20-F

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MELCO CROWN ENTERTAINMENT LIMITED

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Melco Crown Entertainment Limited:

We have audited the accompanying consolidated balance sheets of Melco Crown Entertainment Limited and subsidiaries (the “Company”) as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule included in Schedule 1. These consolidated financial statements and financial statement schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 12, 2016 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
April 12, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Melco Crown Entertainment Limited:

We have audited the internal control over financial reporting of Melco Crown Entertainment Limited and subsidiaries (the “Company”) as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financing Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2015 of the Company and our report dated April 12, 2016 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
April 12, 2016

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED BALANCE SHEETS****(In thousands of U.S. dollars, except share and per share data)**

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,611,026	\$ 1,597,655
Bank deposits with original maturity over three months	724,736	110,616
Restricted cash	317,118	1,447,034
Accounts receivable, net (Note 3)	271,627	253,665
Amounts due from affiliated companies (Note 23(a))	1,175	1,079
Deferred tax assets (Note 16)	19	532
Income tax receivable	62	15
Inventories	33,074	23,111
Prepaid expenses and other current assets	61,324	69,254
Total current assets	<u>3,020,161</u>	<u>3,502,961</u>
PROPERTY AND EQUIPMENT, NET (Note 5)	5,760,229	4,696,391
GAMING SUBCONCESSION, NET (Note 6)	370,557	427,794
INTANGIBLE ASSETS (Note 7)	4,220	4,220
GOODWILL (Note 7)	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS (Note 8)	159,677	287,558
RESTRICTED CASH	—	369,549
DEFERRED TAX ASSETS (Note 16)	83	115
DEFERRED FINANCING COSTS, NET	179,808	174,872
LAND USE RIGHTS, NET (Note 9)	833,132	887,188
TOTAL ASSETS	<u>\$ 10,409,782</u>	<u>\$ 10,432,563</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 15,588	\$ 14,428
Accrued expenses and other current liabilities (Note 10)	1,056,850	1,005,720
Income tax payable	3,487	6,621
Capital lease obligations, due within one year (Note 12)	29,792	23,512
Current portion of long-term debt (Note 11)	106,505	262,750
Amounts due to affiliated companies (Note 23(b))	2,464	3,626
Total current liabilities	<u>1,214,686</u>	<u>1,316,657</u>
LONG-TERM DEBT (Note 11)	3,856,200	3,640,031
OTHER LONG-TERM LIABILITIES (Note 13)	80,962	93,441
DEFERRED TAX LIABILITIES (Note 16)	55,598	58,949
CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR (Note 12)	270,477	278,027
LAND USE RIGHTS PAYABLE (Note 22(c))	—	3,788
COMMITMENTS AND CONTINGENCIES (Note 22)		

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED BALANCE SHEETS - continued**
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2015	2014
SHAREHOLDERS' EQUITY		
Ordinary shares at US\$0.01 par value per share (Authorized – 7,300,000,000 shares as of December 31, 2015 and 2014 and issued – 1,630,924,523 and 1,633,701,920 shares as of December 31, 2015 and 2014, respectively (Note 15))	\$ 16,309	\$ 16,337
Treasury shares, at cost (12,935,230 and 17,684,386 shares as of December 31, 2015 and 2014, respectively (Note 15))	(275)	(33,167)
Additional paid-in capital	3,075,459	3,092,943
Accumulated other comprehensive losses	(21,934)	(17,149)
Retained earnings	1,270,074	1,227,177
Total Melco Crown Entertainment Limited shareholders' equity	4,339,633	4,286,141
Noncontrolling interests	592,226	755,529
Total equity	4,931,859	5,041,670
TOTAL LIABILITIES AND EQUITY	\$ 10,409,782	\$ 10,432,563

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

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED STATEMENTS OF OPERATIONS**
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2015	2014	2013
OPERATING REVENUES			
Casino	\$ 3,767,291	\$ 4,654,184	\$ 4,941,487
Rooms	199,727	136,427	127,661
Food and beverage	126,848	84,895	78,880
Entertainment, retail and others	117,543	108,417	103,739
Gross revenues	4,211,409	4,983,923	5,251,767
Less: promotional allowances	(236,609)	(181,614)	(164,589)
Net revenues	3,974,800	4,802,309	5,087,178
OPERATING COSTS AND EXPENSES			
Casino	(2,654,760)	(3,246,404)	(3,452,736)
Rooms	(23,419)	(12,669)	(12,511)
Food and beverage	(43,295)	(23,513)	(29,114)
Entertainment, retail and others	(77,506)	(62,073)	(64,212)
General and administrative	(383,874)	(311,696)	(255,780)
Payments to the Philippine Parties (Note 21(c))	(16,547)	(870)	—
Pre-opening costs	(168,172)	(93,970)	(17,014)
Development costs	(110)	(10,734)	(26,297)
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(54,056)	(64,471)	(64,271)
Depreciation and amortization	(359,341)	(246,686)	(261,298)
Property charges and others	(38,068)	(8,698)	(6,884)
Gain on disposal of assets held for sale (Note 4)	—	22,072	—
Total operating costs and expenses	(3,876,385)	(4,116,949)	(4,247,354)
OPERATING INCOME	98,415	685,360	839,824
NON-OPERATING INCOME (EXPENSES)			
Interest income	13,900	20,025	7,660
Interest expenses, net of capitalized interest	(118,330)	(124,090)	(152,660)
Amortization of deferred financing costs	(38,511)	(28,055)	(18,159)
Loan commitment and other finance fees	(7,328)	(18,976)	(25,643)
Foreign exchange loss, net	(2,156)	(6,155)	(10,756)
Other income, net	2,317	2,313	1,661
Loss on extinguishment of debt (Note 11)	(481)	—	(50,935)
Costs associated with debt modification (Note 11)	(7,603)	—	(10,538)
Total non-operating expenses, net	(158,192)	(154,938)	(259,370)
(LOSS) INCOME BEFORE INCOME TAX	(59,777)	530,422	580,454
INCOME TAX EXPENSE (Note 16)	(1,031)	(3,036)	(2,441)
NET (LOSS) INCOME	(60,808)	527,386	578,013
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	166,555	80,894	59,450
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	\$ 105,747	\$ 608,280	\$ 637,463

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED STATEMENTS OF OPERATIONS - continued**
(In thousands of U.S. dollars, except share and per share data)

	Year Ended December 31,		
	2015	2014	2013
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE:			
Basic	\$ 0.065	\$ 0.369	\$ 0.386
Diluted	\$ 0.065	\$ 0.366	\$ 0.383
WEIGHTED AVERAGE SHARES USED IN NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE CALCULATION:			
Basic	1,617,263,041	1,647,571,547	1,649,678,643
Diluted	1,627,108,770	1,660,503,130	1,664,198,091

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

MELCO CROWN ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2015	2014	2013
Net (loss) income	\$ (60,808)	\$527,386	\$ 578,013
Other comprehensive loss:			
Foreign currency translation adjustment	(9,376)	(2,468)	(23,399)
Change in fair value of interest rate swap agreements	(42)	(19)	—
Other comprehensive loss	(9,418)	(2,487)	(23,399)
Total comprehensive (loss) income	(70,226)	524,899	554,614
Comprehensive loss attributable to noncontrolling interests	171,188	81,824	68,314
Comprehensive income attributable to Melco Crown Entertainment Limited	<u>\$100,962</u>	<u>\$606,723</u>	<u>\$ 622,928</u>

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

MELCO CROWN ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Melco Crown Entertainment Limited Shareholders' Equity								
	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Losses	Retained Earnings	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount					
BALANCE AT JANUARY 1, 2013	1,658,059,295	\$16,581	(11,267,038)	\$ (113)	\$3,235,835	\$ (1,057)	\$ 134,693	\$ 354,817	\$3,740,756
Net income for the year	—	—	—	—	—	—	637,463	(59,450)	578,013
Capital contribution from noncontrolling interests	—	—	—	—	—	—	—	280,000	280,000
Foreign currency translation adjustment	—	—	—	—	—	(14,535)	—	(8,864)	(23,399)
Share-based compensation (Note 17)	—	—	—	—	14,119	—	—	883	15,002
Shares purchased under trust arrangement for future vesting of restricted shares (Note 15)	—	—	(1,121,838)	(8,770)	—	—	—	—	(8,770)
Transfer of shares purchased under trust arrangement for restricted shares vested (Note 15)	—	—	378,579	2,965	(2,965)	—	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options (Note 15)	8,574,153	86	(8,574,153)	(86)	—	—	—	—	—
Issuance of shares for restricted shares vested (Note 15)	—	—	1,297,902	13	(13)	—	—	—	—
Exercise of share options (Note 15)	—	—	3,064,302	31	4,888	—	—	—	4,919
Change in shareholding of the Philippine subsidiaries (Note 25)	—	—	—	—	227,535	—	—	110,926	338,461
BALANCE AT DECEMBER 31, 2013	1,666,633,448	16,667	(16,222,246)	(5,960)	3,479,399	(15,592)	772,156	678,312	4,924,982
Net income for the year	—	—	—	—	—	—	608,280	(80,894)	527,386
Capital contribution from noncontrolling interests	—	—	—	—	—	—	—	92,000	92,000
Foreign currency translation adjustment	—	—	—	—	—	(1,538)	—	(930)	(2,468)
Change in fair value of interest rate swap agreements	—	—	—	—	—	(19)	—	—	(19)
Share-based compensation (Note 17)	—	—	—	—	18,233	—	—	2,168	20,401
Shares purchased under trust arrangement for future vesting of restricted shares (Note 15)	—	—	(208,278)	(1,721)	—	—	—	—	(1,721)
Transfer of shares purchased under trust arrangement for restricted shares vested (Note 15)	—	—	467,121	3,648	(3,648)	—	—	—	—
Shares repurchased for retirement (Note 15)	—	—	(36,649,344)	(300,495)	—	—	—	—	(300,495)
Retirement of shares (Note 15)	(32,931,528)	(330)	32,931,528	271,341	(271,011)	—	—	—	—
Issuance of shares for restricted shares vested (Note 15)	—	—	1,068,534	11	(11)	—	—	—	—
Exercise of share options (Note 15)	—	—	928,299	9	2,147	—	—	—	2,156
Change in shareholding of the Philippine subsidiaries (Note 25)	—	—	—	—	57,293	—	—	64,873	122,166
Dividends declared (\$0.2076 per share) (Note 20)	—	—	—	—	(189,459)	—	(153,259)	—	(342,718)
BALANCE AT DECEMBER 31, 2014	1,633,701,920	16,337	(17,684,386)	(33,167)	3,092,943	(17,149)	1,227,177	755,529	5,041,670
Net income (loss) for the year	—	—	—	—	—	—	105,747	(166,555)	(60,808)
Foreign currency translation adjustment	—	—	—	—	—	(4,767)	—	(4,609)	(9,376)
Change in fair value of interest rate swap agreements	—	—	—	—	—	(18)	—	(24)	(42)
Share-based compensation (Note 17)	—	—	—	—	18,640	—	—	2,210	20,850
Transfer of shares purchased under trust arrangement for restricted shares vested (Note 15)	—	—	466,203	3,732	(3,732)	—	—	—	—
Retirement of shares (Note 15)	(3,717,816)	(37)	3,717,816	29,154	(29,117)	—	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options (Note 15)	940,419	9	(940,419)	(9)	—	—	—	—	—
Issuance of shares for restricted shares vested (Note 15)	—	—	136,809	1	(1)	—	—	—	—
Exercise of share options (Note 15)	—	—	1,368,747	14	2,401	—	—	—	2,415
Transfer of property and equipment between subsidiaries	—	—	—	—	3,433	—	—	(3,433)	—
Change in shareholding of the Philippine subsidiaries (Note 25)	—	—	—	—	(9,108)	—	—	9,108	—
Dividends declared (\$0.0389 per share) (Note 20)	—	—	—	—	—	—	(62,850)	—	(62,850)
BALANCE AT DECEMBER 31, 2015	1,630,924,523	\$16,309	(12,935,230)	\$ (275)	\$3,075,459	\$ (21,934)	\$ 1,270,074	\$ 592,226	\$4,931,859

Note: The treasury shares represent i) new shares issued by the Company and held by the depository bank to facilitate the administration and operations of the Company's share incentive plans, and are to be delivered to the Directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options; ii) the shares purchased under a trust arrangement for the benefit of certain beneficiaries who are awardees under the 2011 Share Incentive Plan and held by a trustee to facilitate the future vesting of restricted shares in selected Directors, employees and consultants under the 2011 Share Incentive Plan; and iii) the shares repurchased by the Company under the 2015 Stock Repurchase Program and 2014 Stock Repurchase Program pending for retirement.

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

MELCO CROWN ENTERTAINMENT LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ (60,808)	\$ 527,386	\$ 578,013
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	470,634	368,394	382,806
Amortization of deferred financing costs	38,511	28,055	18,159
Amortization of deferred interest expense	—	—	756
Amortization of discount on senior notes payable	—	—	71
Interest accretion on capital lease obligations	16,137	19,756	16,063
Interest income on restricted cash	(4,776)	(9,050)	—
Loss on disposal of property and equipment	474	4,550	2,483
Impairment loss recognized on property and equipment	—	4,146	—
Allowance for doubtful debts and direct write off	39,341	37,669	44,299
Provision for value-added tax receivables	30,254	—	—
Written off contract acquisition costs	—	—	1,582
Gain on disposal of assets held for sale	—	(22,072)	—
Loss on extinguishment of debt	481	—	50,935
Written off deferred financing costs on modification of debt	7,603	—	10,538
Share-based compensation	20,827	20,401	14,987
Changes in operating assets and liabilities:			
Accounts receivable	(56,172)	(7,732)	(15,261)
Amounts due from affiliated companies	(96)	(1,056)	1,299
Inventories	(9,963)	(4,942)	(1,593)
Prepaid expenses and other current assets	(2,597)	(3,893)	(25,974)
Long-term prepayments, deposits and other assets	(23,927)	(49,007)	(1,197)
Deferred tax assets	557	(22)	12
Accounts payable	1,160	4,603	(3,920)
Accrued expenses and other current liabilities	14,558	(42,668)	71,527
Income tax payable	(3,185)	(239)	5,640
Amounts due to affiliated companies	46	(2,000)	2,164
Amount due to a shareholder	—	(79)	79
Other long-term liabilities	46,318	26,271	2,010
Deferred tax liabilities	(3,351)	(3,857)	(3,544)
Net cash provided by operating activities	<u>\$ 522,026</u>	<u>\$ 894,614</u>	<u>\$ 1,151,934</u>

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED STATEMENTS OF CASH FLOWS - continued**
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for capitalized construction costs	\$(1,043,334)	\$ (977,182)	\$ (496,915)
Placement of bank deposits with original maturity over three months	(1,034,173)	(110,616)	(626,940)
Payment for acquisition of property and equipment	(248,038)	(237,715)	(78,250)
Payment for land use rights	(31,678)	(50,541)	(64,297)
Deposits for acquisition of property and equipment	(28,840)	(99,443)	(17,198)
Advance payments for construction costs	(19,739)	(107,587)	(161,633)
Payment for entertainment production costs	(3,100)	(1,346)	(2,064)
Payment for security deposit	(1,389)	—	(4,293)
Payment for contract acquisition costs	—	—	(27,722)
Proceeds from deposits on sale of assets held for sale	—	—	1,285
Net proceeds from sale of assets held for sale	—	29,255	—
Proceeds from sale of property and equipment	295	1,117	343
Escrow funds refundable to the Philippine Parties	24,643	—	—
Withdrawals of bank deposits with original maturity over three months	420,053	626,940	—
Changes in restricted cash	1,495,644	(678,151)	268,414
Net cash used in investing activities	<u>(469,656)</u>	<u>(1,605,269)</u>	<u>(1,209,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on long-term debt	(70,205)	(262,563)	(1,667,969)
Dividends paid	(62,850)	(342,718)	—
Payment of deferred financing costs	(49,877)	(12,742)	(129,133)
Principal payments on capital lease obligations	(146)	(228)	(38)
Repurchase of shares for retirement	—	(300,495)	—
Purchase of shares under trust arrangement for future vesting of restricted shares	—	(1,721)	(8,770)
Prepayment of deferred financing costs	—	—	(56,535)
Deferred payment for acquisition of assets and liabilities	—	—	(25,000)
Capital contribution from noncontrolling interests	—	92,000	280,000
Net proceeds from issuance of shares of a subsidiary	—	122,167	338,461
Proceeds from exercise of share options	5,092	736	4,017
Proceeds from long-term debt	148,298	1,632,514	1,000,000
Net cash (used in) provided by financing activities	<u>(29,688)</u>	<u>926,950</u>	<u>(264,967)</u>
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	<u>(9,311)</u>	<u>(397)</u>	<u>(5,149)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,371	215,898	(327,452)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,597,655	1,381,757	1,709,209
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,611,026</u>	<u>\$ 1,597,655</u>	<u>\$ 1,381,757</u>

MELCO CROWN ENTERTAINMENT LIMITED**CONSOLIDATED STATEMENTS OF CASH FLOWS - continued**
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2015	2014	2013
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS			
Cash paid for interest (net of capitalized interest)	\$ (106,984)	\$ (95,118)	\$ (127,807)
Cash paid for tax (net of refunds)	(7,010)	(7,154)	(333)
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Costs of property and equipment funded through capital lease obligations	—	850	288,535
Costs of property and equipment funded through accrued expenses and other current liabilities and other long-term liabilities	65,678	60,738	15,744
Costs of property and equipment funded through amounts due to affiliated companies	772	2,809	215
Construction costs funded through accrued expenses and other current liabilities, other long-term liabilities and capital lease obligations	89,068	200,800	87,611
Land use rights costs funded through accrued expenses and other current liabilities and land use rights payable	—	—	14,608
Deferred financing costs funded through accrued expenses and other current liabilities	<u>8,254</u>	<u>248</u>	<u>4,522</u>

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

MELCO CROWN ENTERTAINMENT LIMITED

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

1. COMPANY INFORMATION

Melco Crown Entertainment Limited (the “Company”) was incorporated in the Cayman Islands, with its American depository shares (“ADS”) listed on the NASDAQ Global Select Market under the symbol “MPEL” in the United States of America and its ordinary shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) under the stock code of “6883” in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) until 4:00 p.m. on July 3, 2015, the date of the Company completed the voluntary withdrawal of the listing of its ordinary shares on the Main Board of the Hong Kong Stock Exchange.

The Company together with its subsidiaries (collectively referred to as the “Group”) is a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia. The Group currently operates Altira Macau, a casino hotel located at Taipa, the Macau Special Administrative Region of the People’s Republic of China (“Macau”), City of Dreams, an integrated urban casino resort located at Cotai, Macau and Taipa Square Casino, a casino located at Taipa, Macau. The Group’s business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. The Group also majority owns and operates Studio City, a cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau, which commenced operations on October 27, 2015. In the Philippines, Melco Crown (Philippines) Resorts Corporation (“MCP”), a majority-owned subsidiary of the Company whose common shares are listed on The Philippine Stock Exchange, Inc. under the stock code of “MCP”, through MCP’s subsidiary, MCE Leisure (Philippines) Corporation (“MCE Leisure”), currently operates and manages City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort in the Entertainment City complex in Manila. City of Dreams Manila commenced operations on December 14, 2014, with a grand opening of the integrated resort on February 2, 2015.

As of December 31, 2015 and 2014, the major shareholders of the Company are Melco International Development Limited (“Melco”), a Hong Kong-listed company, and Crown Resorts Limited (“Crown”), an Australian-listed corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

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 the asset or paid to transfer a liability (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Fair Value of Financial Instruments - continued

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 on hand, cashier's orders, demand deposits and highly liquid investments which are unrestricted as to withdrawal and use, and which have maturities of three months or less when purchased.

Cash and 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 as of December 31, 2015 and 2014 comprises i) bank accounts that are restricted for withdrawal and for payment of Studio City project costs in accordance with the terms of the Studio City Notes and Studio City Project Facility as defined in Note 11 and other associated agreements; ii) a deposit account of the Taiwan branch office of one subsidiary in Taiwan which has been frozen by the Taiwanese authority since January 2013 in connection with an investigation related to certain alleged violations of Taiwan banking and foreign exchange laws, with an indictment received in August 2014 against such Taiwan branch office and certain of its employees, and such freeze order was lifted by the Taiwanese authority in October 2015, further information is included in Note 22(e); iii) cash in escrow account, which was set up in March 2013, that was restricted for payment of City of Dreams Manila project costs in accordance with the terms of the Regular/Provisional License as defined in Note 21(a) issued by the Philippine Amusement and Gaming Corporation ("PAGCOR") and which was released on June 15, 2015, further information is included in Note 22(c); iv) cash in an escrow account that is restricted in respect of a foundation fee payable for City of Dreams Manila in accordance with the terms of the Regular/Provisional License; and v) interest income earned on restricted cash balances which are restricted as to withdrawal and use.

(f) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of casino receivables. The Group issues credit in the form of markers to approved casino customers following investigations of creditworthiness including to its gaming promoters in Macau and the Philippines, which receivable can be offset against commissions payable and any other value items held by the Group to the respective customer and for which the Group intends to set-off when required. As of December 31, 2015 and 2014, a substantial portion of the Group's markers were due from customers residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems it is probable the

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(f) Accounts Receivable and Credit Risk - continued**

receivable is 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 approximates fair value. The allowance is estimated based on specific review of customer accounts as well as management's experience with collection trends in the casino industry and current economic and business conditions. Management believes that as of December 31, 2015 and 2014, 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 market value. Cost is calculated using the first-in, first-out, average and specific identification methods. Write downs of potentially obsolete or slow-moving inventory are recorded based on management's specific analysis of inventory.

(h) Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. Impairment losses and gains or losses on dispositions of property and equipment are included in operating income. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Group's casino gaming and entertainment casino resort facilities, direct and incremental costs related to the design and construction, including costs under the construction contracts, duties and tariffs, equipment installation, shipping costs, payroll and payroll-benefit related costs, depreciation of plant and equipment used, 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 casino gaming and entertainment casino resort facilities are completed and opened.

Property and equipment and other long-lived assets with a finite useful life are depreciated and amortized on a straight-line basis over the asset's estimated useful life. Estimated useful lives are as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Buildings	4 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 15 years
Plant and gaming machinery	3 to 5 years

The remaining estimated useful lives of the property and equipment are periodically reviewed. For the review of estimated useful lives of buildings of Altira Macau and City of Dreams, the Group

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Property and Equipment, Net - continued

considered factors such as the business and operating environment of gaming industry in Macau, laws and regulations in Macau and the Group's anticipated usage of the buildings. As a result, effective from October 1, 2015, the estimated useful lives of certain buildings assets of Altira Macau and City of Dreams have been extended in order to reflect the estimated periods during which the buildings are expected to remain in service. The estimated useful lives of certain buildings assets of Altira Macau and City of Dreams were changed from 25 years to 40 years from the date the buildings are placed in service. The changes in estimated useful lives of these buildings assets have resulted in a reduction in depreciation of \$5,827, an increase in net income attributable to Melco Crown Entertainment Limited of \$5,827 and an increase in basic and diluted earnings per share of \$0.004 for the year ended December 31, 2015.

(i) Capitalization of Interest and Amortization of Deferred Financing Costs

Interest and amortization of deferred financing costs incurred on funds used to construct the Group's casino gaming and entertainment casino resort facilities during the active construction period are capitalized. Interest subject to capitalization primarily includes interest paid or payable on the Group's long-term debt except for the Aircraft Term Loan as disclosed in Note 11, interest rate swap agreements, the land premium payables for the land use rights where City of Dreams and Studio City are located and the capital lease obligations. The capitalization of interest and amortization of deferred financing costs ceases once a project is substantially completed or 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 and is added to the cost of the underlying assets and amortized over their respective useful lives. Total interest expenses incurred amounted to \$253,168, \$220,974 and \$183,647, of which \$134,838, \$96,884 and \$30,987 were capitalized for the years ended December 31, 2015, 2014 and 2013, respectively. Total amortization of deferred financing costs amounted to \$43,969, of which \$5,458 was capitalized during the year ended December 31, 2015. No amortization of deferred financing costs were capitalized during the years ended December 31, 2014 and 2013.

(j) Gaming Subconcession, Net

The gaming subconcession is capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of Melco Crown (Macau) Limited ("Melco Crown Macau"), a subsidiary of the Company and the holder of the gaming subconcession in Macau, in 2006, and amortized using the straight-line method over the term of agreement which is due to expire in June 2022.

(k) Goodwill and Intangible Assets

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

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are carried at cost,

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(k) Goodwill and Intangible Assets - continued

less accumulated amortization. The Group's finite-lived intangible asset consists of the gaming subconcession. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives. The Group's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate that the carrying value of the intangible assets may not be recoverable.

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

The Group evaluates the recoverability of long-lived assets with finite lives based on its classification as a) held for sale or b) to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Group recognizes the assets at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Group evaluates their recoverability whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value.

No impairment loss was recognized during the years ended December 31, 2015 and 2013. During the year ended December 31, 2014, an impairment loss of \$4,146 was recognized mainly due to reconfiguration of the entertainment area at City of Dreams and renovation of the casinos at City of Dreams and Altira Macau and the amount was included in the consolidated statements of operations.

(m) Deferred Financing Costs, Net

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. Amortization expense of approximately \$38,511, \$28,055 and \$18,159, net of amortization capitalized of \$5,458, nil and nil, were recorded during the years ended December 31, 2015, 2014 and 2013, respectively.

(n) Land Use Rights, Net

Land use rights are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated lease term of the land.

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 rights were originally amortized over the initial term of 25 years, in which the expiry dates of the leases of the land use rights of Altira Macau, City of Dreams and Studio City are March 2031, August 2033 and October 2026, respectively. The estimated term of the leases are periodically reviewed. For the review of such estimated term of the leases under the applicable land concession contracts, the Group considered factors such as the business and operating environment of 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 leases under the land concession contracts for Altira Macau, City of Dreams and Studio City, in accordance with the relevant accounting standards, have been extended to April

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) Land Use Rights, Net - continued

2047, May 2049 and October 2055, respectively which aligned with the estimated useful lives of certain buildings assets of 40 years as disclosed in Note 2(h). The changes in estimated term of the leases under the applicable land concession contracts have resulted in a reduction in amortization of land use rights of \$10,413, an increase in net income attributable to Melco Crown Entertainment Limited of \$6,763 and an increase in basic and diluted earnings per share of \$0.004 for the year ended December 31, 2015.

(o) Revenue Recognition and Promotional Allowances

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.

Casino revenues are measured by the aggregate net difference between gaming wins and losses less accruals for the anticipated payouts of progressive slot jackpots, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession.

The Group follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for operations of Grand Hyatt Macau hotel, Hyatt City of Dreams Manila hotel (collectively the "Hyatt Hotels") and Taipa Square Casino. For the operations of the Hyatt Hotels, the Group is the owner of the hotels property, and the hotel managers operate the hotels under management agreements providing management services to the Group, and the Group receives all rewards and takes substantial risks associated with the hotels' business; it is the principal and the transactions of the Hyatt Hotels are therefore recognized on a gross basis. For the operations of Taipa Square Casino, given the Group operates the casino under a right to use agreement with the owner of the casino premises and has full responsibility for the casino operations in accordance with its gaming subconcession, it is the principal and casino revenue is therefore recognized on a gross basis.

Rooms, food and beverage, entertainment, retail and other revenues are recognized when services are performed. 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 fee, adjusted for contractual base fee and operating fee escalations, are included in entertainment, retail and other revenues and are recognized on a straight-line basis over the terms of the related agreement.

Revenues are recognized net of certain sales incentives which are required to be recorded as a reduction of revenue; consequently, the Group's casino revenues are reduced by discounts, commissions and points earned in customer loyalty programs, such as the player's club loyalty program.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(o) Revenue Recognition and Promotional Allowances - continued**

The retail value of rooms, food and beverage, entertainment, retail and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The estimated cost of providing such promotional allowances for the years ended December 31, 2015, 2014 and 2013 is reclassified from rooms costs, food and beverage costs, entertainment, retail and other services costs and is included in casino expenses as follows:

	Year Ended December 31,		
	2015	2014	2013
Rooms	\$24,625	\$22,282	\$19,828
Food and beverage	64,676	53,941	43,838
Entertainment, retail and others	9,365	7,683	8,301
	<u>\$98,666</u>	<u>\$83,906</u>	<u>\$71,967</u>

(p) Point-loyalty Programs

The Group operates different loyalty programs in certain of its properties to encourage repeat business mainly from loyal slot machine customers and table games patrons. Members earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. The Group accrues for loyalty program points expected to be redeemed for cash and free play as a reduction to gaming revenue and accrues for loyalty program points expected to be redeemed for free goods and services as casino expense. The accruals are based on management's estimates and assumptions regarding the estimated costs of providing those benefits, age and history with expiration of unused points resulting in a reduction of the accruals.

(q) Gaming Taxes and License Fees

The Group is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees are determined mainly from an assessment of the Group's gaming revenue and are recorded as an expense within the "Casino" line item in the consolidated statements of operations. These taxes and license fees totaled \$1,717,805, \$2,275,610 and \$2,479,958 for the years ended December 31, 2015, 2014 and 2013, respectively.

(r) Pre-opening Costs

Pre-opening costs, consist primarily of marketing expenses and other expenses related to new or start-up operations and are expensed as incurred. The Group has incurred pre-opening costs primarily in connection with City of Dreams Manila and Studio City since December 2012 and July 2011, respectively. The Group also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(s) Development Costs

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

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(t) **Advertising and Promotional Expenses**

The Group expenses all advertising and promotional expenses as incurred or the first time the advertising takes place. Advertising and promotional expenses included in the accompanying consolidated statements of operations were \$107,383, \$47,906 and \$43,403 for the years ended December 31, 2015, 2014 and 2013, respectively.

(u) **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\$”), the Macau Pataca (“MOP”) or the Philippine Peso (“PHP”), 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 income (loss).

(v) **Share-based Compensation Expenses**

The Group measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is being recognized on a straight-line basis over the vesting period of the awards. Forfeitures are estimated at the time of grant and actual forfeitures are recognized currently to the extent they differ from the estimate.

Further information on the Group’s share-based compensation arrangements is included in Note 17.

(w) **Income Tax**

The Group is subject to income taxes in Hong Kong, Macau, the United States of America, the Philippines and other jurisdictions where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the 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. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on the characteristics of the underlying assets and liabilities. 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

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(w) Income Tax - continued**

than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based solely on the technical merits, of being sustained on examinations.

(x) Net Income Attributable to Melco Crown Entertainment Limited Per Share

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

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

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

	Year Ended December 31,		
	2015	2014	2013
Weighted average number of ordinary shares outstanding used in the calculation of basic net income attributable to Melco Crown Entertainment Limited per share	1,617,263,041	1,647,571,547	1,649,678,643
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	9,845,729	12,931,583	14,519,448
Weighted average number of ordinary shares outstanding used in the calculation of diluted net income attributable to Melco Crown Entertainment Limited per share	<u>1,627,108,770</u>	<u>1,660,503,130</u>	<u>1,664,198,091</u>

During the years ended December 31, 2015, 2014 and 2013, 4,778,880, 2,519,037 and nil outstanding share options and 237,855, 701,681 and nil outstanding restricted shares as at December 31, 2015, 2014 and 2013, respectively, were excluded from the computation of diluted net income attributable to Melco Crown Entertainment Limited per share as their effect would have been anti-dilutive.

(y) 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 11). 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

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(y) Accounting for Derivative Instruments and Hedging Activities - continued**

accumulated other comprehensive income, 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. Further information on the Group's interest rate swap agreements is included in Note 11.

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

Comprehensive (loss) income includes net (loss) income, foreign currency translation adjustment and change in fair value of interest rate swap agreements and is reported in the consolidated statements of comprehensive income.

As of December 31, 2015 and 2014, the Group's accumulated other comprehensive losses consisted of the following:

	December 31,	
	2015	2014
Foreign currency translation adjustment	<u>\$(21,897)</u>	<u>\$(17,130)</u>
Change in the fair value of interest rate swap agreements	<u>(37)</u>	<u>(19)</u>
	<u><u>\$(21,934)</u></u>	<u><u>\$(17,149)</u></u>

(aa) Recent Changes in Accounting Standards*Recent Accounting Pronouncements Not Yet Adopted:*

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standard 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 for 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 annual and interim periods beginning after December 15, 2017, and early adoption is permitted for annual and interim periods beginning after December 15, 2016. The guidance can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. Management is currently assessing the potential impact of adopting this guidance on the Group's consolidated financial statements.

In June 2014, the FASB issued an accounting standard update which requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(aa) Recent Changes in Accounting Standards - continued

Recent Accounting Pronouncements Not Yet Adopted - continued

in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The guidance is effective for interim and fiscal years beginning after December 15, 2015, with early adoption permitted. The guidance can be applied either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the consolidated financial statements and to all new or modified awards thereafter. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In January 2015, the FASB issued a new pronouncement which eliminates from U.S. GAAP the concept of an extraordinary item, which is an event or transaction that is both unusual in nature and infrequently occurring. As a result of the amendment, an entity will no longer segregate an extraordinary item from the results of ordinary operations; separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; or disclose income taxes and earnings-per-share data applicable to an extraordinary item. The guidance is effective for interim and fiscal years beginning after December 15, 2015 with early adoption permitted. The guidance should be applied retrospectively to all prior periods. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In April 2015, the FASB issued an accounting standard update that requires debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. In August 2015, the FASB issued an accounting standard update which clarifies that the guidance issued in April 2015 is not required to be applied to line-of-credit arrangements. The debt issuance costs related to line-of-credit arrangements shall be continue to present as an asset and subsequently amortize the deferred debt issuance costs ratably over the term of the arrangement. The guidance is effective for interim and fiscal years beginning after December 15, 2015, with early adoption permitted. The guidance should be applied retrospectively to all prior periods. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In July 2015, the FASB issued an accounting standard 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 is effective for interim and fiscal years beginning after December 15, 2016, with early adoption permitted. The guidance should be applied prospectively. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In November 2015, the FASB issued an accounting standard 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 noncurrent. The guidance is effective for interim and fiscal years beginning after December 15, 2016, with early adoption permitted. The guidance can

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(aa) Recent Changes in Accounting Standards - continued***Recent Accounting Pronouncements Not Yet Adopted - continued*

be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In January 2016, the FASB issued an accounting standard update which improves certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The guidance changes the measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value, and also amends certain disclosure requirements associated with the fair value of financial instruments. The guidance is effective for interim and fiscal years beginning after December 15, 2017, with early adoption permitted for certain changes. The guidance should be applied as a cumulative-effect adjustment as of the date of adoption, except for the guidance related to equity securities without readily determinable fair values should be applied prospectively. The adoption of this guidance is not expected to have a material impact on the Group's consolidated financial statements.

In February 2016, the FASB issued an accounting standard 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 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.

3. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2015	2014
Casino	\$ 466,259	\$ 414,515
Hotel	8,427	1,728
Other	7,698	6,208
Sub-total	482,384	422,451
Less: allowance for doubtful debts	(210,757)	(168,786)
	<u>\$ 271,627</u>	<u>\$ 253,665</u>

During the years ended December 31, 2015, 2014 and 2013, the Group has provided allowance for doubtful debts, net of recoveries of \$37,978, \$29,979 and \$43,750 and has directly written off accounts receivable of \$1,350, \$7,690 and \$549, respectively.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

3. ACCOUNTS RECEIVABLE, NET - continued

Movement of allowance for doubtful debts are as follows:

	Year Ended December 31,		
	2015	2014	2013
At beginning of year	\$168,786	\$143,334	\$113,264
Additional allowance, net of recoveries	37,978	29,979	43,750
Reclassified from (to) long-term receivables, net	3,993	(4,527)	(13,680)
At end of year	<u>\$210,757</u>	<u>\$168,786</u>	<u>\$143,334</u>

4. ASSETS HELD FOR SALE

On February 18, 2014, the Group completed the sale of its properties in Macau pursuant to a promissory agreement dated November 20, 2013 signed with a third party. Total consideration amounted to HK\$240,000,000 (equivalent to \$30,848) which include a cash deposit of HK\$10,000,000 (equivalent to \$1,285) received by the Group on the date of signing the promissory agreement. During the year ended December 31, 2014, the Group recognized a gain on disposal of assets held for sale of \$22,072.

5. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2015	2014
Cost		
Buildings	\$ 4,944,672	\$ 2,693,256
Furniture, fixtures and equipment	885,724	607,423
Leasehold improvements	775,422	588,454
Plant and gaming machinery	228,591	197,740
Transportation	88,590	84,441
Construction in progress	563,720	1,935,391
Sub-total	7,486,719	6,106,705
Less: accumulated depreciation and amortization	(1,726,490)	(1,410,314)
Property and equipment, net	<u>\$ 5,760,229</u>	<u>\$ 4,696,391</u>

As of December 31, 2015 and 2014, construction in progress in relation to City of Dreams, Studio City and City of Dreams Manila included interest capitalized in accordance with applicable accounting standards and other direct incidental costs capitalized (representing insurance, salaries and wages and certain other professional charges incurred) which, in the aggregate, amounted to \$69,311 and \$219,141, respectively.

The cost and accumulated depreciation and amortization of property and equipment held under capital lease arrangements were \$251,176 and \$14,322 as of December 31, 2015 and \$265,781 and \$711 as of December 31, 2014, respectively. Further information of the lease arrangements is included in Note 12.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**6. GAMING SUBCONCESSION, NET**

	December 31,	
	2015	2014
Deemed cost	\$ 900,000	\$ 900,000
Less: accumulated amortization	(529,443)	(472,206)
Gaming subconcession, net	<u>\$ 370,557</u>	<u>\$ 427,794</u>

The deemed cost was determined based on the estimated fair value of the gaming subconcession contributed by a shareholder of the Company in 2006. The gaming subconcession is amortized on a straight-line basis over the term of the gaming subconcession agreement which expires in June 2022. The Group expects that amortization of the gaming subconcession will be approximately \$57,237 each year from 2016 through 2021, and approximately \$27,135 in 2022.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill relating to Mocha Clubs and other intangible assets with indefinite useful lives, representing trademarks of Mocha Clubs, are not amortized. Goodwill and intangible assets arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Group in 2006.

To assess potential impairment of goodwill, the Group performs an assessment of the carrying value of the reporting units at least on an annual basis or when events occur or circumstances change that would more likely than not reduce the estimated fair value of those reporting units below their carrying value. If the carrying value of a reporting unit exceeds its fair value, the Group would perform the second step in its assessment process and record an impairment loss to earnings to the extent the carrying amount of the reporting unit's goodwill exceeds its implied fair value. The Group estimates the fair value of those reporting units through internal analysis and external valuations, which utilize income and market valuation approaches through the application of capitalized earnings and discounted cash flow methods. These valuation techniques are based on a number of estimates and assumptions, including the projected future operating results of the reporting unit, discount rates, long-term growth rates and market comparables.

Trademarks of Mocha Clubs are tested for impairment at least annually or when events occur or circumstances change that would more likely than not reduce the estimated fair value of trademarks below its carrying value using the relief-from-royalty method. Under this method, the Group estimates the fair value of the trademarks through internal and external valuations, mainly based on the incremental after-tax cash flow representing the royalties that the Group is relieved from paying given it is the owner of the trademarks. These valuation techniques are based on a number of estimates and assumptions, including the projected future revenues of the trademarks calculated using an appropriate royalty rate, discount rate and long-term growth rates.

The Group has performed annual tests for impairment of goodwill and trademarks in accordance with the accounting standards regarding goodwill and other intangible assets. No impairment loss has been recognized during the years ended December 31, 2015, 2014 and 2013.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS**

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

	December 31,	
	2015	2014
Entertainment production costs	\$ 77,284	\$ 73,819
Less: accumulated amortization	(43,888)	(34,646)
Entertainment production costs, net	33,396	39,173
Other long-term prepayments and other assets	27,895	27,956
Advance payments for construction costs	26,544	107,563
Input value-added tax, net	23,281	43,841
Other deposits	14,579	11,653
Short film production cost	12,701	—
Deferred rent assets	10,393	99
Long-term receivables, net	9,202	10,115
Deposits for acquisition of property and equipment	1,686	47,158
Long-term prepayments, deposits and other assets	<u>\$ 159,677</u>	<u>\$ 287,558</u>

Entertainment production costs represent amounts incurred and capitalized for entertainment shows in City of Dreams. The Group amortized the entertainment production costs over 10 years or the respective estimated useful life of the entertainment show, whichever is shorter.

Advance payments for construction costs are connected with the construction and fit-out cost for City of Dreams, Studio City and City of Dreams Manila.

Input value-added tax, net represents the value-added tax recoverable from the tax authority in the Philippines mainly connected with the purchase of assets or services for City of Dreams Manila. During the year ended December 31, 2015, a provision for input value-added tax primarily pertaining to certain construction of City of Dreams Manila expected to be non-recoverable amounted to \$30,254 was recognized and included in "Property Charges and Others" line item in the consolidated statements of operations. No provisions for input value-added tax were recognized during the years ended December 31, 2014 and 2013.

Long-term receivables, net represent casino receivables from casino customers where settlement is not expected within the next year. During the year ended December 31, 2015, net amount of long-term receivables of \$5,111 and net amount of allowance for doubtful debts of \$3,993 were reclassified to current. During the years ended December 31, 2014 and 2013, net amount of current accounts receivable of \$8,642 and \$17,691 and net amount of allowance for doubtful debts of \$4,527 and \$13,680, respectively, were reclassified to non-current. Reclassifications to current accounts receivable, net, are made when conditions support that it is probable for settlement of such balances to occur within one year.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**9. LAND USE RIGHTS, NET**

	December 31,	
	2015	2014
Altira Macau ("Taipa Land")	\$ 146,475	\$ 146,475
City of Dreams ("Cotai Land")	399,578	399,578
Studio City ("Studio City Land")	653,564	653,564
	1,199,617	1,199,617
Less: accumulated amortization	(366,485)	(312,429)
Land use rights, net	<u>\$ 833,132</u>	<u>\$ 887,188</u>

In January 2013, the Group recognized an additional land premium of approximately \$2,449 for Taipa Land upon Altira Developments Limited's ("Altira Developments"), a subsidiary of the Company, acceptance of the initial terms for the revision of the land concession contract issued by the Macau Government further to an amendment request applied by Altira Developments in 2012 for an increase of the total gross floor area, to reflect the construction plans approved by the Macau Government and to enable the final registration of the Taipa Land. In June 2013, the Macau Government issued the final amendment proposal for the revision of the land concession contract for Taipa Land. On July 15, 2013, Altira Developments paid the additional land premium of approximately \$2,449 set forth in the final amendment proposal, and accepted the terms of such proposal on July 16, 2013. The land grant amendment process was completed with the publication in the Macau official gazette of such revision on December 18, 2013. Further details on the revised land amendment for Taipa Land are disclosed in Note 22(c).

In March 2013, the Group recognized an additional land premium of approximately \$23,344 for Cotai Land upon Melco Crown (COD) Developments Limited's ("Melco Crown (COD) Developments"), a subsidiary of the Company, and Melco Crown Macau's acceptance of the land grant amendment proposal for the land concession contract of the Cotai Land, issued by the Macau Government in February 2013 further to an amendment request applied by Melco Crown (COD) Developments in 2011. Such amendment proposal contemplated the development of an additional five-star hotel area in replacement of the four-star apartment hotel area included in such land grant, and the extension of the development period of the Cotai Land grant until the date falling four years after publication of the amendment in the Macau official gazette. In October 2013, the Macau Government issued the final amendment proposal for the revision of the land concession contract for Cotai Land. On October 16, 2013, Melco Crown (COD) Developments paid a portion of the additional land premium of approximately \$8,736 set forth in the final amendment proposal, and on October 17, 2013, Melco Crown (COD) Developments and Melco Crown Macau accepted the terms of such proposal. The land grant amendment process for Cotai Land was completed following the publication in the Macau official gazette of such revision on January 29, 2014. Further details on the final land amendment for Cotai Land are disclosed in Note 22(c).

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	December 31,	
	2015	2014
Construction costs payables	\$ 189,592	\$ 169,053
Gaming tax accruals	185,223	171,460
Outstanding gaming chips and tokens	184,223	237,013
Staff cost accruals	123,978	117,049
Operating expense and other accruals and liabilities	143,318	94,068
Property and equipment payables	87,291	70,957
Customer deposits and ticket sales	83,265	80,898
Interest expenses payable	32,755	33,544
Restricted cash refundable to the Philippine Parties (Note 22(c))	23,417	—
Land use rights payable	3,788	31,678
	<u>\$ 1,056,850</u>	<u>\$ 1,005,720</u>

11. LONG-TERM DEBT

Long-term debt consisted of the following:

	December 31,	
	2015	2014
Studio City Project Facility	\$ 1,295,689	\$ 1,295,689
2013 Senior Notes	1,000,000	1,000,000
Studio City Notes	825,000	825,000
2015 Credit Facilities	501,285	—
Philippine Notes	318,026	336,195
Aircraft Term Loan	22,705	28,731
2011 Credit Facilities	—	417,166
	<u>3,962,705</u>	<u>3,902,781</u>
Current portion of long-term debt	(106,505)	(262,750)
	<u>\$ 3,856,200</u>	<u>\$ 3,640,031</u>

2011 Credit Facilities

On June 22, 2011, Melco Crown Macau (the “Borrower”) entered into an amendment and restatement agreement (the “2011 Credit Facilities”), which was further amended on June 29, 2015 pursuant to a second amendment and restatement agreement dated June 19, 2015 (and defined as the “2015 Credit Facilities”) as described below, with certain lenders in respect of a senior secured credit facility (the “City of Dreams Project Facility”). The City of Dreams Project Facility was originally entered on September 5, 2007 (and was subsequently amended from time to time) in an aggregate amount of \$1,750,000 to fund the City of Dreams project, construction of an integrated entertainment resort complex in Macau. The City of Dreams Project Facility consisted of a \$1,500,000 term loan facility (the “Term Loan Facility”) and a \$250,000 revolving credit facility (the “Revolving Credit Facility”).

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2011 Credit Facilities - continued

On June 30, 2011, the 2011 Credit Facilities, which was subsequently amended from time to time, became effective and among other things: (i) reduced the Term Loan Facility to HK\$6,241,440,000 (equivalent to \$802,241) (the “2011 Term Loan Facility”) and increased the Revolving Credit Facility to HK\$3,120,720,000 (equivalent to \$401,121) (the “2011 Revolving Credit Facility”), both of which were denominated in Hong Kong dollars; (ii) introduced new lenders and removed certain lenders originally under the City of Dreams Project Facility; (iii) extended the repayment maturity date; (iv) reduced and removed certain restrictions imposed by the covenants in the City of Dreams Project Facility; and (v) removed one of the Borrower’s subsidiaries which was subsequently dissolved on May 31, 2012, from the borrowing group which included the Borrower and certain of its affiliates and subsidiaries as defined under the City of Dreams Project Facility (the “2011 Borrowing Group”).

The 2011 Credit Facilities would have matured on June 30, 2016. The 2011 Term Loan Facility was subject to quarterly amortization payments commencing on September 30, 2013. Each loan made under the 2011 Revolving Credit Facility would have been repaid in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. The Borrower had the option to make voluntary prepayments with a minimum amount required in respect of the 2011 Credit Facilities, plus any applicable break costs. The Borrower was also subject to mandatory prepayment requirements in respect of various amounts within the 2011 Borrowing Group, including but not limited to: (i) the net proceeds received by any member of the 2011 Borrowing Group in respect of the compulsory transfer, seizure or acquisition by any governmental authority of the assets of any member of the 2011 Borrowing Group, subject to certain exceptions; (ii) the net proceeds in excess of a required amount under the 2011 Credit Facilities of certain asset sales, subject to reinvestment rights and certain exceptions; (iii) net termination, claim or settlement proceeds paid under the Borrower’s subconcession or the 2011 Borrowing Group’s land concessions, subject to certain exceptions; (iv) insurance proceeds net of expenses to obtain such proceeds under the property insurances relating to the total loss of all or substantially all of the Altira Macau gaming business; and (v) other insurance proceeds net of expenses in excess of a required amount under the 2011 Credit Facilities to obtain such proceeds under any property insurances, subject to reinvestment rights and certain exceptions.

Drawdowns on the 2011 Term Loan Facility were subject to satisfaction of conditions precedent specified in the 2011 Credit Facilities and the 2011 Revolving Credit Facility was to be made available on a fully revolving basis to the date that was one month prior to the 2011 Revolving Credit Facility’s final maturity date.

The indebtedness under the 2011 Credit Facilities was guaranteed by the 2011 Borrowing Group, which applied until the 2011 Credit Facilities was amended on June 29, 2015. Security for the 2011 Credit Facilities included: a first priority mortgage over all land where Altira Macau and City of Dreams are located, such mortgages also covered 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 equivalents; charges over the bank accounts in respect of the 2011 Borrowing Group, subject to certain exceptions; assignment of the rights under certain insurance policies; first priority security over the chattels, receivables and other assets of the 2011 Borrowing Group which were not subject to any security under any other security documentation; first priority charges over the issued share capital of the 2011 Borrowing Group and equipment and tools used in the gaming business by the 2011 Borrowing Group; as well as other customary security.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2011 Credit Facilities - continued

The 2011 Credit Facilities contained certain covenants customary for such financings including, but not limited to: limitations on (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) making certain investments; (iv) paying dividends and other restricted payments; (v) creating any subsidiaries; (vi) selling assets; and (vii) entering into any contracts for the construction or financing of an additional hotel tower in connection with the development of City of Dreams except with plans approved by the lenders in accordance with the terms of the 2011 Credit Facilities. The 2011 Credit Facilities removed the financial covenants under the City of Dreams Project Facility, and replaced them with, without limitation, a leverage ratio, total leverage ratio and interest cover ratio. The first test date of the financial covenants was September 30, 2011. As of December 31, 2014, management believes that the 2011 Borrowing Group was in compliance with each of the financial restrictions and requirements.

There were provisions that limited or prohibited certain payments of dividends and other distributions by the 2011 Borrowing Group to companies or persons who were not members of the 2011 Borrowing Group (described in further detail in Note 19). As of December 31, 2014, the net assets of the 2011 Borrowing Group of approximately \$3,559,000 were restricted from being distributed under the terms of the 2011 Credit Facilities.

Borrowings under the 2011 Credit Facilities bore interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus a margin ranging from 1.75% to 2.75% per annum as adjusted in accordance with the leverage ratio in respect of the 2011 Borrowing Group. The Borrower had the option to select an interest period for borrowings under the 2011 Credit Facilities of one, two, three or six months or any other agreed period. The Borrower was obligated to pay a commitment fee quarterly in arrears from June 30, 2011 on the undrawn amount of the 2011 Revolving Credit Facility throughout the availability period. Loan commitment fees on the 2011 Credit Facilities amounting to \$1,385, \$2,808 and \$2,453 were recognized during the years ended December 31, 2015, 2014 and 2013, respectively.

During the years ended December 31, 2015 and 2014, the Borrower repaid HK\$499,315,200 (equivalent to \$64,179) and HK\$1,997,260,800 (equivalent to \$256,717), respectively, under the 2011 Term Loan Facility according to the quarterly amortization schedule which commenced on September 30, 2013, and the Borrower had no drawdown on the 2011 Revolving Credit Facility. Immediately before the amendment of the 2011 Credit Facilities on June 29, 2015, the Borrower had total outstanding borrowings of HK\$2,746,233,600 (equivalent to \$352,987) under the 2011 Credit Facilities and the Borrower made voluntary repayments to repay the entire outstanding balance under the 2011 Credit Facilities with part of the proceeds of the drawdown from the 2015 Credit Facilities as described below. As of December 31, 2014, the 2011 Term Loan Facility had been fully drawn down while the entire 2011 Revolving Credit Facility of HK\$3,120,720,000 (equivalent to \$401,121) remained available for future drawdown, and accordingly, the Borrower had total outstanding borrowings of HK\$3,245,548,800 (equivalent to \$417,166) under the 2011 Credit Facilities.

2015 Credit Facilities

On June 29, 2015, the 2011 Credit Facilities were further amended pursuant to a second amendment and restatement agreement (the “2015 Credit Facilities”) entered into by, among others, the Borrower and certain lenders in respect of the 2011 Credit Facilities, on June 19, 2015. The 2015 Credit Facilities, among other things: (i) increased the size of the total available facilities from HK\$9,362,160,000 (equivalent to \$1,203,362) to HK\$13,650,000,000 (equivalent to \$1,750,000 based on exchange rate on transaction date), comprising a HK\$3,900,000,000 (equivalent to \$500,000 based on exchange rate on transaction date) term

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2015 Credit Facilities - continued

loan facility (the “2015 Term Loan Facility”) and a HK\$9,750,000,000 (equivalent to \$1,250,000 based on exchange rate on transaction date) multicurrency revolving credit facility (the “2015 Revolving Credit Facility”). In addition, the 2015 Credit Facilities provide for additional incremental facilities to be made available, upon further agreement with any of the existing lenders under the 2015 Credit Facilities or other entities, of up to \$1,300,000 (the “2015 Incremental Facility”); (ii) introduced new lenders and removed certain lenders originally under the 2011 Credit Facilities; (iii) extended the repayment maturity date; and (iv) reduced and removed certain restrictions imposed by the covenants in the 2011 Credit Facilities, including but not limited to, increased flexibility to move cash within borrowing group as defined under the 2015 Credit Facilities (the “2015 Borrowing Group”), lower covenant levels and reduced reporting requirements.

The final maturity date of the 2015 Credit Facilities is: (i) June 29, 2021 in respect of the 2015 Term Loan Facility; and (ii) June 29, 2020 in respect of the 2015 Revolving Credit Facility, or if earlier, the date of repayment, prepayment or cancellation in full of the 2015 Credit Facilities. The maturity date, amount, margin, currency, form and other terms of the 2015 Incremental Facility will be further specified and agreed by the Borrower and the lenders under the 2015 Credit Facilities and additional lenders, if any, upon drawdown on the 2015 Incremental Facility. The 2015 Term Loan Facility is repayable in quarterly instalments according to an amortization schedule commencing on September 29, 2016. Each loan made under the 2015 Revolving Credit Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. The Borrower may make voluntary prepayments in respect of the 2015 Credit Facilities in a minimum amount of HK\$160,000,000 (equivalent to \$20,566), plus the amount of any applicable break costs. The Borrower is also subject to mandatory prepayment requirements in respect of various amounts within the 2015 Borrowing Group, including but not limited to: (i) net termination, claim or settlement proceeds paid under the Borrower’s subconcession or the 2015 Borrowing Group’s land concessions, subject to certain exceptions; (ii) insurance proceeds net of expenses to obtain such proceeds under the property insurances relating to the total loss of all or substantially all of the Altira Macau gaming business; and (iii) other insurance proceeds net of expenses to obtain such proceeds under any property insurances, subject to reinvestment rights and certain exceptions, which are in excess of \$50,000. In addition, upon the occurrence of a “Change of Control” as defined under the 2015 Credit Facilities, any lender under the 2015 Credit Facilities may, with 20 business days’ notice, cancel their commitment and request repayment in full of the 2015 Credit Facilities; and upon the occurrence of the disposal of all or substantially all of the business and assets of the 2015 Borrowing Group, comprised in any of the Altira Macau or the City of Dreams gaming business, the whole of the 2015 Credit Facilities will be cancelled and all amounts outstanding thereunder will become immediately due and payable.

Drawdowns on the 2015 Term Loan Facility are subject to satisfaction of conditions precedent specified in the 2015 Credit Facilities and the 2015 Revolving Credit Facility is available on a fully revolving basis up to the date that is one month prior to the 2015 Revolving Credit Facility’s final maturity date. On June 29, 2015, the 2015 Term Loan Facility of HK\$3,900,000,000 (equivalent to \$500,000 based on exchange rate on transaction date) was fully drawn down and the availability period for this facility has expired. The Borrower has no drawdown on the 2015 Revolving Credit Facility and 2015 Incremental Facility during the year ended December 31, 2015.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2015 Credit Facilities - continued

The indebtedness under the 2015 Credit Facilities is guaranteed by the 2015 Borrowing Group, which applied on and from June 29, 2015. Security for the 2015 Credit Facilities remains the same as the 2011 Credit Facilities (except that the terms of the associated security documents have been amended for consistency with the 2015 Credit Facilities).

The 2015 Credit Facilities contains certain covenants customary for such financings including, but not limited to: the 2015 Borrowing Group's limitations on, except as permitted under the 2015 Credit Facilities (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) making certain investments; (iv) paying dividends and other restricted payments; (v) creating any subsidiaries; and (vi) selling assets. The financial covenants under the 2015 Credit Facilities remain the same as the 2011 Credit Facilities, including a leverage ratio, total leverage ratio and interest cover ratio but with lower covenant levels. The first test date of the financial covenants was September 30, 2015. As of December 31, 2015, management believes that the 2015 Borrowing Group was in compliance with each of the financial restrictions and requirements.

There are provisions that limit certain payments of dividends and other distributions by the 2015 Borrowing Group to companies or persons who are not members of the 2015 Borrowing Group (described in further detail in Note 19). As of December 31, 2015, the net assets of the 2015 Borrowing Group of approximately \$3,825,000 were restricted from being distributed under the terms of the 2015 Credit Facilities.

Borrowings under the 2015 Credit Facilities bear an initial interest for the six months from June 29, 2015 at HIBOR plus a margin of 1.75% per annum. Subsequent to that, borrowings under the 2015 Credit Facilities bear interest at HIBOR plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the 2015 Borrowing Group. The Borrower may select an interest period for borrowings under the 2015 Credit Facilities of one, two, three or six months or any other agreed period. The Borrower is obligated to pay a commitment fee quarterly in arrears from July 13, 2015 on the undrawn amount of the 2015 Revolving Credit Facility throughout the availability period. Loan commitment fees on the 2015 Credit Facilities amounting to \$3,100 were recognized during the year ended December 31, 2015.

As of December 31, 2015, the Borrower had total outstanding borrowings relating to the 2015 Credit Facilities of HK\$3,900,000,000 (equivalent to \$501,285). The entire 2015 Revolving Credit Facility of HK\$9,750,000,000 (equivalent to \$1,250,000 based on exchange rate on transaction date) remains available for future drawdown.

In accordance with the applicable accounting standards, the Borrower recorded a \$481 loss on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2015 which represented the write off of a portion of unamortized deferred financing costs associated with the 2011 Credit Facilities and recorded \$592 costs associated with debt modification in the consolidated statements of operations for the year ended December 31, 2015 which represented the portion of the third party costs in relation to the 2015 Credit Facilities. The upfront fee and the remaining portion of third party costs of \$46,507 were capitalized as deferred financing costs.

2010 Senior Notes

On May 17, 2010, MCE Finance Limited ("MCE Finance"), a subsidiary of the Company, issued and listed the \$600,000 10.25% senior notes, due 2018 (the "2010 Senior Notes") on the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). The purchase price paid by the initial purchasers was

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2010 Senior Notes - continued

98.671% of the principal amount. The 2010 Senior Notes were general obligations of MCE Finance, secured by a first-priority pledge of the intercompany note representing the on-lending of the gross proceeds from the issuance of the 2010 Senior Notes by MCE Finance to a subsidiary of MCE Finance to reduce the indebtedness under the City of Dreams Project Facility, ranked equally in right of payment to all existing and future senior indebtedness of MCE Finance and ranked senior in right of payment to any existing and future subordinated indebtedness of MCE Finance. The 2010 Senior Notes would have matured on May 15, 2018. Interest on the 2010 Senior Notes was accrued at a rate of 10.25% per annum and was payable semi-annually in arrears on May 15 and November 15 of each year, commenced on November 15, 2010.

MCE Finance had the option to redeem all or part of the 2010 Senior Notes at any time prior to May 15, 2014, at a “make-whole” redemption price. Thereafter, MCE Finance had the option to redeem all or a portion of the 2010 Senior Notes at any time at fixed redemption prices that declined ratably over time.

Prior to May 15, 2013, MCE Finance had the option to redeem up to 35% of the 2010 Senior Notes with the net cash proceeds from one or more certain equity offerings at a fixed redemption price. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, MCE Finance also had the option to redeem in whole, but not in part the 2010 Senior Notes at fixed redemption prices.

The indenture governing the 2010 Senior Notes contained certain covenants that, subject to certain exceptions and conditions, limited the ability of MCE 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.

There were provisions under the indenture of the 2010 Senior Notes that limited or prohibited certain payments of dividends and other distributions by MCE Finance and its respective restricted subsidiaries to companies or persons who were not MCE Finance or members of MCE Finance respective restricted subsidiaries, subject to certain exceptions and conditions (described in further detail in Note 19).

On October 30, 2012, MCE Finance received unrevoked consents from the holders (the “Holders”) of the requisite aggregate principal amount of the 2010 Senior Notes necessary to approve certain proposed amendments to, among other things, allowed MCE Finance to (i) make an additional \$400,000 of restricted payments to fund the Studio City project and (ii) have the flexibility to transact with, and use any revenues or other payments generated or derived from, certain projects and to provide for certain other technical amendments (the “Proposed Amendments”) to the indenture governing the 2010 Senior Notes and executed a supplemental indenture to give effect to the Proposed Amendments. The Group capitalized the payments to the agent and Holders who had validly delivered a consent to the Proposed Amendments totaling \$14,795 as deferred financing costs and expensed the third party fee of \$3,277 as a result of the aforementioned debt modification.

On January 28, 2013, MCE Finance made a cash tender offer to repurchase the 2010 Senior Notes at a cash consideration plus accrued interest and also solicited consents to amend the terms of the 2010 Senior Notes to substantially remove the debt incurrence, restricted payment and other restrictive covenants (the “Tender Offer”). Closing of the Tender Offer and consent solicitation were conditioned upon MCE Finance receiving

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2010 Senior Notes - continued

net proceeds from offering of the 2013 Senior Notes (as described below) in an amount sufficient to repurchase the tendered 2010 Senior Notes and related fees and expenses and other general conditions. The Tender Offer expired on February 26, 2013 and \$599,135 aggregate principal amount of the 2010 Senior Notes were tendered. On February 27, 2013, MCE Finance elected to redeem the remaining outstanding 2010 Senior Notes in aggregate principal amount of \$865 on March 28, 2013, at a price equal to 100% of the principal amount outstanding plus applicable premium as of, and accrued and unpaid interest to March 28, 2013. The accounting for the total redemption costs of \$102,497, unamortized deferred financing costs of \$23,793 and unamortized issue discount of \$5,962 in relation to the 2010 Senior Notes as of the redemption date are disclosed as below under the 2013 Senior Notes.

RMB Bonds

On May 9, 2011, the Company issued and listed the Renminbi (“RMB”) 2,300,000,000 3.75% bonds due 2013 (the “RMB Bonds”) (equivalent to \$353,278 based on exchange rate on transaction date) on SGX-ST. The RMB Bonds were priced at 100% at par. The RMB Bonds were direct, general, unconditional, unsubordinated and unsecured obligations of the Company, which at all times ranked equally without any preference or priority among themselves and at least equally with all of the Company’s other present and future unsecured and unsubordinated obligations, save for such obligations as may be preferred by provisions of law that were both mandatory and of general application. The RMB Bonds would have matured on May 9, 2013 and the interest on the RMB Bonds was accrued at a rate of 3.75% per annum and was payable semi-annually in arrears on May 9 and November 9 of each year, commenced on November 9, 2011.

The Company had the option to redeem in whole, but not in part under certain circumstances as defined in the indenture, the RMB Bonds at any time prior to May 9, 2012 at an additional redemption price. Thereafter, the Company had the option to redeem in whole, but not in part, the RMB Bonds at any time after May 9, 2012 at a fixed redemption price.

The indenture governing the RMB Bonds contained certain negative pledge and financial covenants, providing that the Company should not create or permit to subsist any security interest upon the whole or any part of the Company’s present or future undertaking, assets or revenues to secure any relevant indebtedness or guarantee of relevant indebtedness without: (i) at the same time or prior thereto securing the RMB Bonds equally and rateably therewith to the satisfaction of the trustee under the RMB Bonds; or (ii) providing such other security for the RMB Bonds as the trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the holders of the RMB Bonds or as may be approved by an extraordinary resolution of bondholders. In addition, the Company was also required to comply with certain financial covenants, including maintaining a specified consolidated tangible net worth and a leverage ratio.

On March 11, 2013, the Company early redeemed the RMB Bonds in full in aggregate principal amount of RMB2,300,000,000 (equivalent to \$368,177) together with accrued interest, which was partially funded from net proceeds from offering of the 2013 Senior Notes (described below). The Group wrote off the unamortized deferred financing costs of \$586 immediately before redemption of the RMB Bonds as loss on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2013.

Deposit-Linked Loan

On May 20, 2011, the Company entered into a Hong Kong dollar deposit-linked loan facility (the “Deposit-Linked Loan”) with a lender in an amount of HK\$2,748,500,000 (equivalent to \$353,278 based on exchange

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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11. LONG-TERM DEBT - continued

Deposit-Linked Loan - continued

rate on transaction date), which was secured by a deposit in an amount of RMB2,300,000,000 (equivalent to \$353,278 based on exchange rate on transaction date) from the proceeds of the RMB Bonds as described above. The Deposit-Linked Loan would have matured on May 20, 2013 or, if earlier, at any time with 30 days' prior notice given to the lender, the Company may prepay the whole or any part of not less than HK\$500,000,000 (equivalent to \$64,267) of the Deposit-Linked Loan outstanding. The Deposit-Linked Loan bore interest at a rate of 2.88% per annum and was payable semi-annually in arrears on May 8 and November 8 of each year, commenced on November 8, 2011.

On March 4, 2013, the Company prepaid in full the Deposit-Linked Loan in aggregate principal amount of HK\$2,748,500,000 (equivalent to \$353,278) with accrued interest and a deposit in an amount of RMB2,300,000,000 (equivalent to \$368,177) from the proceeds of the RMB Bonds, for security of the Deposit-Linked Loan, was released on the same date.

Aircraft Term Loan

On June 25, 2012, MCE Transportation Limited ("MCE Transportation"), a subsidiary of the Company, entered into a \$43,000 term loan facility agreement to partly finance the acquisition of an aircraft (the "Aircraft Term Loan"). Principal and interest repayments are payable quarterly in arrears commenced on September 27, 2012 until maturity on June 27, 2019, interest is calculated based on London Interbank Offered Rate plus a margin of 2.80% per annum and the loan may be prepaid in whole or in part of not less than \$1,000 and 10 days' prior notice given. The Aircraft Term Loan is guaranteed by the Company and security includes a first-priority mortgage on the aircraft itself; pledge over the MCE Transportation bank accounts; assignment of insurances (other than third party liability insurance); and an assignment of airframe and engine warranties. The Aircraft Term Loan must be prepaid in full if any of the following events occurs: (i) a change of control; (ii) the sale of all or substantially all of the components of the aircraft; (iii) the loss, damage or destruction of the entire or substantially the entire aircraft. Other covenants include lender's approval for any capital expenditure not incurred in the ordinary course of business or any subsequent indebtedness exceeding \$1,000 by MCE Transportation. As of December 31, 2015, the Aircraft Term Loan has been fully drawn down and utilized with other funds of the Group, to fund the purchase of the aircraft. As of December 31, 2015 and 2014, the carrying value of aircraft was \$37,559 and \$40,974, respectively.

2013 Senior Notes

On February 7, 2013, MCE Finance issued and listed \$1,000,000 5% senior notes, due 2021 (the "2013 Senior Notes") and priced at 100% at par on the SGX-ST. The 2013 Senior Notes are general obligations of MCE Finance, rank equally in right of payment to all existing and future senior indebtedness of MCE Finance and rank senior in right of payment to any existing and future subordinated indebtedness of MCE Finance and effectively subordinated to all of MCE Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt. Certain subsidiaries of MCE Finance (the "2013 Senior Notes Guarantors") jointly, severally and unconditionally guarantee the 2013 Senior Notes on a senior basis. The guarantees are joint and several general obligations of the 2013 Senior Notes Guarantors, rank equally in right of payment with all existing and future senior indebtedness of the 2013 Senior Notes Guarantors, and rank senior in right of payment to any existing and future subordinated indebtedness of the 2013 Senior Notes Guarantors. The 2013 Senior Notes mature on February 15, 2021. Interest on the 2013 Senior Notes is accrued at a rate of 5% per annum and is payable semi-annually in arrears on February 15 and August 15 of each year, commenced on August 15, 2013.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

2013 Senior Notes - continued

The net proceeds from the offering of the 2013 Senior Notes, after deducting the underwriting commissions and other expenses of approximately \$14,500, was approximately \$985,500. The Group used part of the net proceeds from the offering to (i) repurchase in full the 2010 Senior Notes of \$600,000 and fund the related redemption costs of the 2010 Senior Notes of \$102,497 and (ii) for the partial repayment of the RMB Bonds on March 11, 2013. As a result, in accordance with the applicable accounting standards, the Group recorded a \$50,256 loss on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2013 which comprised the portion of the redemption costs of \$38,949, write off of respective portion of unamortized deferred financing costs of \$9,041 and unamortized issue discount of \$2,266 related to the 2010 Senior Notes and recorded \$10,538 costs associated with debt modification in the consolidated statements of operations for the year ended December 31, 2013 which represented the portion of the underwriting fee and other third party costs incurred in connection with the issuance of the 2013 Senior Notes. The remaining portion of the underwriting fee and other third party costs of \$6,523 were capitalized as deferred financing costs.

MCE Finance has the option to redeem all or a portion of the 2013 Senior Notes at any time prior to February 15, 2016, at a “make-whole” redemption price. Thereafter, MCE Finance has the option to redeem all or a portion of the 2013 Senior Notes at any time at fixed redemption prices that decline ratably over time.

MCE Finance has the option to redeem up to 35% of the 2013 Senior Notes with the net cash proceeds from one or more certain equity offerings at a fixed redemption price at any time prior to February 15, 2016. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, MCE Finance also has the option to redeem in whole, but not in part the 2013 Senior Notes at fixed redemption prices.

The indenture governing the 2013 Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of MCE 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. As of December 31, 2015, management believes that MCE Finance was in compliance with each of the financial restrictions and requirements.

There are provisions under the indenture of the 2013 Senior Notes that limit or prohibit certain payments of dividends and other distributions by MCE Finance and its restricted subsidiaries to companies or persons who are not MCE Finance or members of MCE Finance’s restricted subsidiaries, subject to certain exceptions and conditions (described in further detail in Note 19). As of December 31, 2015 and 2014, the net assets of MCE Finance and its restricted subsidiaries of approximately \$3,913,000 and \$3,639,000, respectively, were restricted from being distributed under the terms of the 2013 Senior Notes.

Studio City Notes

On November 26, 2012, Studio City Finance Limited (“Studio City Finance”), a majority-owned subsidiary, issued and listed the \$825,000 8.5% senior notes, due 2020 (the “Studio City Notes”) and priced at 100% at par on the SGX-ST. The Studio City Notes are general obligations of Studio City Finance, secured by a first-priority security interest in certain specific bank accounts incidental to the Studio City Notes and a pledge of any intercompany loans from Studio City Finance to or on behalf of Studio City Investments Limited (“Studio City Investments”), a subsidiary of Studio City Finance and the immediate holding

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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11. LONG-TERM DEBT - continued

Studio City Notes - continued

company of Studio City Company Limited (“Studio City Company”), a subsidiary of Studio City Finance, or its subsidiaries entered into subsequent to the issue date of the 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 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 Studio City Project Facility as described below) (the “Studio City Notes Guarantors”) jointly, severally and unconditionally guarantee the Studio City Notes on a senior basis (the “Guarantees”). The Guarantees are general obligations of the Studio City Notes Guarantors, rank equally in right of payment with all existing and future senior indebtedness of the Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the Studio City Notes Guarantors. The Guarantees are effectively subordinated to the Studio City Notes Guarantors’ obligations under the Studio City Project Facility and any future secured indebtedness that is secured by property and assets of the Studio City Notes Guarantors to the extent of the value of such property and assets. The Studio City Notes mature on December 1, 2020 and the interest on the 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.

The net proceeds from the offering, after deducting the underwriting commissions and other expenses of approximately \$13,200, was approximately \$811,800. Studio City Finance used the net proceeds from the offering to fund the Studio City project and the related fees and expenses. The net proceeds from the offering was deposited in a bank account of Studio City Finance (the “Escrow Account”) and was restricted for use, which was subsequently released upon signing of the Studio City Project Facility on January 28, 2013. Upon release from the Escrow Account, all the net proceeds were deposited in a bank account of Studio City Finance (the “Note Proceeds Account”) and were available for payment of construction and development costs and other project costs of the Studio City project with conditions and sequence for disbursements in accordance with an agreement (the “Note Disbursement and Account Agreement”) as described below, except for a portion of net proceeds amounting to \$239,594, which represents the sum of interest expected to accrue on the Studio City Notes through to the 41-month anniversary of their issue date, which was deposited in a bank account of Studio City Finance (the “Note Interest Reserve Account”), and has been restricted for use to pay future interest payments until the opening date (the “Opening Date”) of the Studio City project as defined in the Studio City Project Facility.

Concurrent with the submission of the first utilization request under the Studio City Project Facility on January 10, 2014, an amount equal to the six-month sum of interest due on the Studio City Notes of \$35,063 was released from the Note Interest Reserve Account and deposited in a bank account (the “Note Debt Service Reserve Account”) of Studio City Company, the borrower under the Studio City Project Facility. The security agent of the Studio City Project Facility has security over the Note Debt Service Reserve Account. During the years ended December 31, 2015 and 2014, Studio City Finance paid Studio City Notes interest expenses amounting to \$70,125 and \$70,125, respectively. As of December 31, 2015, the balance of the Note Interest Reserve Account was fully utilized for interest payments.

As of December 31, 2015, the Group classified the balance of Note Debt Service Reserve Account of \$35,068 as current portion of restricted cash on the consolidated balance sheets. As of December 31, 2014,

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11. LONG-TERM DEBT - continued

Studio City Notes - continued

the Group classified the balance of the Note Interest Reserve Account of \$63,340 as current portion of restricted cash, while the balance of Note Debt Service Reserve Account of \$35,064 as non-current portion of restricted cash on the consolidated balance sheets.

The Studio City Notes were subject to a special mandatory redemption at a redemption price in the event that i) the Studio City Project Facility was not executed on or before March 31, 2013; and ii) the funds were not released from the Note Proceeds Account prior to January 28, 2014, the date that was one year from the date of the execution of the Studio City Project Facility due to the failure of the conditions precedent (subject to certain exceptions) to first utilization of the Studio City Project Facility to be satisfied or waived by such date. The first condition was satisfied with execution of the Studio City Project Facility on January 28, 2013 and the second condition was satisfied when the first disbursement funds on the Studio City Notes were released from the Note Proceeds Account to a bank account of Studio City Finance for the Studio City project cost payments on January 17, 2014.

On November 26, 2012, Studio City Finance and Studio City Company entered into a Note Disbursement and Account Agreement with certain banks and other parties to, among other things, establish the conditions and sequence of funding of the Studio City project costs. The Studio City project costs are financed in the following order:

- the funding from the Company and the ultimate noncontrolling shareholder of Studio City Finance in an aggregate amount of \$825,000 is used until it has been exhausted;
- thereafter, the proceeds in the Note Proceeds Account are used until they have been exhausted; and
- thereafter, the proceeds of the Studio City Project Facility, including any proceeds in any construction disbursement accounts or other accounts established under the Studio City Project Facility, to the extent established for such purpose under the Studio City Project Facility, are used until they have been exhausted.

Studio City Finance had the option to redeem all or a portion of the Studio City Notes at any time prior to December 1, 2015, at an additional redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the Studio City Notes at any time at fixed redemption prices that decline ratably over time.

Studio City Finance had the option to redeem up to 35% of the Studio City Notes with the net cash proceeds of certain equity offerings at a fixed redemption price at any time prior to December 1, 2015. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the Studio City Notes, Studio City Finance also has the option to redeem in whole, but not in part the Studio City Notes at fixed redemption prices.

The indenture governing the 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. As of December 31, 2015, management believes that Studio City Finance was in compliance with each of the financial restrictions and requirements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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11. LONG-TERM DEBT - continued

Studio City Notes - continued

There are provisions under the indenture governing the 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 (described in further detail in Note 19). As of December 31, 2015 and 2014, the net assets of Studio City Finance and its restricted subsidiaries of approximately \$89,000 and \$102,000, respectively, were restricted from being distributed under the terms of the Studio City Notes.

Studio City Project Facility

On January 28, 2013, Studio City Company (the "Studio City Borrower") and certain lenders (the "Studio City Lenders") executed a senior secured credit facilities denominated in Hong Kong dollars with an aggregate amount of HK\$10,855,880,000 (equivalent to \$1,395,357) (the "Studio City Project Facility"), pursuant to substantially all the terms and conditions set out in a commitment letter (the "Commitment Letter") entered on October 19, 2012 by the Studio City Borrower, the Studio City Lenders, the Company and New Cotai Investments, LLC ("New Cotai Investments"), a noncontrolling shareholder who owns 40% interest in Studio City Borrower, to fund the Studio City project. The Studio City Project Facility consists 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"). The Studio City Term Loan Facility matures on January 28, 2018 and is subject to quarterly amortization payments commencing on September 30, 2016. Amounts under the Studio City Term Loan Facility were able to be borrowed from and after the date that certain conditions precedent were satisfied until July 28, 2014. The Studio City Revolving Credit Facility matures on January 28, 2018 and has no interim amortization. The Studio City Revolving Credit Facility may be utilized prior to the Opening Date for project costs by way of issue of letters of credit to a maximum of HK\$387,710,000 (equivalent to \$49,834), and may be borrowed in full on a revolving basis after the Opening Date. On November 18, 2015, the Studio City Borrower received the requisite lender consent to amend the Studio City Project Facility documentation as proposed by the Studio City Borrowing Group (as defined below). The amendments, which were in effect as of November 18, 2015, 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 (the "Amendments to the Studio City Project Facility").

Borrowings under the Studio City Project Facility bear interest at HIBOR plus a margin of 4.50% per annum until September 30, 2016, at which time the interest rate shall bear 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 Studio City Investments, Studio City Borrower and its subsidiaries (together, the "Studio City Borrowing Group").

The Studio City Borrower may make voluntary prepayments in respect of the Studio City Project Facility in a minimum amount of HK\$100,000,000 (equivalent to \$12,853), plus the amount of any applicable break costs. The Studio City Borrower is also subject to mandatory prepayment requirements in respect of various amounts within the Studio City Borrowing Group, including but not limited to: (i) net termination or claim proceeds under the Studio City Borrowing Group's land concessions, certain construction agreements or finance or project documents, subject to certain exceptions; (ii) the net proceeds of certain asset sales, subject to reinvestment rights and certain exceptions, which are in excess of \$5,000; (iii) the net proceeds received by any member of the Studio City Borrowing Group in respect of the compulsory transfer, seizure or acquisition by any governmental authority of the assets of any member of the Studio City Borrowing

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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11. LONG-TERM DEBT - continued

Studio City Project Facility - continued

Group, subject to certain exceptions; (iv) 50% of the net proceeds of any permitted equity issuance of any member of the Studio City Borrowing Group; (v) the net proceeds of any debt issuance of any member of the Studio City Borrowing Group, subject to certain exceptions; (vi) insurance proceeds net of expenses to obtain such proceeds under the property insurances, subject to reinvestment rights and certain exceptions, which are in excess of \$10,000; and (vii) certain percentage of excess cash in accordance with leverage test.

The indebtedness under the Studio City Project Facility is guaranteed by Studio City Investments 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; as well as other customary security. Certain accounts of Melco Crown Macau related solely to the operation of the Studio City gaming area which are funded from the proceeds of the Studio City Project Facility are pledged as security for the Studio City Project Facility and related finance documents.

The Studio City Project Facility contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Investments 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) pay dividends and other restricted payments; and (vii) effect a consolidation or merger. The Studio City Project Facility, as amended, contains certain financial covenants and the first test date of these financial covenants is March 31, 2017. As of December 31, 2015, management believes that Studio City Borrowing Group was in compliance with each of the financial restrictions and requirements.

There are provisions that limit or prohibit certain payments of dividends and other distributions by the Studio City Borrowing Group to companies or persons who are not members of the Studio City Borrowing Group (described in further detail in Note 19). As of December 31, 2015 and 2014, the net assets of Studio City Investments and its restricted subsidiaries of approximately \$173,000 and \$175,000, respectively, were restricted from being distributed under the terms of the Studio City Project Facility.

The Studio City Borrower is obligated to pay a commitment fee quarterly in arrears on the undrawn amount of the Studio City Project Facility throughout the availability period which started from January 28, 2013. The Studio City Borrower recognized loan commitment fees on the Studio City Project Facility of \$1,794 and \$15,153 during the years ended December 31, 2015 and 2014, respectively.

In connection with the Studio City Project Facility, Studio City International Holdings Limited (“Studio City International”), an intermediate holding company of Studio City Finance and a majority-owned subsidiary, 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 is no other available funding under the terms of the Studio City Project Facility. In support of such contingent equity undertaking, Studio City International had deposited and maintained a bank balance of \$225,000 in an account secured in favor of the security agent for the Studio City Project Facility (“Cash Collateral”) as of December 31, 2014. The Cash Collateral 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

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

Studio City Project Facility - continued

covenants had been complied with. As of December 31, 2014, the Cash Collateral was classified as non-current portion of restricted cash in the consolidated balance sheets. The Amendments to the Studio City Project Facility on November 18, 2015 includes 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.

During the year ended December 31, 2015, the Group recorded \$7,011 costs associated with debt modification which represented the third party fees incurred for the Amendments to the Studio City Project Facility in the consolidated statements of operations.

As of December 31, 2015 and 2014, the Studio City Term Loan Facility of HK\$10,080,460,000 (equivalent to \$1,295,689) has been fully drawn down while the entire Studio City Revolving Credit Facility of HK\$775,420,000 (equivalent to \$99,668) remains available for future drawdown, subject to satisfaction of certain conditions precedent.

The Studio City Borrower is required, within 120 days after the drawdown 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 Studio City Notes are 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. Since the Studio City Borrower drew down the Studio City Term Loan Facility on July 28, 2014, the Studio City Borrower entered into certain floating-for-fixed interest rate swap agreements since September 2014 to limit its exposure to interest rate risk. Under the interest rate swap agreements, the Studio City Borrower pays a fixed interest rate of the notional amount, and receives variable interest which is based on the applicable HIBOR for each of the payment dates. These interest rate swap agreements are expected to remain highly effective in fixing the interest rate and qualify for cash flow hedge accounting. Therefore, there is no impact on the consolidated statements of operations from changes in the fair value of the hedging instruments. Instead the fair value of the instruments are recorded as assets or liabilities on the consolidated balance sheets, with an offsetting adjustment to the accumulated other comprehensive losses until the hedged interest expenses were recognized in the consolidated statements of operations. No hedge agreement had been entered as at December 31, 2013, as the Studio City Borrower has not drawn down on the Studio City Project Facility.

Philippine Notes

On January 24, 2014, MCE Leisure issued PHP15 billion 5% senior notes, due 2019 (the "Philippine Notes") (equivalent to \$336,825 based on exchange rate on transaction date) at par of 100% of the principal amount and offered to certain primary institutional lenders as noteholders via private placement in the Philippines, which was priced on December 19, 2013.

The Philippine Notes are general obligations of MCE Leisure, secured on a first-ranking basis by pledge of shares of all present and future direct and indirect subsidiaries of MCP, rank equally in right of payment to all existing and future senior indebtedness of MCE Leisure (save and except for any statutory preference or priority) and rank senior in right of payment to any existing and future subordinated indebtedness of MCE Leisure.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

Philippine Notes - continued

The Philippine Notes are guaranteed by MCP and all present and future direct and indirect subsidiaries of MCP (subject to certain limited exceptions) (collectively the "Philippine Guarantors"), jointly and severally with MCE Leisure; and irrevocably and unconditionally by MCE on a senior basis. The guarantees are general obligations of the Philippine Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the Philippine Guarantors (except for any statutory preference or priority) and rank senior in right of payment to any existing and future subordinated indebtedness of the Philippine Guarantors.

The Philippine Notes mature on January 24, 2019. Interest on the Philippine Notes is accrued at a rate of 5% per annum and is payable semi-annually in arrears on January 24 and July 24 of each year, commenced on July 24, 2014. In addition, the Philippine Notes includes a tax gross up provision requiring MCE Leisure to pay without any deduction or withholding for or on account of tax.

The net proceeds from the offering of the Philippine Notes, after deducting the underwriting commissions and other expenses of approximately PHP230,769,000 (equivalent to \$5,182 based on exchange rate on transaction date), was approximately PHP14,769,231,000 (equivalent to \$331,643 based on exchange rate on transaction date). MCE Leisure used the net proceeds from the offering to fund the City of Dreams Manila project, refinancing of debt and general corporate purposes.

MCE Leisure had the option to redeem all or a portion of the Philippine Notes at any time prior to January 24, 2015 at 100% of the principal amount plus applicable premium as defined in the notes facility and security agreement (the "Notes Facility and Security Agreement") governing the Philippine Notes. Thereafter, MCE Leisure has the option to redeem all or a portion of the Philippine Notes at any time at fixed prices that decline ratably over time.

The Notes Facility and Security Agreement contains certain covenants that, subject to certain exceptions and conditions, limit the ability of MCP and its subsidiaries ability, including MCE Leisure to, among other things: (i) incur or guarantee additional indebtedness; (ii) sell assets; (iii) create liens; and (iv) effect a consolidation and merger. As of December 31, 2015, management believes that MCE Leisure was in compliance with each of the financial restrictions and requirements.

The Philippine Notes are exempted from registration with the Philippine Securities and Exchange Commission (the "Philippine SEC") under the Philippine Securities Regulation Code Rule ("SRC Rule") 9.2.2(B) promulgated by the Philippine SEC as the Philippine Notes were offered via private placement to not more than nineteen primary institutional lenders, accordingly, the Philippine Notes are subject to the conditions of SRC Rule 9.2.2(B) which limit the assignment and transfer of the Philippine Notes to primary institutional lenders only and to be held by not more than nineteen primary institutional lenders at any time before maturity of the Philippine Notes.

Philippine Credit Facility

On October 14, 2015, MCP entered into an on-demand, unsecured credit facility agreement of PHP2,350,000,000 (the "Philippine Credit Facility") (equivalent to \$49,824) with a lender to finance advances to MCE Leisure. The Philippine Credit Facility availability period is up to August 31, 2016 and the maturity date of each individual drawdown cannot extend beyond the later to occur of (i) the date which is one year from the date of drawdown, and (ii) 90 days after the end of the availability period. The individual drawdowns under the Philippine Credit Facility are subject to certain conditions precedents,

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

11. LONG-TERM DEBT - continued

Philippine Credit Facility - continued

including issuance of a promissory note in favor of the lender evidencing such drawdown. Borrowings under the Philippine Credit Facility bear interest at the higher of: (i) the Philippine Dealing System Treasury Reference Rate PM (the "PDST-R2") of the selected interest period plus the applicable PDST-R2 margin of 1.25% per annum and (ii) Philippines Special Deposit Account Rate (the "SDA") of the selected interest period plus the applicable SDA margin ranging from 0.50% to 0.75% per annum, such rate to be set one business day prior to the relevant interest period. The Philippine Credit Facility includes a tax gross up provision requiring MCP to pay without any deduction or withholding for or on account of tax. As of December 31, 2015, the Philippine Credit Facility has not been drawn.

Total interest on long-term debt consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
Interest for Studio City Notes	\$ 70,125	\$ 70,125	\$ 71,099
Interest for Studio City Project Facility	61,330	26,321	—
Interest for 2013 Senior Notes	50,000	50,000	44,998
Interest for Philippine Notes	20,563	19,751	—
Interest for 2015 Credit Facilities	5,053	—	—
Interest for 2011 Credit Facilities	3,768	11,337	16,841
Interest for Aircraft Term Loan	823	998	1,191
Interest for 2010 Senior Notes	—	—	6,028
Amortization of discount in connection with issuance of 2010 Senior Notes	—	—	71
Interest for RMB Bonds	—	—	2,610
Interest for Deposit-Linked Loan	—	—	1,728
	<u>211,662</u>	<u>178,532</u>	<u>144,566</u>
Interest capitalized	<u>(133,007)</u>	<u>(82,761)</u>	<u>(25,259)</u>
	<u>\$ 78,655</u>	<u>\$ 95,771</u>	<u>\$ 119,307</u>

During the years ended December 31, 2015, 2014 and 2013, the Group's average borrowing rates were approximately 5.40%, 5.41% and 5.36% per annum, respectively.

Scheduled maturities of the long-term debt as of December 31, 2015 are as follows:

Year ending December 31,	
2016	\$ 106,505
2017	207,006
2018	1,114,194
2019	366,621
2020	870,116
Over 2020	<u>1,298,263</u>
	<u>\$ 3,962,705</u>

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**12. CAPITAL LEASE OBLIGATIONS**

On March 13, 2013, a lease agreement (the "MCP Lease Agreement") which was entered on October 25, 2012, and was subsequently amended from time to time, between MCE Leisure and Belle Corporation ("Belle", one of the Philippine Parties as defined in Note 21(a)) for lease of the land and certain of the building structures for City of Dreams Manila which is expected to expire on July 11, 2033, became effective upon completion of closing arrangement conditions and with minor changes from the original terms.

Apart from the MCP Lease Agreement, the Group entered into lease agreements with third parties for the lease of certain property and equipment during the year ended December 31, 2014.

The Group made assessments at inception of the leases and capitalized the portion related to property and equipment under capital lease at the lower of the fair value or the present value of the future minimum lease payments.

Future minimum lease payments under capital lease obligations for the Group as of December 31, 2015 are as follows:

Year ending December 31,	
2016	\$ 32,030
2017	34,945
2018	38,234
2019	41,802
2020	46,016
Over 2020	678,950
Total minimum lease payments	871,977
Less: amounts representing interest	(571,708)
Present value of minimum lease payments	300,269
Current portion	(29,792)
Non-current portion	<u>\$ 270,477</u>

13. OTHER LONG-TERM LIABILITIES

	December 31,	
	2015	2014
Staff cost accruals	\$ 47,979	\$ 20,545
Other liabilities	13,219	205
Deferred rent liabilities	11,749	12,296
Other deposits received	7,456	1,233
Construction costs and property and equipment retention payables	559	59,162
	<u>\$ 80,962</u>	<u>\$ 93,441</u>

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

14. 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 maturity over three months and restricted cash approximated fair value and represented a level 1 measurement. The carrying values of long-term deposits, long-term receivables and other long-term liabilities approximated fair value and represented a level 2 measurement. The estimated fair value of long-term debt as of December 31, 2015 and 2014, which included the Studio City Project Facility, the 2013 Senior Notes, the Studio City Notes, the 2015 Credit Facilities, the 2011 Credit Facilities, the Philippine Notes and the Aircraft Term Loan, were approximately \$3,855,538 and \$3,878,381, respectively, as compared to its carrying value of \$3,962,705 and \$3,902,781, respectively. Fair value was estimated using quoted market prices and represented a level 1 measurement for the 2013 Senior Notes and the Studio City Notes. Fair value for the Studio City Project Facility, the 2015 Credit Facilities, the 2011 Credit Facilities, the Philippine Notes and the Aircraft Term Loan approximated the carrying values as the instruments carried either variable interest rates or the fixed interest rate approximated the market rate and represented a level 2 measurement. Additionally, the carrying value of land use rights payable approximated fair value as the instruments carried the fixed interest rate approximated the market rate and represented a level 2 measurement.

As of December 31, 2015, the Group did not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the consolidated financial statements.

The Group’s financial assets and liabilities recorded at fair value have been categorized based upon the fair value in accordance with the accounting standards. As of December 31, 2015, the interest rate swap agreements carried at fair value and the fair value of these interest rate swap agreements approximated the amounts the Group would pay if these contracts were settled at the respective valuation dates. Fair value is estimated 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. Since significant observable inputs are used in the valuation model, the interest rate swap arrangements represented a level 2 measurement in the fair value hierarchy.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

15. CAPITAL STRUCTURE

Ordinary and Treasury Shares

The Company's treasury shares represent i) new shares issued by the Company and held by the depository bank to facilitate the administration and operations of the Company's share incentive plans, and are to be delivered to the Directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options; ii) the shares purchased under a trust arrangement for the benefit of certain beneficiaries who are awardees under the 2011 Share Incentive Plan and held by a trustee to facilitate the future vesting of restricted shares in selected Directors, employees and consultants under the 2011 Share Incentive Plan as described in Note 17; and iii) the shares repurchased by the Company under the 2015 Stock Repurchase Program and 2014 Stock Repurchase Program (as described below) pending for retirement.

New Shares Issued by the Company

During the years ended December 31, 2015, 2014 and 2013, the Company issued 940,419, nil and 8,574,153 ordinary shares to its depository bank for future vesting of restricted shares and exercise of share options, respectively. The Company issued 136,809, 1,068,534 and 1,297,902 of these ordinary shares upon vesting of restricted shares; and 1,368,747, 928,299 and 3,064,302 of these ordinary shares upon exercise of share options during the years ended December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015, 2014 and 2013, the Company had a balance of 12,917,017, 13,482,154 and 15,478,987 newly issued ordinary shares which continue to be held by the Company for future issuance upon vesting of restricted shares and exercise of share options, respectively.

Shares Purchased under a Trust Arrangement

On May 15, 2013, the Board of Directors of the Company authorized a trustee to purchase the Company's ADS from the open market for the purpose of satisfying its obligation to deliver ADS under its 2011 Share Incentive Plan ("Share Purchase Program"). Under the Share Purchase Program, the trustee can purchase ADS from the open market at the price range to be determined by the Company's management from time to time. This Share Purchase Program may be terminated by the Company at any time. The purchased ADSs are to be delivered to the Directors, eligible employees and consultants upon vesting of the restricted shares.

During the year ended December 31, 2015, no ordinary share was purchased under a trust arrangement, while 466,203 ordinary shares purchased under a trust arrangement were delivered to Directors and eligible employees to satisfy the vesting of restricted shares. During the year ended December 31, 2014, 69,426 ADSs, equivalent to 208,278 ordinary shares were purchased under a trust arrangement from the open market at an average market price of \$24.79 per ADS or \$8.26 per share (including commissions), and 467,121 ordinary shares purchased under a trust arrangement were delivered to Directors and eligible employees to satisfy the vesting of restricted shares. During the year ended December 31, 2013, 373,946 ADSs, equivalent to 1,121,838 ordinary shares were purchased under a trust arrangement from the open market at an average market price of \$23.45 per ADS or \$7.82 per share (including commissions), and 378,579 ordinary shares purchased under a trust arrangement were delivered to Directors and eligible employees to satisfy the vesting of restricted shares. As of December 31, 2015 and 2014, the shares purchased under trust arrangement had a balance of 18,213 and 484,416 ordinary shares for future issuance upon vesting of restricted shares, respectively.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**15. CAPITAL STRUCTURE - continued****Ordinary and Treasury Shares - continued***Shares Repurchased for Retirement*

On August 7, 2014, the Board of Directors of the Company authorized the repurchase of the Company's ADS of up to an aggregate of \$500,000 under a stock repurchase program (the "2014 Stock Repurchase Program") for shares retirement. The 2014 Stock Repurchase Program expired following the 2015 share repurchase mandate granted by the shareholders at the annual general meeting of the Company held on May 20, 2015 (as describe below). Under the 2014 Stock Repurchase Program, the Company could repurchase ADS from the open market at the price range determined by the Company's management from time to time. The 2014 Stock Repurchase Program might be terminated by the Company at any time prior to the expiration of the 2014 Stock Repurchase Program.

On May 20, 2015, the Board of Directors of the Company authorized the repurchase of the Company's ADS of up to an aggregate of \$500,000 under a stock repurchase program (the "2015 Stock Repurchase Program"), which remained valid until the expiry or revocation of the share repurchase mandate granted by the shareholders, upon conclusion of the annual general meeting of the Company held in 2016, for shares retirement. Under the 2015 Stock Repurchase Program, the Company can repurchase ADS from the open market at the price range determined by the Company's management from time to time. The 2015 Stock Repurchase Program may be terminated by the Company at any time prior to the expiration of the 2015 Stock Repurchase Program.

During the year ended December 31, 2015, no ordinary share was repurchased under the 2015 Stock Repurchase Program and the 2014 Stock Repurchase Program, while 3,717,816 ordinary shares repurchased under the 2014 Stock Repurchase Program were retired. During the year ended December 31, 2014, 12,216,448 ADSs, equivalent to 36,649,344 ordinary shares were repurchased under the 2014 Stock Repurchase Program from the open market in aggregate for \$300,495 (including commissions), at an average market price of \$24.60 per ADS or \$8.20 per share, of which 32,931,528 ordinary shares repurchased under the 2014 Stock Repurchase Program were retired. As of December 31, 2015 and 2014, the shares repurchased had a balance of nil and 3,717,816 ordinary shares for future shares retirement, respectively.

As of December 31, 2015, 2014 and 2013, the Company had 1,630,924,523, 1,633,701,920 and 1,666,633,448 issued ordinary shares, and 12,935,230, 17,684,386 and 16,222,246 treasury shares, with 1,617,989,293, 1,616,017,534 and 1,650,411,202 issued ordinary shares outstanding, respectively.

16. INCOME TAXES

(Loss) income before income tax consisted of:

	Year Ended December 31,		
	2015	2014	2013
Macau operations	\$ 277,764	\$ 775,790	\$ 865,911
Hong Kong operations	(54,778)	(10,062)	(21,241)
Other jurisdictions' operations	(282,763)	(235,306)	(264,216)
Total (loss) income before income tax	<u>\$ (59,777)</u>	<u>\$ 530,422</u>	<u>\$ 580,454</u>

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

The income tax expense consisted of:

	Year Ended December 31,		
	2015	2014	2013
Income tax expense - current:			
Macau Complementary Tax	\$ 408	\$ 2,761	\$ 41
Lump sum in lieu of Macau Complementary Tax on dividend	2,795	2,795	5,590
Hong Kong Profits Tax	800	1,171	654
Income tax in other jurisdictions	283	622	99
Sub-total	<u>4,286</u>	<u>7,349</u>	<u>6,384</u>
(Over) under provision of income tax in prior years:			
Macau Complementary Tax	(423)	(57)	(417)
Hong Kong Profits Tax	(14)	124	(2)
Income tax in other jurisdictions	(5)	91	8
Sub-total	<u>(442)</u>	<u>158</u>	<u>(411)</u>
Income tax expense (benefit) - deferred:			
Macau Complementary Tax	(3,351)	(3,917)	(3,543)
Hong Kong Profits Tax	32	(22)	12
Income tax in other jurisdictions	506	(532)	(1)
Sub-total	<u>(2,813)</u>	<u>(4,471)</u>	<u>(3,532)</u>
Total income tax expense	<u>\$ 1,031</u>	<u>\$ 3,036</u>	<u>\$ 2,441</u>

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

	Year Ended December 31,		
	2015	2014	2013
(Loss) income before income tax	\$ (59,777)	\$ 530,422	\$ 580,454
Macau Complementary Tax rate	12%	12%	12%
Income tax (credit) expense at Macau Complementary Tax rate	(7,173)	63,651	69,654
Lump sum in lieu of Macau Complementary Tax on dividend	2,795	2,795	5,590
Effect of different tax rates of subsidiaries operating in other jurisdictions	(37,422)	(25,416)	(9,642)
(Over) under provision in prior years	(442)	158	(411)
Effect of income for which no income tax expense is payable	(1,850)	(2,272)	(395)
Effect of expenses for which no income tax benefit is receivable	18,824	12,441	26,557
Effect of profits generated by gaming operations exempted from Macau Complementary Tax	(64,437)	(109,189)	(125,702)
Losses that cannot be carried forward	979	—	—
Change in valuation allowance	89,757	60,868	36,790
	<u>\$ 1,031</u>	<u>\$ 3,036</u>	<u>\$ 2,441</u>

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

The Company and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands, where they are incorporated, however, the Company is subject to Hong Kong Profits Tax on profits from its activities conducted in Hong Kong. Certain subsidiaries incorporated or conducting businesses in Hong Kong, Macau, the Philippines and other jurisdictions are subject to Hong Kong Profits Tax, Macau Complementary Tax, income tax in the Philippines and other jurisdictions, respectively, during the years ended December 31, 2015, 2014 and 2013. The Company's subsidiary incorporated in the United States of America and dissolved in June 2013, is subject to income tax in the United States of America up to the date of dissolution in 2013.

Macau Complementary Tax, Hong Kong Profits Tax and the Philippines income tax have been provided at 12%, 16.5% and 30% on the estimated taxable income earned in or derived from Macau, Hong Kong and the Philippines, respectively, during the years ended December 31, 2015, 2014 and 2013, if applicable. Income tax in other jurisdictions for the years ended December 31, 2015, 2014 and 2013 were provided mainly for the profits of the representative offices and branches set up by a subsidiary of the Company in the region where they operate. No provisions for income tax in the United States of America for the year ended December 31, 2013 was provided as the subsidiary incurred tax losses.

Melco Crown Macau has been exempted from Macau Complementary Tax on profits generated by gaming operations for five years commencing from 2007 to 2011 pursuant to the approval notice issued by the Macau Government dated June 7, 2007, and continues to benefit from this exemption for another five years from 2012 to 2016 pursuant to the approval notice issued by the Macau Government in April 2011. Pursuant to a notice issued by the Macau Government dated January 12, 2015, one of the Company's subsidiaries in Macau has also been exempted from Macau Complementary Tax on profits generated from income received from Melco Crown Macau until 2016, to the extent that such income is derived from Studio City gaming operations, coinciding with Melco Crown Macau's exemption from Macau Complementary Tax. The dividend distributions of such subsidiary to its shareholders continue to be subject to Macau Complementary Tax. The non-gaming profits of Melco Crown Macau and the Company's subsidiary in Macau remain subject to the Macau Complementary Tax and Melco Crown Macau casino revenues remain subject to the Macau special gaming tax and other levies in accordance with its gaming subconcession agreement.

During the years ended December 31, 2015, 2014 and 2013, Melco Crown Macau reported net income and had the Group been required to pay such taxes, the Group's consolidated net income attributable to Melco Crown Entertainment Limited for the years ended December 31, 2015, 2014 and 2013 would have been decreased by \$64,437, \$109,189 and \$125,702, respectively. The basic and diluted net income attributable to Melco Crown Entertainment Limited per share would have reported reduced income of \$0.040 and \$0.040 per share for the year ended December 31, 2015, \$0.066 and \$0.066 per share for the year ended December 31, 2014, and \$0.076 and \$0.076 per share for the year ended December 31, 2013, respectively. During the year ended December 31, 2015, the Company's subsidiary in Macau reported net loss and no effect of the tax holiday on the consolidated net income attributable to Melco Crown Entertainment Limited and on the basic and diluted loss per share of the Group.

In 2013, Melco Crown Macau made an application to the Macau Government for a tax concession arrangement for its shareholders. Pursuant to the proposed terms issued by the Macau Government in December 2013 which was accepted by Melco Crown Macau in January 2014, an annual lump sum amount of MOP22,400,000 (equivalent to \$2,795) is payable by Melco Crown Macau to the Macau Government, effective retroactively from 2012 through 2016, coinciding with the 5-year extension of the tax holiday as mentioned above, as payments in lieu of Macau Complementary Tax otherwise due by the shareholders of

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**16. INCOME TAXES - continued**

Melco Crown Macau on dividend distributions from gaming profits. Such annual lump sum tax payments are required regardless of whether dividends are actually distributed or whether Melco Crown Macau has distributable profits in the relevant year. The income tax provision for the year 2013 included the annual lump sum dividend withholding tax payments accrued for the years 2013 and 2012.

The effective tax rates for the years ended December 31, 2015, 2014 and 2013 were negative rate of 1.7%, positive rates of 0.6% and 0.4%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of profits generated by gaming operations exempted from Macau Complementary Tax, the effect of change in valuation allowance, the effect of different tax rates of subsidiaries operating in other jurisdictions and the effect of expenses for which no income tax benefit is receivable for the years ended December 31, 2015, 2014 and 2013.

The net deferred tax liabilities as of December 31, 2015 and 2014 consisted of the following:

	December 31,	
	2015	2014
Deferred tax assets		
Net operating loss carried forwards	\$ 149,616	\$ 94,280
Depreciation and amortization	15,644	13,377
Deferred deductible expenses	3,994	4,402
Deferred rents	21,243	12,896
Others	7,219	9,527
Sub-total	<u>197,716</u>	<u>134,482</u>
Valuation allowances		
Current	(26,617)	(18,626)
Long-term	(165,583)	(109,301)
Sub-total	<u>(192,200)</u>	<u>(127,927)</u>
Total deferred tax assets	<u>5,516</u>	<u>6,555</u>
Deferred tax liabilities		
Land use rights	(52,032)	(55,683)
Intangible assets	(505)	(505)
Unrealized capital allowance	(3,061)	(2,821)
Others	(5,414)	(5,848)
Total deferred tax liabilities	<u>(61,012)</u>	<u>(64,857)</u>
Deferred tax liabilities, net	<u>\$ (55,496)</u>	<u>\$ (58,302)</u>

As of December 31, 2015 and 2014, valuation allowances of \$192,200 and \$127,927 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, 2015, adjusted operating tax loss carry forwards, amounting to \$175,986, \$228,760 and \$429,924 will expire in 2016, 2017 and 2018, respectively. Adjusted operating tax loss carried forward of \$152,118 has expired during the year ended December 31, 2015.

Deferred tax, where applicable, is provided under the 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.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

16. INCOME TAXES - continued

Aggregate undistributed earnings of the Company's foreign subsidiaries available for distribution to the Company of approximately \$6,630 and \$11,447 as at December 31, 2015 and 2014, respectively, are considered to be indefinitely reinvested and the amounts as of December 31, 2015 and 2014 exclude the undistributed earnings of Melco Crown Macau. 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 \$994 and \$1,717 as at December 31, 2015 and 2014, 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 position requiring recognition in the consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 and there is no material unrecognized tax benefit which would favorably affect the effective income tax rate in future periods. As of December 31, 2015 and 2014, 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 benefit within the next twelve months.

The income tax returns of the Company and its subsidiaries remain open and subject to examination by the tax authorities of Hong Kong, Macau, the Philippines, the United States of America and other jurisdictions until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Hong Kong, Macau, the Philippines and the United States of America are 6 years, 5 years, 3 years and 3 years, respectively.

17. SHARE-BASED COMPENSATION

2006 Share Incentive Plan

The Group adopted a share incentive plan in 2006 ("2006 Share Incentive Plan") to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to employees, Directors and consultants and to promote the success of its business. Under the 2006 Share Incentive Plan, the Group may grant either options to purchase the Company's ordinary shares or restricted shares (Note: The restricted shares, as named in respective grant documents, are accounted for as nonvested shares). The term of an award shall not exceed 10 years from the date of the grant. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2006 Share Incentive Plan (including shares issuable upon exercise of options) is 100,000,000 over 10 years. The new share incentive plan ("2011 Share Incentive Plan") as described below was effective immediately after the listing of the Company's ordinary shares on the Main Board of the Hong Kong Stock Exchange on December 7, 2011 and no further awards may be granted under the 2006 Share Incentive Plan on or after such date as all subsequent awards will be issued under the 2011 Share Incentive Plan. Accordingly, no share option and restricted share were granted under the 2006 Share Incentive Plan during the years ended December 31, 2015, 2014 and 2013.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

17. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Share Options

A summary of share options activity under the 2006 Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as at January 1, 2013	16,832,154	\$ 1.61		
Exercised	(2,967,372)	1.50		
Forfeited	(82,380)	2.07		
Expired	(4,989)	1.01		
Outstanding as at December 31, 2013	13,777,413	1.63		
Exercised	(853,905)	2.06		
Expired	(6,087)	1.01		
Outstanding as at December 31, 2014	12,917,421	1.60		
Exercised	(1,260,018)	1.51		
Outstanding as at December 31, 2015	<u>11,657,403</u>	<u>\$ 1.61</u>	<u>3.58</u>	<u>\$ 46,548</u>
Exercisable as at December 31, 2015	<u>11,657,403</u>	<u>\$ 1.61</u>	<u>3.58</u>	<u>\$ 46,548</u>

A summary of share options vested under the 2006 Share Incentive Plan at December 31, 2015 are presented below:

	Vested			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Range of exercise prices per share (\$1.01- \$5.06) (Note)	<u>11,657,403</u>	<u>\$ 1.61</u>	<u>3.58</u>	<u>\$ 46,548</u>

Note: No share options vested and no share options expired during the year ended December 31, 2015.

As of December 31, 2015, there was no unvested share options under the 2006 Share Incentive Plan. Share options of 1,260,018, 853,905 and 2,967,372 were exercised and proceeds amounted to \$1,904, \$1,758 and \$4,463 were recognized during the years ended December 31, 2015, 2014 and 2013, respectively. The total intrinsic values of share options exercised for the years ended December 31, 2015, 2014 and 2013 were \$5,152, \$5,472 and \$34,330, respectively. As of December 31, 2015, there was no unrecognized compensation costs related to share options under the 2006 Share Incentive Plan.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**17. SHARE-BASED COMPENSATION - continued****2006 Share Incentive Plan - continued***Restricted Shares*

A summary of restricted shares activity under the 2006 Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as at January 1, 2013	2,238,885	\$ 2.19
Vested	(1,297,902)	2.04
Forfeited	(38,313)	2.12
Unvested as at December 31, 2013	902,670	2.42
Vested	(902,670)	2.42
Unvested as at December 31, 2014 and 2015	—	\$ —

The total fair values at the date of grant of the restricted shares under the 2006 Share Incentive Plan vested during the years ended December 31, 2014 and 2013 were \$2,182 and \$2,643, respectively. As of December 31, 2015, there was no unrecognized compensation costs related to restricted shares under the 2006 Share Incentive Plan.

2011 Share Incentive Plan

The Group adopted the 2011 Share Incentive Plan to promote the success and enhance the value of the Company by linking personal interests of the members of the Board, employees and consultants to those of the shareholders and by providing such individuals with incentive for outstanding performance to generate superior returns to the shareholders which became effective on December 7, 2011. Under the 2011 Share Incentive Plan, the Group may grant various share-based awards, including but not limited to, options to purchase the Company's ordinary shares, share appreciation rights, restricted shares and other types of awards. The term of such awards shall not exceed 10 years from the date of the grant. The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2011 Share Incentive Plan is 100,000,000 over 10 years, which could be raised up to 10% of the issued share capital upon shareholders' approval. As of December 31, 2015 and 2014, 88,584,652 and 92,621,404 ordinary shares remain available for the grant of various share-based awards under the 2011 Share Incentive Plan, respectively.

Share Options

The Group granted share options to certain personnel under the 2011 Share Incentive Plan during the years ended December 31, 2015, 2014 and 2013, with the exercise price for share options granted determined at the higher of the closing price at the date of grant and the average closing price for the five trading dates preceding the date of grant of the Company's ordinary shares trading on the Hong Kong Stock Exchange. These share options became exercisable over vesting periods of three to four years. The share options granted expire 10 years from the date of grant.

The Group uses the Black-Scholes valuation model to determine the estimated fair value for each option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

17. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options - continued

Expected volatility is based on the historical volatility of the Company's ADS trading on the NASDAQ Global Select Market. Expected term is based upon the vesting term or the historical of expected term of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected term.

The fair value per option under the 2011 Share Incentive Plan was estimated at the date of grant using the following weighted average assumptions for options granted during the years ended December 31, 2015, 2014 and 2013:

	December 31,		
	2015	2014	2013
Expected dividend yield	1.40%	1.11%	—
Expected stock price volatility	57.86%	69.56%	65.50%
Risk-free interest rate	1.59%	2.04%	0.82%
Expected average life of options (years)	6.1	6.1	5.1

A summary of share options activity under the 2011 Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as at January 1, 2013	1,901,136	\$ 4.70		
Granted	1,388,793	8.42		
Exercised	(96,930)	4.70		
Forfeited	(120,834)	6.00		
Expired	(1,830)	4.70		
Outstanding as at December 31, 2013	3,070,335	6.33		
Granted	1,320,693	12.89		
Exercised	(74,394)	5.34		
Forfeited	(155,865)	9.84		
Outstanding as at December 31, 2014	4,160,769	8.30		
Granted	2,591,751	7.48		
Exercised	(108,729)	4.70		
Forfeited	(343,695)	9.17		
Expired	(27,129)	8.42		
Outstanding as at December 31, 2015	<u>6,272,967</u>	<u>\$ 7.98</u>	<u>8.00</u>	<u>\$ 1,350</u>
Exercisable as at December 31, 2015	<u>2,294,499</u>	<u>\$ 6.00</u>	<u>6.64</u>	<u>\$ 1,350</u>

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**17. SHARE-BASED COMPENSATION - continued****2011 Share Incentive Plan - continued***Share Options - continued*

A summary of share options vested and expected to vest under the 2011 Share Incentive Plan at December 31, 2015 are presented below:

	Vested			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Range of exercise prices per share (\$4.70 - \$8.42) (Note)	2,294,499	\$ 6.00	6.64	\$ 1,350

Note: 935,424 share options vested and 27,129 share options expired during the year ended December 31, 2015.

	Expected to Vest			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Range of exercise prices per share (\$7.48 - \$12.98)	3,978,468	\$ 9.12	8.79	\$ —

The weighted average fair values of share options granted under the 2011 Share Incentive Plan during the years ended December 31, 2015, 2014 and 2013 were \$3.45, \$7.11 and \$4.50, respectively. Share options of 108,729, 74,394 and 96,930 were exercised and proceeds amounts to \$511, \$397 and \$455 were recognized during the years ended December 31, 2015, 2014 and 2013, respectively. The total intrinsic values of share options exercised for the years ended December 31, 2015, 2014 and 2013 were \$98, \$232 and \$812, respectively. As of December 31, 2015, there was \$10,314 unrecognized compensation costs related to share options under the 2011 Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 1.81 years.

Restricted Shares

The Group has also granted restricted shares to certain personnel under the 2011 Share Incentive Plan during the years ended December 31, 2015, 2014 and 2013. These restricted shares have vesting periods of three to four years. The grant date fair value is determined with reference to the market closing price of the Company's ADS trading on the NASDAQ Global Select Market at the date of grant.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**17. SHARE-BASED COMPENSATION - continued****2011 Share Incentive Plan - continued***Restricted Shares - continued*

A summary of restricted shares activity under the 2011 Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2013	1,153,890	\$ 4.43
Granted	817,068	8.27
Vested	(378,579)	4.43
Forfeited	(60,420)	5.77
Unvested at December 31, 2013	1,531,959	6.43
Granted	746,856	12.42
Vested	(632,985)	6.04
Forfeited	(77,938)	9.57
Unvested at December 31, 2014	1,567,892	9.28
Granted	1,445,001	7.24
Vested	(603,012)	6.32
Forfeited	(175,191)	8.85
Unvested at December 31, 2015	<u>2,234,690</u>	<u>\$ 8.80</u>

The total fair values at the date of grant of the restricted shares under the 2011 Share Incentive Plan vested during the years ended December 31, 2015, 2014 and 2013 were \$3,809, \$3,821 and \$1,676, respectively. As of December 31, 2015, there was \$11,509 of unrecognized compensation costs related to restricted shares under the 2011 Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 1.84 years.

MCP Share Incentive Plan

MCP adopted a share incentive plan (the "MCP Share Incentive Plan") to promote the success and enhance the value of MCP, by linking personal interests of members of the Board, employees and consultants of MCP, its subsidiaries, holding companies and affiliated companies by providing such individuals with an incentive for outstanding performance to generate superior returns to the stockholders of MCP. The MCP Share Incentive Plan, which was subsequently amended from time to time, was approved by MCP shareholders at MCP annual stockholders meeting and the Company's shareholders at its extraordinary general meeting on June 21, 2013 and became effective on June 24, 2013, the date of approval from the Philippine SEC. Under the MCP Share Incentive Plan, MCP may grant various share-based awards, including but not limited to, options to purchase the MCP common shares, restricted shares, share appreciation rights and other types of awards. The term of such awards shall not exceed 10 years from the date of grant. The maximum aggregate number of common shares which may be issued pursuant to all awards under the MCP Share Incentive Plan is 442,630,330 shares and with up to 5% of the issued capital stock of MCP from time to time over 10 years. As of December 31, 2015 and 2014, 90,550,748 and 57,075,917 MCP common shares remain available for the grant of various share-based awards under the MCP Share Incentive Plan, respectively.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**17. SHARE-BASED COMPENSATION - continued****MCP Share Incentive Plan - continued***Share Options*

For the year ended December 31, 2015, MCP granted share options to personnel under the MCP Share Incentive Plan, with the exercise price determined with reference to the market closing price of MCP common shares at the date of grant. These share options become exercisable over a vesting period of three years. For the year ended December 31, 2014, MCP granted 9,543,186 share options to certain personnel under the MCP Share Incentive Plan, with the exercise price for 4,861,003 share options determined at the higher of the closing price of MCP common shares at the date of grant and the average closing price for the five trading days preceding the date of grant. The exercise price for 4,682,183 share options is fixed at \$0.19 per share, with the same exercise price with the share options granted on June 28, 2013 on the bases approved by MCP's management that these personnel would contribute significantly to the pre-opening of City of Dreams Manila and joined MCP and its subsidiaries (collectively referred to as the "MCP Group") prior to March 31, 2014. These share options became exercisable over different vesting periods of around three years. For the year ended December 31, 2013, MCP granted share options to certain personnel under the MCP Share Incentive Plan with the exercise price determined at the higher of the closing price of MCP common shares at the date of grant and the average closing price for the five trading days preceding the date of grant. These share options became exercisable over a vesting period of three years, with the first vesting on 30 days after the opening of City of Dreams Manila which were vested on March 4, 2015. All share options granted expire 10 years from the date of grant.

MCP uses the Black-Scholes valuation model to determine the estimated fair value for each option granted, with highly subjective assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of a peer group of publicly traded companies. Expected term is based upon the vesting term or the historical of expected term of the Company. The risk-free interest rate used for each period presented is based on the Philippine Government bond yield at the time of grant for the period equal to the expected term.

The fair value per option under the MCP Share Incentive Plan was estimated at the date of grant using the following weighted average assumptions for options granted during the years ended December 31, 2015, 2014 and 2013:

	December 31,		
	2015	2014	2013
Expected dividend yield	—	—	—
Expected stock price volatility	45.00%	40.00%	45.00%
Risk-free interest rate	4.08%	3.77%	3.73%
Expected average life of options (years)	5.4	5.2	5.0

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

17. SHARE-BASED COMPENSATION - continued

MCP Share Incentive Plan - continued

Share Options - continued

A summary of share options activity under the MCP Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as at January 1, 2013	—	\$ —		
Granted	120,826,336	0.19		
Forfeited	(4,682,183)	0.19		
Outstanding as at December 31, 2013	116,144,153	0.19		
Granted	9,543,186	0.24		
Forfeited	(1,560,727)	0.19		
Outstanding as at December 31, 2014	124,126,612	0.19		
Granted	6,796,532	0.07		
Forfeited	(6,195,610)	0.18		
Expired	(16,902)	0.28		
Outstanding as at December 31, 2015	<u>124,710,632</u>	<u>\$ 0.17</u>	<u>7.69</u>	<u>\$ —</u>
Exercisable as at December 31, 2015	<u>75,194,658</u>	<u>\$ 0.18</u>	<u>7.53</u>	<u>\$ —</u>

A summary of share options vested and expected to vest under the MCP Share Incentive Plan as of December 31, 2015 are presented below:

	Vested			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Range of exercise prices per share (\$0.18 - \$0.28) (Note)	<u>75,194,658</u>	<u>\$ 0.18</u>	<u>7.53</u>	<u>\$ —</u>

Note: 75,211,560 share options vested and 16,902 share options expired during the year ended December 31, 2015.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

17. SHARE-BASED COMPENSATION - continued

MCP Share Incentive Plan - continued

Share Options - continued

	Expected to Vest			Aggregate Intrinsic Value
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	
Range of exercise prices per share (\$0.07 - \$0.28)	49,515,974	\$ 0.17	7.93	\$ —

The weighted average fair values of share options granted under the MCP Share Incentive Plan during the years ended December 31, 2015, 2014 and 2013 were \$0.03, \$0.14 and \$0.09, respectively. No share options were exercised during the years ended December 31, 2015, 2014 and 2013. As of December 31, 2015, there was \$1,750 unrecognized compensation costs related to share options under the MCP Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 0.98 years.

Restricted Shares

For the years ended December 31, 2015 and 2014, MCP granted restricted shares to certain personnel under the MCP Share Incentive Plan with vesting periods of around three years. For the year ended December 31, 2013, MCP granted restricted shares to certain personnel under the MCP Share Incentive Plan with a vesting period of three years, with the first vesting on 30 days after the opening of City of Dreams Manila which were vested on March 4, 2015. The grant date fair value is determined with reference to the market closing price of the MCP common shares at the date of grant.

A summary of restricted shares activity under the MCP Share Incentive Plan as of December 31, 2015, and changes during the years ended December 31, 2015, 2014 and 2013 are presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as at January 1, 2013	—	\$ —
Granted	60,413,167	0.19
Forfeited	(2,341,091)	0.19
Unvested as at December 31, 2013	58,072,076	0.19
Granted	7,079,775	0.29
Forfeited	(780,365)	0.19
Unvested as at December 31, 2014	64,371,486	0.20
Granted	5,745,033	0.08
Vested	(38,375,178)	0.18
Forfeited	(3,210,126)	0.18
Unvested as at December 31, 2015	28,531,215	\$ 0.17

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**17. SHARE-BASED COMPENSATION - continued****MCP Share Incentive Plan - continued***Restricted Shares - continued*

The total fair value at the date of grant of the restricted shares under the MCP Share Incentive Plan vested during the year ended December 31, 2015 was \$6,989. No restricted shares under the MCP Share Incentive Plan were vested during the years ended December 31, 2014 and 2013. As of December 31, 2015, there was \$2,382 unrecognized compensation costs related to restricted shares under the MCP Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 1.15 years.

The impact of share options and restricted shares for the Group for the years ended December 31, 2015, 2014 and 2013 recognized in the consolidated financial statements is as follows:

	Year Ended December 31,		
	2015	2014	2013
2006 Share Incentive Plan			
Share options	\$ —	\$ 579	\$ 3,234
Restricted shares	—	492	2,188
Sub-total	<u>—</u>	<u>1,071</u>	<u>5,422</u>
2011 Share Incentive Plan			
Share options	6,543	5,590	2,775
Restricted shares	7,191	5,915	3,052
Sub-total	<u>13,734</u>	<u>11,505</u>	<u>5,827</u>
MCP Share Incentive Plan			
Share options	3,248	3,631	1,756
Restricted shares	3,845	4,194	1,982
Sub-total	<u>7,093</u>	<u>7,825</u>	<u>3,738</u>
Total share-based compensation expenses recognized in general and administrative expenses	<u>\$20,827</u>	<u>\$20,401</u>	<u>\$14,987</u>

18. EMPLOYEE BENEFIT PLANS

The Group provides defined contribution plans for its employees and executive officers in Macau, Hong Kong, the Philippines and certain other jurisdictions.

Employees*Macau*

Employees employed by the Group in Macau are members of government-managed Social Security Fund Scheme (the "SSF Scheme") operated by the Macau Government and the Group is required to pay a monthly fixed contribution to the SSF Scheme to fund the benefits.

The Group provides options for its qualifying employees in Macau to participate in voluntary defined contribution schemes (the "Macau Schemes") operated by the Group in Macau. The Group either contributes a fixed percentage of the eligible employees' base salaries, a fixed amount or an amount which

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

18. EMPLOYEE BENEFIT PLANS - continued

Employees - continued

Macau - continued

matches the contributions of the employees up to a certain percentage of base salaries, determined by seniority, tenure and the type of plan, to the Macau Schemes. The Group's contributions to the Macau Schemes are vested in accordance to a vesting schedule, achieving full vesting 10 years from the date of employment. The Macau Schemes were established under trust with the fund assets being held separately from those of the Group by independent trustees in Macau.

Hong Kong

Executive officers, employees employed by the Group in Hong Kong and certain employees employed by the Group in other jurisdictions are members of Mandatory Provident Fund Schemes (the "MPF Schemes") operated by the Group in Hong Kong. The Group provides options for its qualifying employees to participate in voluntary contribution plan of the MPF Schemes. The Group is required to contribute a certain percentage of the executive officers' and employees' base salaries, determined by seniority, tenure and the type of plan, to the MPF Schemes, which included the Group's mandatory portion. The excess of contributions over the Group's mandatory portion are treated as the Group's voluntary contribution and are vested in accordance to a vesting schedule, achieving full vesting 10 years from the date of employment. The Group's mandatory contributions to the MPF Schemes are fully and immediately vested to the executive officers and employees once they are paid. The MPF Schemes were established under trust with the fund assets being held separately from those of the Group by independent trustees in Hong Kong.

The Philippines

Employees employed by MCP Group in the Philippines are members of government-managed Social Security System Scheme (the "SSS Scheme") operated by the Philippine Government and MCP Group is required to pay a certain percentage of the employees' relevant income and met the minimum mandatory requirements of the SSS Scheme to fund the benefits.

Other Jurisdictions

The Group's subsidiaries in certain other jurisdictions operate a number of defined contribution schemes. Contributions to the defined contribution schemes applicable to each year are made at a certain percentage of the employees' relevant income and met the minimum mandatory requirements.

The obligations of the Group with respect to the above retirement benefits schemes are to make the required contributions under the schemes.

During the years ended December 31, 2015, 2014 and 2013, the Group's contributions into the defined contribution plans were \$18,295, \$14,823 and \$8,522, respectively.

19. DISTRIBUTION OF PROFITS

All subsidiaries of the Company incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after taxation to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

19. DISTRIBUTION OF PROFITS - continued

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, 2015 and 2014, the balance of the reserve amounted to \$31,202 and \$31,202, respectively.

The 2011 Credit Facilities contained restrictions, which applied until the 2011 Credit Facilities was amended on June 29, 2015, on paying dividends to companies or persons who were not members of the 2011 Borrowing Group, unless certain financial tests and conditions were satisfied. Dividends might be paid from (i) excess cash flow as defined in the 2011 Credit Facilities generated by the 2011 Borrowing Group subject to compliance with the financial covenants under the 2011 Credit Facilities; or (ii) cash held by the 2011 Borrowing Group in an amount not exceeding the aggregate cash and cash equivalents investments of the 2011 Borrowing Group as at June 30, 2011 subject to a certain amount of cash and cash equivalents being retained for operating purposes and, in either case, there being no event of default continuing or likely to occur under the 2011 Credit Facilities as a result of making such payment.

The 2015 Credit Facilities removed certain restrictions on paying of dividends applied under the 2011 Credit Facilities. Under the 2015 Credit Facilities, which apply on and from June 29, 2015, the payment of dividends to companies or persons who are not members of the 2015 Borrowing Group remains restricted in certain circumstances, unless certain financial tests and conditions are satisfied and there is no continuing default under the 2015 Credit Facilities.

The indenture governing the 2013 Senior Notes and the 2010 Senior Notes contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by MCE Finance and its respective restricted subsidiaries.

The indenture governing the Studio City Notes also contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by Studio City Finance and its restricted subsidiaries.

The Studio City Project Facility contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends by Studio City Investments and its restricted subsidiaries.

20. DIVIDENDS

On February 25, 2014, the Company's Board of Directors adopted a new dividend policy (the "New Dividend Policy"). Under the New Dividend Policy, subject to the Company's capacity to pay from accumulated and future earnings and the cash balance and future commitments at the time of declaration of dividend, the Company intends to provide its shareholders with quarterly dividends of approximately 30% of the Company's consolidated net income attributable to Melco Crown Entertainment Limited for the relevant quarter, commencing from the first quarter of 2014. The New Dividend Policy also allows the Company to declare special dividends from time to time in addition to the quarterly dividends.

On March 16, 2015, June 5, 2015, September 4, 2015 and December 4, 2015, the Company paid quarterly dividends of \$0.0171, \$0.0112, \$0.0045 and \$0.0061 per share, respectively, under the New Dividend Policy. During the year ended December 31, 2015, the Company recorded \$62,850 as a distribution against retained earnings.

On February 18, 2016, a special dividend of \$0.2146 per share has been declared by the Board of Directors of the Company and payable on March 16, 2016 to the shareholders of records as of March 1, 2016.

On April 16, 2014, the Company paid a special dividend of \$0.1147 per share and recorded \$189,459 as a distribution against share premium.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

20. DIVIDENDS - continued

On June 6, 2014, September 4, 2014 and December 4, 2014, the Company paid quarterly dividends of \$0.0431, \$0.0259 and \$0.0239 per share, respectively, under the New Dividend Policy. During the year ended December 31, 2014, the Company recorded \$153,259 as a distribution against retained earnings.

The total amount of special and quarterly dividends of \$342,718 were paid during the year ended December 31, 2014.

During the year ended December 31, 2013, the Company did not declare or pay any cash dividends on the ordinary shares.

21. REGULAR/PROVISIONAL LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MCP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

(a) Regular/Provisional License

As of March 13, 2013, PAGCOR allowed the inclusion of, amongst others, MCE Leisure as a co-licensee, as well as the “special purpose entity” to operate the casino business and as representative for itself and on behalf of the other co-licensees including SM Investments Corporation (“SMIC”), PremiumLeisure and Amusement, Inc. (“PLAI”) and Belle under the provisional license (the “Provisional License”) in their dealings with PAGCOR. SMIC, PLAI and Belle are collectively referred to as the “Philippine Parties”. As a result, MCE Holdings (Philippines) Corporation, a subsidiary of MCP, and its subsidiaries including MCE Leisure (collectively the “MCE Holdings Group”) and the Philippine Parties together became co-licensees (the “Licensees”) under the Provisional License granted by PAGCOR for the establishment and operation of City of Dreams Manila.

On January 30, 2015, MCE Leisure applied to PAGCOR for the issuance of the regular license (the “Regular License”) for City of Dreams Manila as the Licensees satisfied the Investment Commitment (as defined in Note 22(c)) under the terms of the Provisional License.

PAGCOR issued the Regular License dated April 29, 2015 in replacement of the Provisional License to the Licensees for the operation of City of Dreams Manila. The Regular License has the same terms and conditions as the Provisional License, is concurrent with section 13 of Presidential Decree No. 1869, and is valid until July 11, 2033.

Further details of the terms and commitments under the Regular/Provisional License are included in Note 22(c).

(b) Cooperation Agreement

On March 13, 2013, a cooperation agreement (the “Cooperation Agreement”) and other related arrangements which were entered on October 25, 2012 among MCE Holdings Group, SMIC and certain of its subsidiaries (collectively the “SM Group”), Belle and PLAI became effective upon completion of the closing arrangement conditions, with minor changes to the original terms (except for certain provisions which were effective on signing).

The Cooperation Agreement governs the relationship and the rights and obligations of the Licensees. Under the Cooperation Agreement, MCE Leisure has been designated as the operator to operate City of Dreams Manila and appointed as the sole and exclusive representative of the Licensees in connection with the Regular/Provisional License and the operation and management of City of Dreams Manila until the expiry of the Regular/Provisional License (currently expected to be on July 11, 2033 or unless terminated earlier in accordance with its terms). Further details of the commitments under the Cooperation Agreement are included in Note 22(c).

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

21. REGULAR/PROVISIONAL LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MCP LEASE AGREEMENT FOR CITY OF DREAMS MANILA - continued

(c) Operating Agreement

On March 13, 2013, the Licensees entered into an operating agreement (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by MCE Leisure. The Operating Agreement was effective on March 13, 2013 and ends on the date of expiry of the Regular/Provisional License (as that Regular/Provisional License is extended, restored or renewed), unless terminated earlier in accordance with the terms of the Operating Agreement. The Regular/Provisional License is currently scheduled to expire on July 11, 2033. Under the Operating Agreement, MCE Leisure is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the management and operation of City of Dreams Manila (including the casino and gaming operations, hotel and retail components and all other activities necessary, desirable or incidental for the management and operation of City of Dreams Manila). The Operating Agreement also included terms of certain payments to PLAI upon commencement of operations of City of Dreams Manila in December 2014, in particular, PLAI has the right to receive monthly payments from MCE Leisure, based on the performance of gaming operations of City of Dreams Manila and was included in "Payments to the Philippine Parties" in the consolidated statements of operations, and MCE Leisure has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

(d) MCP Lease Agreement

On March 13, 2013, the MCP Lease Agreement which was entered on October 25, 2012, and was subsequently amended from time to time, between MCE Leisure and Belle became effective upon completion of closing arrangement conditions and with minor changes from the original terms. Under the MCP Lease Agreement, Belle agreed to lease to MCE Leisure the land and certain of the building structures for City of Dreams Manila. The lease continues until termination of the Operating Agreement (currently expected to be on July 11, 2033 or unless terminated earlier in accordance with its terms). The leased property is used by MCE Leisure and any of its affiliates exclusively as a hotel, casino and resort complex with retail, entertainment, convention, exhibition, food and beverages services as well as other activities ancillary, related or incidental to the operation of any of the preceding uses. Further information in relation to the MCP Lease Agreement was disclosed in Notes 12 and 22(c).

22. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2015, the Group had capital commitments contracted for but not incurred mainly for the construction and acquisition of property and equipment for Studio City, City of Dreams Manila and City of Dreams totaling \$254,687 including advance payments for construction costs of \$26,544.

(b) Lease Commitments and Other Arrangements

Operating Leases – As a Lessee

The Group leased a portion of land for City of Dreams Manila, Mocha Clubs sites, office space, warehouses, staff quarters and various equipment under non-cancellable operating lease agreements that expire at various dates through July 2033. Certain lease agreements provide for periodic rental

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**22. COMMITMENTS AND CONTINGENCIES - continued****(b) Lease Commitments and Other Arrangements - continued****Operating Leases – As a Lessee - continued**

increases based on both contractual agreed incremental rates and on the general inflation rate once agreed by the Group and its lessor and in some cases contingent rental expenses stated as a percentage of turnover. During the years ended December 31, 2015, 2014 and 2013, the Group incurred rental expenses amounting to \$39,667, \$32,829 and \$21,815, respectively, which consisted of minimum rental expenses of \$32,864, \$25,374 and \$17,586 and contingent rental expenses of \$6,803, \$7,455 and \$4,229, respectively.

As of December 31, 2015, minimum lease payments under all non-cancellable leases were as follows:

Year ending December 31,	
2016	\$ 25,271
2017	22,776
2018	22,408
2019	23,096
2020	16,352
Over 2020	80,365
	<u>\$190,268</u>

As Grantor of Operating and Right To Use Arrangement

The Group entered into non-cancellable operating and right to use agreements mainly for mall spaces in the sites of City of Dreams, City of Dreams Manila and Studio City with various retailers that expire at various dates through October 2025. Certain of the operating and right to use agreements include minimum base fee with escalated contingent fee clauses. During the years ended December 31, 2015, 2014 and 2013, the Group earned contingent fees of \$12,898, \$17,497 and \$19,563, respectively.

As of December 31, 2015, minimum future fees to be received under all non-cancellable operating and right to use agreements were as follows:

Year ending December 31,	
2016	\$13,706
2017	15,324
2018	23,306
2019	20,482
2020	14,310
Over 2020	2,779
	<u>\$89,907</u>

The total minimum future fees do not include the escalated contingent fee clauses.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(c) Other Commitments

Gaming Subconcession

On September 8, 2006, the Macau Government granted a gaming subconcession to Melco Crown Macau to operate the gaming business in Macau. Pursuant to the gaming subconcession agreement, Melco Crown Macau has committed to the following:

- i) To pay the Macau Government a fixed annual premium of \$3,744 (MOP30,000,000).
- ii) To pay the Macau Government a variable premium depending on the number and type of gaming tables and gaming machines that the Group operates. The variable premium is calculated as follows:
 - \$37 (MOP300,000) per year for each gaming table (subject to a minimum of 100 tables) reserved exclusively for certain kind of games or to certain players;
 - \$19 (MOP150,000) per year for each gaming table (subject to a minimum of 100 tables) not reserved exclusively for certain kind of games or to certain players; and
 - \$0.1 (MOP1,000) per year for each electrical or mechanical gaming machine, including the slot machine.
- iii) To pay the Macau Government a sum of 1.6% of the gross revenues of the gaming business operations on a monthly basis, that will be made available to a public foundation for the promotion, development and study of social, cultural, economic, educational, scientific, academic and charity activities, to be determined by the Macau Government.
- iv) To pay the Macau Government a sum of 2.4% of the gross revenues of the gaming business operations on a monthly basis, which will be used for urban development, tourist promotion and the social security of Macau.
- v) To pay special gaming tax to the Macau Government of an amount equal to 35% of the gross revenues of the gaming business operations on a monthly basis.
- vi) Melco Crown Macau must maintain a guarantee issued by a Macau bank in favor of the Macau Government in a maximum amount of \$62,395 (MOP500,000,000) from September 8, 2006 to September 8, 2011 and a maximum amount of \$37,437 (MOP300,000,000) from September 8, 2011 until the 180th day after the termination date of the gaming subconcession.

As a result of the bank guarantee given by the bank to the Macau Government as disclosed in Note 22(c)(vi) above, a sum of 1.75% of the guarantee amount will be payable by Melco Crown Macau quarterly to such bank.

Land Concession Contracts

The Company's subsidiaries have entered into concession contracts for the land in Macau on which Altira Macau, City of Dreams and Studio City properties and development projects are located. The title to the land lease right is obtained once the related land concession contract is published in the Macau official gazette. The contracts have 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 subsidiaries are required to i) pay an upfront land premium, which is recognized as land use

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments - continued**

Land Concession Contracts - continued

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.

Altira Macau

On December 18, 2013, the Macau Government published in the Macau official gazette the final amendment for revision of the land concession contract for Taipa Land on which Altira Macau is located (see Note 9). The amendment required an additional land premium of approximately \$2,449 which was fully paid by Altira Developments in July 2013. According to the revised land amendment, the government land use fees were revised from approximately \$171 per annum to \$186 per annum. As of December 31, 2015, the Group's total commitment for government land use fees for Altira Macau site to be paid during the remaining term of the land concession contract which expires in March 2031 was \$2,817.

City of Dreams

On January 29, 2014, the Macau Government published in the Macau official gazette the final amendment for revision of the land concession contract for Cotai Land on which City of Dreams is located (see Note 9). The amendment required an additional land premium of approximately \$23,344, with \$8,736 paid in October 2013 upon acceptance of the final amendment proposal and the remaining amount of approximately \$14,608 payable in four biannual instalments, with 5% interest accruing per annum, with the first three instalments paid in July 2014, January 2015 and July 2015, respectively, and the last instalment paid in January 2016. As of December 31, 2015 and 2014, the total outstanding balance of the land premium was included in accrued expenses and other current liabilities in an amount of \$3,788 and \$7,302, and in land use rights payable in an amount of nil and \$3,788, respectively. According to the revised land amendment, the government land use fees were revised to \$1,185 per annum during the development period of additional hotel at City of Dreams; and to \$1,235 per annum after the completion of the development. As of December 31, 2015, the Group's total commitment for government land use fees for City of Dreams site to be paid during the remaining term of the land concession contract which expires in August 2033 was \$21,616.

Studio City

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 on which Studio City is located. 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. As of December 31, 2015, the Group's total commitment for government land use fees for Studio City site to be paid during the remaining term of the land concession contract which expires in October 2026 was \$10,565.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments - continued**

Regular/Provisional License

Under the terms of the Provisional License, PAGCOR requires, amongst other things, the Licensees to make a total investment of \$1,000,000 for City of Dreams Manila (the "Investment Commitment") with a minimum investment of \$650,000 to be made prior to the opening of City of Dreams Manila on December 14, 2014. Under the terms of the Cooperation Agreement, the Licensees' Investment Commitment of \$1,000,000 will be satisfied as follows:

- For the amount of \$650,000: (a) in the case of the Philippine Parties, the land and building structures having an aggregate value as determined by PAGCOR of not less than \$325,000; and (b) in the case of MCE Leisure, the fit-out and furniture, gaming equipment, additional improvements, inventory and supplies as well as intangible property and entertainment facilities inside or outside of the building structures, having an aggregate value as determined by PAGCOR of not less than \$325,000.
- For the remaining \$350,000, the Philippine Parties and MCE Leisure shall make equal contributions of \$175,000 to City of Dreams Manila. The Licensees agree to contribute such amounts and for such purposes as notified by MCE Leisure (or in certain circumstances the Philippine Parties) to PAGCOR (subject to any recommendations PAGCOR may make).

On January 30, 2015, MCE Leisure applied to PAGCOR for the issuance of the Regular License for City of Dreams Manila as the Licensees satisfied the Investment Commitment of \$1,000,000 under the terms of the Provisional License. PAGCOR issued the Regular License dated April 29, 2015 in replacement of the Provisional License to the Licensees for the operation of City of Dreams Manila. The Regular License has the same terms and conditions as the Provisional License and is valid until July 11, 2033.

Other commitments required by PAGCOR under the Regular/Provisional License are as follows:

- Within 30 days from getting approval by PAGCOR of the project implementation plan, to submit a bank guarantee, letter of credit or surety bond in the amount of PHP100,000,000 (equivalent to \$2,120) to guarantee the Licensees' completion of City of Dreams Manila and is subject to forfeiture in case of delay in construction which delay exceeds 50% of the schedule, of which SM Group had submitted a surety bond of PHP100,000,000 (equivalent to \$2,120) to PAGCOR on February 17, 2012. The surety bond was subsequently released on March 31, 2015.
- Seven days prior to commencement of operation of the casino, to secure a surety bond in favor of PAGCOR in the amount of PHP100,000,000 (equivalent to \$2,120) to ensure prompt and punctual remittance/payment of all license fees, of which MCE Leisure had secured a surety bond of PHP100,000,000 (equivalent to \$2,120) in December 2014.
- The Licensees are required to maintain an escrow account into which all funds for development of City of Dreams Manila must be deposited and all funds withdrawn from this account must be used only for such development and to deposit \$100,000 in the escrow account and maintain a balance of \$50,000 until the completion of City of Dreams Manila, of which MCE Leisure had setup the escrow account in March 2013. On May 7, 2015, PAGCOR granted the approval to close the escrow account as the Licensees had fulfilled the completion of City of Dreams Manila and funds of \$50,000 held in the escrow account were released to MCE Leisure on June 15, 2015. The

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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22. COMMITMENTS AND CONTINGENCIES - continued

(c) Other Commitments - continued

Regular/Provisional License - continued

escrow account balance released to MCE Leisure was partly funded by the Philippine Parties in accordance with the terms of the Cooperation Agreement and the amount was included in the accrued expenses and other current liabilities as disclosed in Note 10.

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

For taxable periods prior to April 1, 2014, under the terms of the Regular/Provisional License, PAGCOR and the Licensees agreed the license fees that are paid to PAGCOR by the Licensees are in lieu of all taxes with reference to the income component of the gross gaming revenues. In May 2014, PAGCOR temporarily reduced the license fees by 10% to 5% and 15% of gross gaming revenues effective from April 1, 2014. The license fee reduction is required to be used for the payment of corporate income taxes and any portion not used for such payment must be paid to PAGCOR as an annual true-up payment (as defined). This adjustment will address the additional exposure to corporate income tax on the Licensees brought by the Philippine Bureau of Internal Revenue ("BIR") Revenue Memorandum Circular ("RMC") No. 33-2013 dated April 17, 2013. The 10% license fee adjustment is a temporary measure to address the unilateral BIR action and is not intended to modify, amend or revise the Regular/Provisional License. PAGCOR and the Licensees agreed to revert to the original license fee structure under the Regular/Provisional License in the event BIR action is permanently restrained, corrected or withdrawn. PAGCOR and the Licensees also agreed that the 10% license fee adjustment is not an admission of the validity of BIR RMC No. 33-2013 and it is not a waiver of any of the remedies against any assessments by BIR for corporate income tax on the gaming revenue of the Licensees in the Philippines.

- In addition to the above license fees, the Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR, of which the foundation was setup by MCE Leisure on February 19, 2014.
- PAGCOR may collect a 5% fee of non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues of hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires.
- Grounds for revocation of the Regular/Provisional License, among others, are as follows: (a) failure to comply with material provision of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) has become bankrupt or insolvent; (d) delay in construction of more than 50% of the schedule; and (e) if debt-to-equity ratio is more than 70:30. As of December 31, 2015 and 2014, MCE Holdings Group, as one of the parties as Licensees, has complied with the required debt-to-equity ratio under definition as agreed with PAGCOR.

Cooperation Agreement

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular/Provisional License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any loss suffered or incurred by that Licensees arising out of, or in

MELCO CROWN ENTERTAINMENT LIMITED

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22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments - continued**

Cooperation Agreement - continued

connection with, any breach by the indemnifying Licensee of the Regular/Provisional License. Also, each of the Philippine Parties and MCE Holdings Group agree to indemnify the non-breaching party for any loss suffered or incurred as a result of a breach of any warranty.

MCP Lease Agreement

Under the terms of the MCP Lease Agreement, MCE Leisure shall indemnify and keep Belle fully indemnified against all claims, actions, demands, actions and proceedings made against Belle by any person arising as a result of or in connection with any loss, damage or injury from MCE Leisure's use and operation of business on the leased property.

(d) **Guarantees**

Except as disclosed in Note 11, the Group has made the following significant guarantees as of December 31, 2015:

- Melco Crown Macau has issued a promissory note ("Livrança") of \$68,635 (MOP550,000,000) to a bank in respect of the bank guarantee issued to the Macau Government as disclosed in Note 22(c)(vi) under gaming subconcession to the consolidated financial statements.
- The Company has entered into two deeds of guarantee with third parties amounted to \$35,000 to guarantee certain payment obligations of the City of Dreams' operations.
- Pursuant to the Commitment Letter for the Studio City Project Facility as disclosed in Note 11, the Studio City Borrower, among others, provided an indemnity on customary terms to the Studio City Lenders and their affiliates, including in connection with any breach of such Commitment Letter and related documents, such as a breach of warranty in respect of factual information and financial projections provided by or on behalf of the Company and the Studio City Borrower to the Studio City Lenders and their affiliates. On the same date, under the terms of an agreement between, among others, the Company and New Cotai Investments to regulate how indemnity claims under the Commitment Letter are dealt with and funded, the Company has indemnified New Cotai Investments and the Studio City Borrower in respect of any act or omission of the Company or its affiliates (other than Studio City International and its subsidiaries) resulting from such person's gross negligence, willful misconduct or bad faith.
- Under the Cooperation Agreement, Belle has irrevocably and unconditionally guaranteed to MCE Holdings Group the due and punctual observance, performance and discharge of all obligations of PLAI and each SM Group's company, and indemnified MCE Holdings Group against any and all loss incurred in connection with any default by the Philippine Parties under the Cooperation Agreement. MCE Leisure has likewise irrevocably and unconditionally guaranteed to each of the Philippine Parties the due and punctual observance, performance and discharge of all obligations of MCE Holdings Group, and indemnified the Philippine Parties against any and all loss incurred in connection with any default by MCE Holdings Group under the Cooperation Agreement.
- In October 2013, Studio City Developments entered into a trade credit facility of HK\$200,000,000 (equivalent to \$25,707) ("Trade Credit Facility") with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility is available until August 31, 2017 and guaranteed by Studio City Company. As of December 31, 2015, approximately \$1,335 of the Trade Credit Facility had been utilized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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22. COMMITMENTS AND CONTINGENCIES - continued

(d) Guarantees - continued

- MCE Leisure has issued a corporate guarantee of PHP100,000,000 (equivalent to \$2,120) to a bank in respect of surety bond issued to PAGCOR as disclosed in Note 22(c) under Regular/Provisional License.

(e) Litigation

On August 12, 2014, a subsidiary's Taiwan branch office and certain of its employees received indictment from the Taipei District Prosecutors Office for alleged violations of certain Taiwan banking and foreign exchange laws. In October 2015, the Taipei District Court rendered a not guilty verdict in favor of all defendants, on all charges alleging violation of Taiwan banking and foreign exchange laws. The Taipei District Court also lifted the freeze order on a deposit account in October 2015 and such deposit was released from restricted cash upon lifting of the freeze order. The case is now under appeal at the Taipei High Court. As of the date of this report, management believes that the Group's operations in Taiwan are in compliance with Taiwan laws and the legal proceedings would have no material impact on the Group's financial statements as a whole.

As of December 31, 2015, the Group is a party to certain other 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 financial statements as a whole.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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23. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2015, 2014 and 2013, the Group entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31,		
		2015	2014	2013
<i>Transactions with affiliated companies</i>				
Crown's subsidiary	Consultancy fee expense	\$ 461	\$ 387	\$ 370
	Purchase of property and equipment	771	830	371
	Software license fee expense	312	312	312
Lisboa Holdings Limited ("Lisboa")(1)	Office rental expense	1,597	1,810	895
Melco's subsidiaries and its associated companies	Consultancy fee expense	449	546	643
	Office rental expense	—	—	308
	Purchase of property and equipment	7,758	2,852	597
	Service fee expense(2)	728	775	802
	Other service fee income	1,609	632	510
	Rooms and food and beverage income	41	115	49
Shun Tak Holdings Limited's subsidiaries and its associated company (collectively referred to as the "Shun Tak Group")(1)	Office rental expense	238	199	171
	Traveling expense(3)	3,685	3,641	2,962
Sky Shuttle Helicopters Limited ("Sky Shuttle")(1)	Traveling expense	1,021	1,399	1,809
Sociedade de Jogos de Macau S.A. ("SJM")(1)	Traveling expense(3)	395	515	570
Sociedade de Turismo e Diversões de Macau, S.A. and its subsidiaries (collectively referred to as the "STDM Group")(1)	Office rental expense	1,451	1,457	1,405
	Service fee expense	194	203	222
	Traveling expense(3)	175	14	113

- Notes
- (1) Companies in which a relative/relatives of Mr. Lawrence Yau Lung Ho, the Company's Chief Executive Officer, has/have beneficial interests.
 - (2) The amounts mainly represent the Company's reimbursement to Melco's subsidiary for service fees incurred on its behalf for rental, office administration, travel and security coverage for the operation of the office of the Company's Chief Executive Officer.
 - (3) Traveling expenses including ferry and hotel accommodation services within Hong Kong and Macau.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**23. RELATED PARTY TRANSACTIONS - continued****Other Related Party Transaction**

On December 18, 2014, MCE (IP) Holdings Limited (“MCE IP”), a subsidiary of the Company, and Crown Films LLC (“CFL”), a subsidiary of Crown, entered into an assignment agreement, under which CFL agreed to assign exclusively to MCE IP a 50% share of a short film and all related elements at a consideration of \$15,619, representing 50% of the total production cost incurred by CFL as at the date of the assignment agreement. The short film was produced for the purpose of promoting the Company’s properties in Asia and Crown’s properties in Australia.

(a) Amounts Due From Affiliated Companies

The outstanding balances arising from operating income or prepayment of operating expenses as of December 31, 2015 and 2014 are as follows:

	December 31,	
	2015	2014
Melco’s subsidiaries	\$ 1,174	\$ 1,077
Shun Tak Group	1	2
	<u>\$ 1,175</u>	<u>\$ 1,079</u>

The outstanding balances due from affiliated companies as of December 31, 2015 and 2014 as mentioned above are unsecured, non-interest bearing and repayable on demand.

(b) Amounts Due To Affiliated Companies

The outstanding balances arising from operating expenses and expenses paid by affiliated companies on behalf of the Group as of December 31, 2015 and 2014 are as follows:

	December 31,	
	2015	2014
Crown’s subsidiary	\$ 1,935	\$ 930
Melco’s subsidiary	—	1,933
Shun Tak Group	231	343
SJM	98	215
Sky Shuttle	87	130
STDG Group	87	75
Lisboa	26	—
	<u>\$ 2,464</u>	<u>\$ 3,626</u>

The outstanding balances due to affiliated companies as of December 31, 2015 and 2014 as mentioned above are unsecured, non-interest bearing and repayable on demand.

24. SEGMENT INFORMATION

The Group is principally engaged in the gaming and hospitality business in Asia and its principal operating and developmental activities occur in two geographic areas: Macau and the Philippines. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Mocha Clubs, Altira Macau, City of Dreams, Studio City, which commenced operations on October 27,

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**24. SEGMENT INFORMATION - continued**

2015 and City of Dreams Manila, which commenced operations on December 14, 2014. Upon closing of the various agreements entered between MCP Group and the Philippine Parties for development and operation of City of Dreams Manila and the completion of the placing and subscription transaction of MCP during the year ended December 31, 2013, City of Dreams Manila has become one of the operating segments of the Group as of June 30, 2013. Taipa Square Casino is included within Corporate and Others.

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

Total Assets

	December 31,		
	2015	2014	2013
Macau:			
Mocha Clubs	\$ 145,631	\$ 173,150	\$ 159,927
Altira Macau	496,455	501,105	573,814
City of Dreams	3,183,460	3,133,680	3,148,657
Studio City	<u>3,832,770</u>	<u>3,987,912</u>	<u>2,519,461</u>
Sub-total	7,658,316	7,795,847	6,401,859
The Philippines:			
City of Dreams Manila	946,540	1,070,723	631,377
Corporate and Others	<u>1,804,926</u>	<u>1,565,993</u>	<u>1,780,403</u>
Total consolidated assets	<u>\$ 10,409,782</u>	<u>\$ 10,432,563</u>	<u>\$ 8,813,639</u>

Capital Expenditures

	Year Ended December 31,		
	2015	2014	2013
Macau:			
Mocha Clubs	\$ 6,446	\$ 13,116	\$ 6,515
Altira Macau	18,404	21,984	5,464
City of Dreams	331,503	264,922	97,654
Studio City	<u>968,696</u>	<u>907,455</u>	<u>440,826</u>
Sub-total	1,325,049	1,207,477	550,459
The Philippines:			
City of Dreams Manila	98,884	405,196	359,854
Corporate and Others	<u>31,909</u>	<u>24,632</u>	<u>2,042</u>
Total capital expenditures	<u>\$ 1,455,842</u>	<u>\$ 1,637,305</u>	<u>\$ 912,355</u>

MELCO CROWN ENTERTAINMENT LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)
24. SEGMENT INFORMATION - continued

The Group's segment information on its results of operations is as follows:

	Year Ended December 31,		
	2015	2014	2013
NET REVENUES			
Macau:			
Mocha Clubs	\$ 136,217	\$ 147,373	\$ 148,683
Altira Macau	574,848	744,850	1,033,801
City of Dreams	2,794,673	3,848,623	3,857,049
Studio City	125,303	1,767	1,093
Sub-total	<u>3,631,041</u>	<u>4,742,613</u>	<u>5,040,626</u>
The Philippines:			
City of Dreams Manila	300,409	7,564	—
Corporate and Others	43,350	52,132	46,552
Total net revenues	<u>\$ 3,974,800</u>	<u>\$ 4,802,309</u>	<u>\$ 5,087,178</u>
ADJUSTED PROPERTY EBITDA⁽¹⁾			
Macau:			
Mocha Clubs	\$ 30,259	\$ 36,337	\$ 40,222
Altira Macau	36,261	84,795	147,340
City of Dreams	798,504	1,165,632	1,193,211
Studio City	11,594	(1,296)	(1,059)
Sub-total	<u>876,618</u>	<u>1,285,468</u>	<u>1,379,714</u>
The Philippines:			
City of Dreams Manila	55,366	6	(603)
Total adjusted property EBITDA	<u>931,984</u>	<u>1,285,474</u>	<u>1,379,111</u>
OPERATING COSTS AND EXPENSES			
Payments to the Philippine Parties	(16,547)	(870)	—
Pre-opening costs	(168,172)	(90,556)	(13,969)
Development costs	(110)	(10,734)	(26,297)
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(54,056)	(64,471)	(64,271)
Depreciation and amortization	(359,341)	(246,686)	(261,298)
Land rent to Belle	(3,476)	(3,562)	(3,045)
Share-based compensation	(20,827)	(20,401)	(14,987)
Property charges and others	(38,068)	(8,698)	(6,884)
Gain on disposal of assets held for sale	—	22,072	—
Corporate and Others expenses	(115,735)	(118,971)	(91,299)
Total operating costs and expenses	<u>(833,569)</u>	<u>(600,114)</u>	<u>(539,287)</u>
OPERATING INCOME	<u>\$ 98,415</u>	<u>\$ 685,360</u>	<u>\$ 839,824</u>

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

24. SEGMENT INFORMATION - continued

	Year Ended December 31,		
	2015	2014	2013
NON-OPERATING INCOME (EXPENSES)			
Interest income	\$ 13,900	\$ 20,025	\$ 7,660
Interest expenses, net of capitalized interest	(118,330)	(124,090)	(152,660)
Amortization of deferred financing costs	(38,511)	(28,055)	(18,159)
Loan commitment and other finance fees	(7,328)	(18,976)	(25,643)
Foreign exchange loss, net	(2,156)	(6,155)	(10,756)
Other income, net	2,317	2,313	1,661
Loss on extinguishment of debt	(481)	—	(50,935)
Costs associated with debt modification	(7,603)	—	(10,538)
Total non-operating expenses, net	<u>(158,192)</u>	<u>(154,938)</u>	<u>(259,370)</u>
(LOSS) INCOME BEFORE INCOME TAX	(59,777)	530,422	580,454
INCOME TAX EXPENSE	(1,031)	(3,036)	(2,441)
NET (LOSS) INCOME	(60,808)	527,386	578,013
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	166,555	80,894	59,450
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	<u>\$ 105,747</u>	<u>\$ 608,280</u>	<u>\$ 637,463</u>

Note

- (1) “Adjusted property EBITDA” is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine Parties, land rent to Belle, gain on disposal of assets held for sale, Corporate and Others expenses, and other non-operating income and expenses. The chief operating decision maker uses Adjusted property EBITDA to measure the operating performance of Mocha Clubs, Altira Macau, City of Dreams, Studio City and City of Dreams Manila and to compare the operating performance of its properties with those of its competitors.

The Group’s geographic information for long-lived assets is as follows:

Long-lived Assets

	December 31,		
	2015	2014	2013
Macau	\$6,355,934	\$ 5,366,692	\$ 4,503,982
The Philippines	691,729	728,999	334,827
Hong Kong and other foreign countries	2,390	1,817	1,289
Total long-lived assets	<u>\$7,050,053</u>	<u>\$ 6,097,508</u>	<u>\$ 4,840,098</u>

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. CHANGE IN SHAREHOLDING OF THE PHILIPPINE SUBSIDIARIES

On April 8, 2013, the Company through its subsidiary, MCE (Philippines) Investments Limited (“MCE Investments”), subscribed for 2,846,595,000 common shares of MCP at a total consideration of PHP2,846,595,000 (equivalent to \$69,592 based on exchange rate on transaction date), which increased the Company’s shareholding in MCP and the Group recognized an increase of \$401 in the Company’s additional paid-in capital which reflects the adjustment to the carrying amount of the noncontrolling interest of MCP.

On April 24, 2013, MCP and MCE Investments completed a placing and subscription transaction (the “Placing and Subscription Transaction”), under which MCE Investments offered and sold in a private placement to various institutional investors of 981,183,700 common shares of MCP at the offer price of PHP14 per share (equivalent to \$0.34 per share) (the “Offer”). MCE Investments then used the proceeds from the Offer to subscribe for an equivalent number of common shares of MCP at the subscription price of PHP14 per share (equivalent to \$0.34 per share). In connection with the Offer, MCE Investments granted an over-allotment option (the “Over-allotment Option”) of up to 117,075,000 common shares of MCP at the offer price of PHP14 per share (equivalent to \$0.34 per share) to a stabilizing agent (the “Stabilizing Agent”). On May 23, 2013, the Stabilizing Agent exercised the Over-allotment Option and subscribed for 36,024,600 common shares of MCP at the offer price of PHP14 per share (equivalent to \$0.34 per share). MCE Investments then used the proceeds from the Over-allotment Option to subscribe for an equivalent number of common shares of MCP at the subscription price of PHP14 per share (equivalent to \$0.34 per share). The aforesaid transactions decreased the Company’s shareholding in MCP and the Group recognized an increase of \$227,134 in the Company’s additional paid-in capital which reflects the adjustment to the carrying amount of the noncontrolling interest of MCP.

In March and April 2014, there are minor changes in ownership of MCP by the Group. The Company through its subsidiary, MCE (Philippines) Investments No.2 Corporation, acquired additional 400 common shares and 3,000 common shares of MCP under trust arrangements on March 13, 2014 and April 11, 2014, respectively. On March 31, 2014, MCE Investments sold 200 common shares of MCP to two independent directors of MCP.

On June 24, 2014, MCP and MCE Investments completed a placing and subscription transaction (the “2014 Placing and Subscription Transaction”), under which MCE Investments offered and sold in a private placement to various institutional investors of 485,177,000 common shares of MCP at the offer price of PHP11.30 per share (equivalent to \$0.26 per share) (the “2014 Offer”). MCE Investments then used the proceeds from the 2014 Offer to subscribe for an equivalent number of common shares of MCP at the subscription price of PHP11.30 per share (equivalent to \$0.26 per share). The aforesaid transactions decreased the Company’s shareholding in MCP and the Group recognized an increase of \$57,293 in the Company’s additional paid-in capital which reflects the adjustment to the carrying amount of the noncontrolling interest of MCP.

On November 23, 2015, the Company through MCE Investments, subscribed for 693,500,000 common shares of MCP at a total consideration of PHP2,704,650,000 (equivalent to \$57,681 based on exchange rate on transaction date), which increased the Company’s shareholding in MCP and the Group recognized a decrease of \$7,368 in the Company’s additional paid-in capital which reflects the adjustment to the carrying amount of the noncontrolling interest of MCP.

For the year ended December 31, 2015, 38,375,178 of restricted shares under the MCP Share Incentive Plan were vested (further details please refer to Note 17), which decreased the Company’s shareholding in MCP and the Group recognized a decrease of \$1,740 in the Company’s additional paid-in capital which reflects the adjustment to the carrying amount of the noncontrolling interest of MCP.

MELCO CROWN ENTERTAINMENT LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**
(In thousands of U.S. dollars, except share and per share data)**25. CHANGE IN SHAREHOLDING OF THE PHILIPPINE SUBSIDIARIES - continued**

During the year ended December 31, 2015, the total transfers to noncontrolling interest amounted to \$9,108 and during the years ended December 31, 2014 and 2013, the total transfers from noncontrolling interests amounted to \$57,293 and \$227,535, respectively, in relation to transactions as described above. The Group retains its controlling financial interest in MCP before and after the above transactions.

The schedule below discloses the effects of changes in the Company's ownership interest in MCP on the Company's equity:

	Year Ended December 31,		
	2015	2014	2013
Net income attributable to Melco Crown Entertainment Limited	\$105,747	\$608,280	\$637,463
Transfers (to) from noncontrolling interests:			
Decrease in Melco Crown Entertainment Limited additional paid-in capital resulting from subscription of 693,500,000 common shares of MCP	(7,368)	—	—
Decrease in Melco Crown Entertainment Limited additional paid-in capital resulting from the vesting of restricted shares under the MCP Share Incentive Plan	(1,740)	—	—
Increase in Melco Crown Entertainment Limited additional paid-in capital resulting from the 2014 Placing and Subscription Transaction for subscription of common shares of MCP	—	57,293	—
Increase in Melco Crown Entertainment Limited additional paid-in capital resulting from the Placing and Subscription Transaction and the Over-allotment Option exercised by the Stabilizing Agent for subscription of common shares of MCP	—	—	227,134
Increase in Melco Crown Entertainment Limited additional paid-in capital resulting from subscription of 2,846,595,000 common shares of MCP	—	—	401
Changes from net income attributable to Melco Crown Entertainment Limited's shareholders and transfers from noncontrolling interests	<u>\$ 96,639</u>	<u>\$665,573</u>	<u>\$864,998</u>

26. SUBSEQUENT EVENT

On March 18, 2016, the Board of Directors of the Company approved a modification to lower the exercise prices and extend the vesting schedules of certain outstanding share options held by active employees as of March 18, 2016. A total of 4,572,234 share options awarded in 2013, 2014 and 2015 under the 2011 Share Incentive Plan were modified to state an exercise price of \$17.27 per ADS or \$5.7567 per share, which reflected the closing price of the Company's ADS on the NASDAQ Global Select Market on the modification date.

MELCO CROWN ENTERTAINMENT LIMITED**ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)**

	December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 18,850	\$ 7,708
Bank deposits with original maturity over three months	47,943	—
Amount due from an affiliated company	184	1,091
Amounts due from subsidiaries	150,323	238,090
Income tax receivable	62	—
Prepaid expenses and other current assets	3,823	7,565
Total current assets	<u>221,185</u>	<u>254,454</u>
INVESTMENTS IN SUBSIDIARIES	5,940,761	5,915,023
TOTAL ASSETS	<u>\$6,161,946</u>	<u>\$6,169,477</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses and other current liabilities	\$ 3,270	\$ 2,920
Income tax payable	—	239
Amount due to an affiliated company	320	24
Amounts due to subsidiaries	184,549	183,872
Total current liabilities	<u>188,139</u>	<u>187,055</u>
ADVANCE FROM A SUBSIDIARY	1,634,005	1,696,090
OTHER LONG-TERM LIABILITIES	169	191
SHAREHOLDERS' EQUITY		
Ordinary shares at US\$0.01 par value per share (Authorized – 7,300,000,000 shares as of December 31, 2015 and 2014 and issued – 1,630,924,523 and 1,633,701,920 shares as of December 31, 2015 and 2014, respectively)	16,309	16,337
Treasury shares, at cost (12,935,230 and 17,684,386 shares as of December 31, 2015 and 2014, respectively)	(275)	(33,167)
Additional paid-in capital	3,075,459	3,092,943
Accumulated other comprehensive losses	(21,934)	(17,149)
Retained earnings	1,270,074	1,227,177
Total shareholders' equity	<u>4,339,633</u>	<u>4,286,141</u>
TOTAL LIABILITIES AND EQUITY	<u>\$6,161,946</u>	<u>\$6,169,477</u>

MELCO CROWN ENTERTAINMENT LIMITED**ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars)**

	Year Ended December 31,		
	2015	2014	2013
REVENUE	\$ —	\$ —	\$ —
OPERATING EXPENSES			
General and administrative	(30,843)	(33,887)	(33,345)
Property charges and others	(907)	—	—
Total operating expenses	(31,750)	(33,887)	(33,345)
OPERATING LOSS	(31,750)	(33,887)	(33,345)
NON-OPERATING INCOME (EXPENSES)			
Interest income	992	3	(403)
Interest expenses, net of capitalized interest	—	—	(4,274)
Amortization of deferred financing costs	—	—	(748)
Foreign exchange (loss) gain, net	(108)	569	(1,231)
Other income, net	19,118	22,325	20,366
Loss on extinguishment of debt	—	—	(679)
Share of results of subsidiaries	118,046	620,023	658,016
Total non-operating income, net	138,048	642,920	671,047
INCOME BEFORE INCOME TAX	106,298	609,033	637,702
INCOME TAX EXPENSE	(551)	(753)	(239)
NET INCOME	<u>\$ 105,747</u>	<u>\$ 608,280</u>	<u>\$ 637,463</u>

MELCO CROWN ENTERTAINMENT LIMITED**ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)**

	Year Ended December 31,		
	2015	2014	2013
Net income	\$ 105,747	\$ 608,280	\$ 637,463
Other comprehensive loss:			
Foreign currency translation adjustment	(4,767)	(1,538)	(14,535)
Change in fair value of interest rate swap agreements	(18)	(19)	—
Other comprehensive loss	(4,785)	(1,557)	(14,535)
Total comprehensive income attributable to Parent Company	\$ 100,962	\$ 606,723	\$ 622,928

MELCO CROWN ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 105,747	\$ 608,280	\$ 637,463
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Share-based compensation	13,734	12,576	11,249
Amortization of deferred financing costs	—	—	748
Loss on extinguishment of debt	—	—	679
Dividend received from a subsidiary	150,000	420,000	—
Share of results of subsidiaries	(118,046)	(620,023)	(658,016)
Changes in operating assets and liabilities:			
Amount due from an affiliated company	907	(1,091)	1,113
Income tax receivable	(301)	—	—
Prepaid expenses and other current assets	983	(2,429)	(367)
Accrued expenses and other current liabilities	350	584	(4,129)
Income tax payable	—	111	394
Amount due to a shareholder	—	(67)	67
Amounts due to affiliated companies	296	(1,759)	1,724
Amounts due to subsidiaries	964	2,053	1,189
Other long-term liabilities	(22)	191	—
Net cash provided by (used in) operating activities	<u>154,612</u>	<u>418,426</u>	<u>(7,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of bank deposits with original maturity over three months	(144,730)	—	—
Advances to subsidiaries	(63,246)	(155,883)	(497,325)
Repayment of advance to a subsidiary	—	400	1,337
Change in restricted cash	—	—	368,177
Amounts due from subsidiaries	90,245	(167,606)	1,800
Withdrawals of bank deposits with original maturity over three months	96,787	—	—
Net cash used in investing activities	<u>(20,944)</u>	<u>(323,089)</u>	<u>(126,011)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of advance from a subsidiary	(105,398)	—	—
Dividends paid	(62,850)	(342,718)	—
Repurchase of shares for retirement	—	(300,495)	—
Purchase of shares under trust arrangement for future vesting of restricted shares	—	(1,721)	(8,770)
Principal payments on long-term debt	—	—	(721,455)
Proceeds from exercise of share options	2,409	—	4,017
Advance from a subsidiary	43,313	553,891	860,632
Net cash (used in) provided by financing activities	<u>(122,526)</u>	<u>(91,043)</u>	<u>134,424</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>11,142</u>	<u>4,294</u>	<u>527</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,708</u>	<u>3,414</u>	<u>2,887</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 18,850</u>	<u>\$ 7,708</u>	<u>\$ 3,414</u>

MELCO CROWN ENTERTAINMENT LIMITED

**ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO FINANCIAL STATEMENT SCHEDULE 1
(In thousands of U.S. dollars, 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, 2015 and 2014, approximately \$4,054,000 and \$3,786,000, respectively, 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, 2015, 2014 and 2013. The Company received cash dividend of \$150,000, 420,000 and nil from its subsidiary during the years ended December 31, 2015, 2014 and 2013, respectively.

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.

**THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS**

COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

MELCO CROWN ENTERTAINMENT LIMITED
新濠博亞娛樂有限公司

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 25 MARCH 2015)¹

¹ The adoption of these Amended and Restated Memorandum and Articles of Association was conditional upon, and took effect upon, the withdrawal of the listing of the ordinary shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 3 July 2015.

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**THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS**

COMPANY LIMITED BY SHARES

**AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

**MELCO CROWN ENTERTAINMENT LIMITED
新濠博亞娛樂有限公司**

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 25 MARCH 2015) ²

1. The English name of the Company is **Melco Crown Entertainment Limited** and the Chinese name of the Company is **新濠博亞娛樂有限公司**..
2. The registered office of the Company will be situated at the offices of **Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands** or at such other location as the Directors may from time to time determine.
3. 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 Companies Law of the Cayman Islands (as amended) (the “**Law**”).
4. 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.
5. 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.
6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.
7. The authorised share capital of the Company is **US\$73,000,000** divided into **7,300,000,000** shares of a nominal or par value of **US\$0.01** 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.
8. 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.

² The adoption of this Amended and Restated Memorandum of Association was conditional upon, and took effect upon, the withdrawal of the listing of the ordinary shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 3 July 2015.

THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

MELCO CROWN ENTERTAINMENT LIMITED
新濠博亞娛樂有限公司

(ADOPTED BY SPECIAL RESOLUTION PASSED ON 25 MARCH 2015)³

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 3 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 Article 160, “**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;

“**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;

“**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 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;

³ The adoption of these Amended and Restated Articles of Association was conditional upon, and took effect upon, the withdrawal of the listing of the ordinary shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 3 July 2015.

“**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 Melco Crown Entertainment Limited 新濠博亞娛樂有限公司, a Cayman Islands exempted company;

“**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 (as amended) 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;

“**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;

“**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 Licenses**” means all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises, concessions and entitlements issued by a Gaming Authority necessary for or relating to the conduct of Gaming Activities;

“**Independent Director**” means a Director who is an independent director as defined in the Nasdaq Rules as amended from time to time;

“**Law**” means the Companies Law (as amended) of the Cayman Islands;

“**Member**” means a person whose name is entered in the Register as the holder of a share or shares;

“**Memorandum of Association**” means the Memorandum of Association of the Company, as amended and restated from time to time;

“**month**” means a calendar month;

“**Nasdaq**” means the Nasdaq Stock Market in the United States;

“**Nasdaq Rules**” means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued quotation of any shares or ADSs on Nasdaq, including without limitation, the Nasdaq Stock Market Rules;

“**Office**” means the registered office of the Company as required by the Law;

“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;

“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 specified in the Redemption Notice as the date on which the shares Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person are to 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 160. 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 for payment, and (v) any other requirements of surrender of the certificates;

“Redemption Price” means the price to be paid by the Company for the shares to be redeemed pursuant to Article 160, 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 in excess of the closing sales price per share on the principal national securities exchange on which such shares are then listed on the trading date immediately before the Redemption Notice is deemed given by the Company to the Unsuitable Person. 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;

“Register” means the register of members of the Company 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;

“**share**” means a share in the capital of the Company of any or all classes including a fraction of a share;

“**Shareholder**” or “**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;

“**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;

“**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) in the sole discretion of the Board of Directors of the Company, is deemed 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; 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;
- (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, photograph or telex 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. 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.

SHARE CAPITAL

- 7. The authorised share capital of the Company at the date on which these Articles come into effect is US\$73,000,000 divided into 7,300,000,000 shares of a nominal or par value of US\$0.01 each.

ISSUE OF SHARES

8. 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.
9. No share shall be issued to bearer.
10. Subject to the provisions of the Law, the Memorandum of Association and these Articles, 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.

REGISTER OF MEMBERS AND SHARE CERTIFICATES

11. 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 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.
12. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
13. 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.
14. 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.
15. 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

16. 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.

17. 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.
18. 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.
19. The Board may also decline to register any transfer of any shares unless (as is applicable):
 - (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.
20. 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.
21. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration shall not be suspended nor the Register closed for more than 30 days in any year.

REDEMPTION AND PURCHASE OF OWN SHARES

22. 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.
23. Any share in respect of which notice of redemption 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.
24. The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share.
25. 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

26. If at any time the share capital is divided into different classes of shares, the rights 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 with the unanimous written consent of the holders of the issued shares of that class, or with the sanction of a resolution passed by at least two-thirds 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.
27. 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.
28. 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

29. 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

30. 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

31. 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.
32. 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.
33. 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.

34. 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

35. 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.
36. 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.
37. 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.
38. 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.
39. 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.
40. 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

41. 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.

42. 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.
43. 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.
44. 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.
45. 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.
46. 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.
47. 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.
48. 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

49. 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

50. 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.
51. 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.

52. 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

53. 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) 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 stock and reconvert that stock into paid up shares of any denomination;
 - (d) 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.
54. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.
55. 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

56. 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.
57. 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.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

58. For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 40 days. If the Register shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members the Register shall be so closed for at least 10 days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

59. In lieu of or apart from closing the Register, 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.
60. If the Register is not so closed and 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

61. (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.
- (b) At these meetings the report of the Directors (if any) shall be presented.
62. (a) The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary 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 10% of such of the paid-up 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 days.
- (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.
63. All general meetings other than annual general meetings shall be called extraordinary general meetings.

NOTICE OF GENERAL MEETINGS

64. At least seven 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.

65. 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 if given to the joint holder first named in the Register; 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.
66. Notwithstanding that a meeting of the Company is called by shorter notice than that referred to in Article 64, 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 95 per cent. in nominal value of the shares giving that right.
67. 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.

PROCEEDINGS AT GENERAL MEETINGS

68. 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 Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.
69. 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 one third of the issued shares entitled to vote and present in person or by proxy.
70. 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.
71. Either of the Co-Chairmen (as defined in Article 91) of the Board of Directors shall preside as chairman at every general meeting of the Company.
72. 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.
73. If there is no such chairman, or if at any general meeting he 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.

74. 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.
75. 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 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.
76. 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 10 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.
77. 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.
78. 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.
79. 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

80. 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.
81. 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.

82. (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 51 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.
83. No Member shall, unless the Board of Directors otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
84. On a poll, votes may be given either personally or by proxy.
85. 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.
86. 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 no later than the time for holding the meeting or, if the meeting is adjourned, the time for holding such adjourned meeting.
87. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.
88. 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

89. (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

90. 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.

DIRECTORS

91. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall be ten Directors, or such number of Directors to be determined from time to time solely by resolution approved by a supermajority of at least two-thirds of the vote of Directors present at the board meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them. For so long as shares or ADSs are quoted on Nasdaq, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Nasdaq Rules require.
- (2) Each Director shall hold office until the expiration of his term 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 created under Article 91(7) or Article 109 or as an addition to the existing Board.
- (4) The Directors may by the affirmative vote of all Directors appoint any person to be a Director either to fill a vacancy on the Board created under Article 91(7) or Article 109 or as an addition to the existing Board.
- (5) The Board of Directors shall have Co-Chairmen of the Board of Directors (the “**Co-Chairmen**”) elected and appointed by a majority of the Directors then in office. The period for which the Co-Chairmen will hold office will also be determined by a majority of all of the Directors then in office. One of the Co-Chairmen shall preside as chairman at every meeting of the Board of Directors. To the extent the Co-Chairmen are not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may 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 of the Company and of all classes of shares of the Company.
- (7) Subject to the terms of these Articles and any agreements between the Company and a Director, a Director shall hold office until he is removed from office by Special Resolution.

92. 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.

ALTERNATE DIRECTOR

93. Any Director may in writing appoint another person to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote thereat as a Director when the person appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. An alternate Director may be removed at any time by the person or body which appointed him and, subject thereto, the office of alternate Director shall continue until the date on which the relevant Director ceases to be a Director. Any appointment or removal of an alternate Director shall be effected by notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board of Directors. Such alternate shall not be deemed to be an officer of the Company solely as a result of his appointment as an alternate. 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.
94. Any Director may appoint any person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

DIRECTORS' FEES AND EXPENSES

95. The Directors shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board of Directors may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.
96. Each Director shall be entitled to be repaid or prepaid all necessary 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 the Company or otherwise in connection with the discharge of his duties as a Director.
97. Any Director 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

98. 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. 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.

99. 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.
100. 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.
101. 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.
102. 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.
103. 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.
104. 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.
105. 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.
106. 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 158(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

107. 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 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.

THE SEAL

108. (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

109. The office of Director shall be vacated, if the Director:
- (a) resigns his office by notice in writing to the Company;
 - (b) dies, or an order is made by any competent court or official on the grounds that he 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;
 - (c) without leave, he 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;
 - (d) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
 - (e) ceases to be or is prohibited from being a Director by law or by virtue of any provisions in these Articles;
 - (f) 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; or
 - (g) is removed from office by a Special Resolution.

REGISTER OF DIRECTORS AND OFFICERS

110. 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

111. 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 not 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 by at least two days' notice in writing to every other Director and alternate Director.
112. 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.
113. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be four. A Director represented by proxy or 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. Any Director may attend a meeting acting for himself and as an alternate or proxy for any other Director(s) and in such circumstances in calculating the quorum, that Director and each of the other Directors he represents shall be deemed to be present.
114. 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 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 and he 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.
115. 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 determine and no Director or intending Director shall be disqualified by his office from 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 or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

116. 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.
117. 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.
118. 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.
119. 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.
120. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) 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.
121. 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.
122. 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.
123. 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 not have a second or casting vote.
124. 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

125. 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 immediately 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

126. Subject to 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 shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
127. 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.
128. 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.
129. The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.
130. 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.
131. 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.
132. 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

133. 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.
134. 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.
135. 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.
136. 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

137. The Board shall make the requisite annual returns and any other requisite filings in accordance with the applicable law.

AUDIT

138. 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.
139. 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.
140. 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.
141. 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

142. Subject to Article 99, 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.

CAPITALISATION OF RESERVES

143. 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 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

- 144. 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.
- 145. 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

- 146. 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.
- 147. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.
- 148. 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.

149. 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 and if served by courier, shall be deemed to have been served five 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.
150. 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

151. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or 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 Members of the Company to communicate to the public.
152. 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

153. 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 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.
154. 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.

NON-RECOGNITION OF TRUSTS

155. 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

156. 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

157. 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.
158. (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 Members 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 Members 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 Members 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 Members 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 Members 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 Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members 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

159. Subject to the Law and the rights attaching to the various classes of shares, 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 COMPULSORY REDEMPTION

160. (1) In the event that the Company or a Subsidiary receives a written notice (“**Gaming Authority Notice**”) from a Gaming Authority to whose jurisdiction the Company or the Subsidiary is subject, setting out the name of a Person who is considered 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) sell all of the shares, 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 Shareholder, within such period of time as may be specified by a Gaming Authority; (ii) not be entitled to receive any dividend (save 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 Shareholder, 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 requires the Company, or if the Board of Directors deems it necessary or advisable, to redeem the shares of a Shareholder under this Article, the Company shall give a Redemption Notice to such Shareholder 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 Shareholder, such Shareholder 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 Shareholder’s rights except the right to receive the Redemption Price and 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 Shareholder’s rights will be limited 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 record holder of the shares may be required by the Company to disclose to it the identity of the beneficial owner of the shares. The Company may thereafter be required to disclose the identity of the beneficial owner to a Gaming Authority. Each record holder of the shares of the Company must render maximum assistance to the Company in determining the identity of the beneficial owner. A failure of a record holder to disclose the identity of the beneficial owner of shares of the Company may constitute grounds for a Gaming Authority to find the record holder Unsuitable.
- (4) Any Unsuitable Person and any Affiliate of an Unsuitable Person shall indemnify and hold harmless the Company and its Subsidiaries for any and all losses, costs, and expenses, including legal fees, incurred by the Company and its Subsidiaries 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

161. 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

162. The Company may merge or consolidate in accordance with the Law.
163. To the extent required by the Law, the Company may by Special Resolution resolve to merge or consolidate the Company.

DISCLOSURE

164. 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 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.

MELCO CROWN ENTERTAINMENT LIMITED

SHARE INCENTIVE PLAN

(AS AMENDED)

ARTICLE 1

PURPOSE

The purpose of the Melco Crown Entertainment Limited Share Incentive Plan, as amended from time to time (the “Plan”) is to promote the success and enhance the value of Melco Crown Entertainment Limited, an exempted company formed under the laws of the Cayman Islands (the “Company”), by linking the personal interests of the members of the Board, Employees, and Consultants to those of Company’s shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company’s shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “2006 Share Incentive Plan” means the Company’s Share Incentive Plan, as revised and adopted by its Board on November 28, 2006 and March 17, 2009 and as approved by its shareholders on December 1, 2006 and May 19, 2009.

2.2 “Amendment Effective Date” shall have the meaning set forth in paragraph 13.1.

2.3 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable Share exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.4 “Award” means an Option, a Restricted Share award, a Share Appreciation Right award, a Dividend Equivalents award, a Share Payment award, a Deferred Share award, or a Restricted Share Unit award granted to a Participant pursuant to the Plan.

2.5 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.6 “Board” means the board of directors of the Company.

2.7 “Change in Control” means a change in ownership or control of the Company effected through either of the following transactions:

- (a) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s shareholders which a majority of the Incumbent Board (as defined below) who are not affiliates or associates of the offeror under Rule 12b-2 promulgated under the Exchange Act do not recommend such shareholders accept;
- (b) the individuals who, as of the Amendment Effective Date, are members of the Board (the “Incumbent Board”), cease for any reason to constitute at least fifty percent (50%) of the Board; *provided, that* if the election, or nomination for election by the Company’s shareholders, of any new member of the Board is approved by a vote of at least fifty percent (50%) of the Incumbent Board, such new member of the Board shall be considered as a member of the Incumbent Board.

Notwithstanding the foregoing, to the extent that an Award constitutes “nonqualified deferred compensation” that is subject to Section 409A of the Code and the payment or settlement of the Award will accelerate upon a Change in Control, no event set forth herein will constitute a Change in Control for purposes of the Plan or any Award Agreement unless such event also constitutes a “change in ownership”, “change in effective control”, or “change in the ownership of a substantial portion of the Company’s assets” as defined under Section 409A of the Code.

2.8 “Code” means the Internal Revenue Code of 1986 of the United States, as amended and the regulations and guidance promulgated thereunder.

2.9 “Committee” means the Compensation Committee of the Board, or another committee or subcommittee of the Board which is appointed as provided in Article 12.

2.10 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.11 “Corporate Transaction” means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

- (a) an amalgamation, arrangement or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;
- (b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (c) the completion of a liquidation or dissolution of the Company;
- (d) any reverse takeover, scheme of arrangement or series of related transactions culminating in a reverse takeover or scheme of arrangement (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction;
- (e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or
- (f) Change in Control.

Notwithstanding the foregoing, to the extent that an Award constitutes “nonqualified deferred compensation” that is subject to Section 409A of the Code and the payment or settlement of the Award will accelerate upon a Corporate Transaction, no event set forth herein will constitute a Corporate Transaction for purposes of the Plan or any Award Agreement unless such event also constitutes a “change in ownership”, “change in effective control”, or “change in the ownership of a substantial portion of the Company’s assets” as defined under Section 409A of the Code.

2.12 “Deferred Share” means a right to receive a specified number of Shares during specified time periods pursuant to Article 9.

2.13 “Director” means a director of the Board.

2.14 “Disability” means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.15 “Dividend Equivalents” means a right granted to a Participant pursuant to Article 9 to receive the equivalent value (in cash or Share) of dividends paid on Share.

2.16 “Employee” means any person, including an officer or member of the board of the Company, any Parent or Subsidiary of the Company, who is in the employ of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.

2.17 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended and the rules and regulations promulgated thereunder.

2.18 “Exercise Price” means the purchase price per Share of an exercisable Award.

2.19 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

- (a) If the Shares are listed on one or more established Share exchanges or national market systems, including without limitation, the NASDAQ Global Select or NASDAQ Global Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on such exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;
- (b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or
- (c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith by reference to the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement.

2.20 “Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

2.21 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

- 2.22 “Macau” means the Macau Special Administrative Region of the PRC.
- 2.23 “Non-Employee Director” shall mean a Director of the Company who is not an Employee.
- 2.24 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.
- 2.25 “Option” means a right granted to a Participant pursuant to Article 6 to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.
- 2.26 “Participant” means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.
- 2.27 “Parent” means: (a) a parent corporation under Section 424(e) of the Code; (b) Melco International Development Limited or any Subsidiary thereof, or (c) Crown Resorts Limited or any Subsidiary thereof.
- 2.28 “Plan” means this Melco Crown Entertainment Limited Share Incentive Plan, as it may be amended from time to time.
- 2.29 “PRC” means the People’s Republic of China, other than Hong Kong, Macau and Taiwan.
- 2.30 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.
- 2.31 “Restricted Share” means a Share awarded to a Participant pursuant to Article 7 that is subject to certain restrictions and may be subject to risk of forfeiture.
- 2.32 “Restricted Share Unit” means an Award granted pursuant to paragraph 9.4.
- 2.33 “Securities Act” means the Securities Act of 1933 of the United States, as amended and the rules and regulations promulgated thereunder.
- 2.34 “Separation From Service” means a “separation from service” as defined in Section 409A(a)(2)(A)(i) of the Code and determined in accordance with the default provisions under Section 409A of the Code.
- 2.35 “Service Recipient” means the Company, any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, Consultant or as a director.
- 2.36 “Share” means the ordinary share capital of the Company, par value US\$0.01 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 11.
- 2.37 “Share Appreciation Right” or “SAR” means a right granted pursuant to Article 8 to receive a payment calculated pursuant to such Article.
- 2.38 “Share Payment” means (a) a payment in the form of Shares, or (b) an option or other right to purchase Shares, as part of any bonus, deferred compensation or other arrangement, made in lieu of all or any portion of the compensation, granted pursuant to Article 9.
- 2.39 “Specified Employee” means a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, determined under the uniform methodology and procedures adopted by the Company for purposes of identifying Specified Employees of the Company.
- 2.40 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company. For the purposes of determining eligibility for the grant of Incentive Share Options under the Plan, the term “Subsidiary” shall be defined in the manner required by Section 424(f) of the Code.

2.41 "Termination of Service" shall mean:

(a) As to a Consultant, the time when the engagement of a Participant as a Consultant to a Service Recipient is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.

(b) As to a Non-Employee Director, the time when a Participant who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.

(c) As to an Employee, the time when the employee-employer relationship between a Participant and the Service Recipient is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Participant simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.

The Committee, in its sole discretion, shall determine the effect of all matters and questions relating to Terminations of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Share Options, unless the Committee otherwise provides in the terms of the Award Agreement or otherwise, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary or Related Entity employing or contracting with such Participant ceases to remain a Subsidiary or Related Entity following any merger, sale of securities or other corporate transaction or event (including, without limitation, a spin-off).

2.42 "Trading Date" means the first day on which Shares are publicly traded on an exchange or national market system or other quotation system.

ARTICLE 3

AWARDS GRANTED UNDER THE PRECEDING SHARE INCENTIVE PLAN

3.1 Validity. As of the Amendment Effective Date, all Awards granted under the Plan, including those granted prior to the Amendment Effective Date, shall be governed by the terms of the Plan, as amended. Awards previously granted under the 2006 Share Incentive Plan shall remain subject to the terms and conditions of the 2006 Share Incentive Plan.

3.2 Survive. The 2006 Share Incentive Plan shall survive and be valid until its expiration date notwithstanding that this Plan has or has not become effective. All Awards granted under the 2006 Share Incentive Plan shall remain outstanding and be governed by the terms of such plan.

3.3 No Additional Awards. No additional Awards may be granted under the 2006 Share Incentive Plan. This Plan shall succeed the 2006 Share Incentive Plan, and Awards granted after December 7, 2011 shall be subject to the terms set out herein.

ARTICLE 4

SHARES SUBJECT TO THE PLAN

4.1 Number of Shares.

(a) Subject to the provisions of Article 11 and paragraphs 4.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards under the Plan (since the Plan's original adoption on December 7, 2011) is 100,000,000 Shares (the "Plan Limit").

- (b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of paragraph 4.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of paragraph 4.1(a). Notwithstanding the provisions of this paragraph 4.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an Incentive Share Option.

4.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of paragraph 4.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 5

ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all members of the Board, as determined by the Committee.

5.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, at its discretion select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right or entitlement to be granted an Award pursuant to this Plan.

5.3 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in paragraph 4.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 6

OPTIONS

6.1 General. Subject to the Plan Limit set out in paragraph 4.1, the Committee is authorized to grant Options to Participants on the following terms and conditions:

- (a) Exercise Price. The Exercise Price per Share subject to an Option shall be determined by the Committee in accordance with this Plan and set forth in the Award Agreement. The Committee, in its absolute and sole discretion, may reduce the Exercise Price amount set forth in any Award Agreement after grant, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, the Committee may not increase the Exercise Price amount set forth in any Award Agreement after grant.
- (b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of an Option may be exercised.

- (c) Vesting. The period during which the right to exercise, in whole or in part, an Option will be vested in a Participant shall be set by the Committee and the Committee may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Service Recipient or any other criteria selected by the Committee. At any time after grant of an Option, the Committee may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option is to vest.
- (d) Payment. The Committee shall determine the methods by which the Exercise Price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, Hong Kong Dollars or any other local currency as approved by the Committee, (ii) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate Exercise Price of the Option or exercised portion thereof, (iii) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Exercise Price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, and the methods by which Shares shall be delivered or deemed to be delivered to Participants, (iv) through net share settlement or similar procedure involving the withholding of Shares subject to the Option with a Fair Market Value equal to the Exercise Price, (v) other property acceptable to the Committee with a Fair Market Value equal to the Exercise Price, or (vi) by such other means as the Committee may authorize, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the Exercise Price of an Option in any method which would violate Section 13(k) of the Exchange Act.
- (e) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.
- (f) Expiration of Option. An Option may not be exercised to any extent by anyone after the first to occur of the following events:
- (i) ten years from the date it is granted, unless an earlier time is set in the Award Agreement;
 - (ii) subject to paragraphs 6.1(f)(iii), (iv) and (v) below, three months after the Participant’s Termination of Service, unless (x) otherwise set forth in the Award Agreement; or (y) notwithstanding the Award Agreement, the Participant is otherwise notified by a longer period as determined by the Committee;
 - (iii) one year after the date of the Participant’s termination of employment or service on account of Disability or death, unless (x) otherwise set forth in the Award Agreement; or (y) notwithstanding the Award Agreement, the Participant’s legal representative or representative are otherwise notified by a longer period as determined by the Committee. Upon the Participant’s Disability or death, any Options exercisable at the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such Option or dies intestate, by the person or persons entitled to receive the Option pursuant to the applicable laws of descent and distribution;

- (iv) the date on which the Participant ceases to be eligible by reason of the Termination of Service for cause which include, without limitation, in the determination of the Committee that he has breached any confidentiality undertaking in his employment or service contract or in the Award Agreement, he has performed an act (or failed to perform any act) in bad faith and to the detriment of any of the Company or its Subsidiaries, he has engaged in dishonesty, intentional misconduct or material breach of any agreement with any of the Company or its Subsidiaries, or he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or physical or emotional harm to any person or (if so determined by the Committee) on any other ground on which an employer would be entitled to terminate his employment or service at common law or pursuant to any applicable laws or under the Participant's employment or service contract with the Service Recipient. A resolution of the Committee or the board of directors of the relevant Service Recipient to the effect that the relationship of a Participant has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and
- (v) the date on which the Committee shall exercise the Company's right to cancel the Option at any time after the Participant commits a breach of paragraph 10.3 or the Awards are cancelled in accordance with Article 15.

6.2 Incentive Share Options. Incentive Share Options may only be granted to Employees of the Company or a Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Parent or a Related Entity. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of paragraph 6.1, must comply with the provisions of Section 422 of the Code, or any successor provision thereto, including the following additional provisions of this paragraph 6.2:

- (a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.
- (b) Ten Percent. Owners. An Incentive Share Option shall be granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of Shares of the Company only if such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Option is exercisable for no more than five years from the date of grant.
- (c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option; or (ii) one year after the transfer of such Shares to the Participant.
- (d) Timing of Incentive Share Option Grants. No Award of an Incentive Share Option may be made pursuant to this Plan after December 7, 2021.
- (e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant except for the case of Disability pursuant to paragraph 6.1 (f)(iii).

6.3 Substitution of Share Appreciation Rights. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have the right to substitute a Share Appreciation Right for such Option at any time prior to or upon exercise of such Option, provided that such Share Appreciation Right shall (i) be exercisable for the same number of shares of Share that such substituted Option would have been exercisable for; and (ii) shall have the same exercise price as such substituted Option.

ARTICLE 7

RESTRICTED SHARES

7.1 Grant of Restricted Shares. The Committee is authorized to make Awards of Restricted Shares to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Shares shall be evidenced by an Award Agreement.

7.2 Issuance and Restrictions. Subject to paragraphs 10.3 and 10.4, Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

7.3 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited; *provided, however*, that the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Shares.

7.4 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

ARTICLE 8

SHARE APPRECIATION RIGHTS

8.1 Grant of Share Appreciation Rights.

- (a) A Share Appreciation Right may be granted to any Participant selected by the Committee. A Share Appreciation Right shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement. The Exercise Price per Share covered by a Share Appreciation Right shall be fixed by the Committee in its discretion and set forth in the Award Agreement. The Committee, in its absolute and sole discretion, may reduce the Exercise Price amount set forth in any Award Agreement after grant, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, the Committee may not increase the Exercise Price amount set forth in any Award Agreement after grant.
- (b) A Share Appreciation Right shall entitle the Participant (or other person entitled to exercise the Share Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Share Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the Exercise Price per share of the Share Appreciation Right from the Fair Market Value of a Share on the date of exercise of the Share Appreciation Right by the number of Shares with respect to which the Share Appreciation Right shall have been exercised, subject to any limitations the Committee may impose.
- (c) The Committee shall determine the time or times at which a Share Appreciation Right may be exercised in whole or in part; *provided* that the term of any Share Appreciation Right granted under the Plan shall not exceed ten years, except as provided in paragraph 13.2. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of a Share Appreciation Right may be exercised.
- (d) The Committee may provide in the Award Agreement evidencing the grant of a Share Appreciation Right that the Committee, in its sole discretion, shall have the right to substitute an Option for such Share Appreciation Right at any time prior to or upon exercise of such Share Appreciation Right, provided that such Option shall (i) be exercisable for the same number of Shares that such substituted Share Appreciation Right would have been exercisable for and (ii) shall have the same exercise price as such substituted Share Appreciation Right.

8.2 Payment and Limitations on Exercise.

- (a) Payment of the amounts determined under paragraph 8.1(b) above shall be in cash, in Shares (based on its Fair Market Value as of the date the Share Appreciation Right is exercised) or a combination of both, as determined by the Committee in the Award Agreement.
- (b) To the extent any payment under paragraph 8.1(b) is effected in Shares, it shall be made subject to satisfaction of all provisions of Article 6 above pertaining to Options.

ARTICLE 9

OTHER TYPES OF AWARDS

9.1 Dividend Equivalents. Any Participant selected by the Committee may be granted Dividend Equivalents based on the dividends declared on the Shares that are subject to any Award, to be credited as of dividend payment dates, during the period between the date the Award is granted and the date the Award is exercised, vests or expires, as determined by the Committee. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee; *provided, however*, that the terms of any reinvestment of dividends must comply with all applicable laws, rules and regulations, including, without limitation, Section 409A of the Code.

9.2 Share Payments. Any Participant selected by the Committee may receive Share Payments in the manner determined from time to time by the Committee; *provided*, that unless otherwise determined by the Committee such Share Payments shall be made in lieu of base salary, bonus, or other cash compensation otherwise payable to such Participant. The number of Shares shall be determined by the Committee and may be based upon such performance criteria or other specific criteria determined appropriate by the Committee, determined on the date such Share Payment is made or on any date thereafter.

9.3 Deferred Shares. Any Participant selected by the Committee may be granted an award of Deferred Shares in the manner determined from time to time by the Committee. The number of shares of Deferred Shares shall be determined by the Committee and may be linked to such specific criteria determined to be appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. Shares underlying a Deferred Share award will not be issued until the Deferred Share award has vested, pursuant to a vesting schedule or criteria set by the Committee. Unless otherwise provided by the Committee, a Participant awarded Deferred Shares shall have no rights as a Company's shareholder with respect to such Deferred Shares until such time as the Deferred Shares have vested and the Shares underlying the Deferred Shares have been issued.

9.4 Restricted Share Units. The Committee is authorized to make Awards of Restricted Share Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and non-forfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Share Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Participant. On the maturity date, the Company shall transfer to the Participant one unrestricted, fully transferable Share for each Restricted Share Unit scheduled to be paid out on such date and not previously forfeited. The Committee shall specify the purchase price, if any, to be paid by the Participant to the Company for such Shares.

9.5 Term. Except as otherwise provided herein, the term of any Award of Dividend Equivalents, Share Payments, Deferred Share, or Restricted Share Units shall be set by the Committee in its discretion.

9.6 Exercise or Purchase Price. The Committee may establish the exercise or purchase price, if any, of any Award of Deferred Share, Share Payments or Restricted Share Units; *provided, however*, that such price shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

9.7 Exercise Upon Termination of Employment or Service. An Award of Dividend Equivalents, Deferred Share, Share Payments, and Restricted Share Units shall only be exercisable or payable while the Participant is an Employee, Consultant or a member of the Board, as applicable; *provided, however*, that the Committee in its sole and absolute discretion may provide that an Award of Dividend Equivalents, Share Payments, Deferred Share, or Restricted Share Units may be exercised or paid subsequent to a termination of employment or service, as applicable, or following a Corporate Transaction of the Company, or because of the Participant's retirement, death or Disability, or otherwise.

9.8 Form of Payment. Payments with respect to any Awards granted under this Article 9 shall be made in cash, in Shares or a combination of both, as determined by the Committee.

9.9 Award Agreement. All Awards under this Article 9 shall be subject to such additional terms and conditions as determined by the Committee and shall be evidenced by an Award Agreement.

ARTICLE 10

PROVISIONS APPLICABLE TO AWARDS

10.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

10.2 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

10.3 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Share Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including but not limited to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's termination of employment or service with the Company or a Subsidiary to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities. Any breach of the foregoing shall entitle the Company to cancel any outstanding Awards or any part thereof granted to such Participant.

10.4 Beneficiaries. Notwithstanding paragraph 10.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property jurisdiction, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

10.5 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to the exercise of any Award, unless and until the Board has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. The Committee may require each Participant purchasing or acquiring Shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that such person is acquiring the Shares for investment and proprietary purposes. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Share. In addition to the terms and conditions provided herein, the Board may require that a Participant make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

10.6 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

10.7 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations.

ARTICLE 11

CHANGES IN CAPITAL STRUCTURE

11.1 Adjustments. In the event of any extraordinary dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the number of the Shares or the share price of a Share, the Committee shall make proportionate and equitable adjustments to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in paragraph 4.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant price or exercise price per Share for any outstanding Awards under the Plan, in order to preserve, but not increase, the benefits or potential benefits intended to be made available under the Plan. Any such adjustments shall be made in such manner as the Committee may determine in its discretion.

11.2 Outstanding Awards – Corporate Transactions. In the event of a Corporate Transaction, each Award will terminate upon the consummation of the Corporate Transaction, unless the Award is assumed by the successor entity or Parent thereof in connection with the Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

- (a) the Award either is (i) assumed by the successor entity or Parent thereof or replaced with a comparable Award (as determined by the Committee) with respect to shares of the capital stock of the successor entity or Parent thereof or (ii) replaced with a cash incentive program of the successor entity which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such Award, then such Award (if assumed), the replacement Award (if replaced), or the cash incentive program automatically shall become fully vested, exercisable and payable and be released from any restrictions on transfer (other than transfer restrictions applicable to Awards) and repurchase or forfeiture rights, immediately upon termination of the Participant's employment or service with all Service Recipient within twelve (12) months of the Corporate Transaction without cause; and
- (b) For each Award that is neither assumed nor replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Participant remains an Employee, Consultant or Director immediately prior to the effective date of the Corporate Transaction.

11.3 Outstanding Awards – Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 11, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant price or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

11.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant price or exercise price of any Award.

ARTICLE 12

ADMINISTRATION

12.1 Committee. The Committee shall administer the Plan. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan if required by Applicable Law, and with respect to Awards granted to independent non-executive Directors or Non-Employee Directors and for purposes of such Awards, the term "Committee" as used in the Plan shall be deemed to refer to the Board; and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by paragraph 12.5 below.

12.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

12.3 Authority of Committee. Subject to any specific designation in the Plan and paragraph 12.5 below, the Committee has the exclusive power, authority and discretion to:

- (a) designate Participants to receive Awards;
- (b) determine the type or types of Awards to be granted to each Participant;
- (c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any minimum period for which the Award must be held for before it can be exercised, any performance targets which must be achieved before an Award can be exercised, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) determine whether, to what extent, and pursuant to what circumstances and amount an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;
- (j) vary the terms of Awards to take account of tax and securities law and other regulatory requirements or to procure favorable tax treatment for Participants;

- (k) correct any defects, supply any omission or reconcile any inconsistency in any Award Agreement or the Plan; and
- (l) make all factual and other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan, including but not limited to the determination in relation to the Termination of Services.

12.4 **Decisions Binding.** The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan (a) shall be made in the Committee's sole discretion and (b) are final, binding, and conclusive for all purposes and upon all parties.

12.5 **Delegation of Authority.** To the extent permitted by Applicable Laws, the Board or Committee may from time to time delegate to a committee of one or more officers of the Company (including Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Human Resource Officer, or equivalent) the authority to take the administrative actions pursuant to Article 12; *provided, however*, that in no event shall any delegated personnel be delegated the authority to grant awards to, or amend awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, or (b) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder. Any delegated personnel hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated.

ARTICLE 13

EFFECTIVE AND EXPIRATION DATE

13.1 **Amendment Effective Date.** The Plan, as amended hereby, is effective as of the date both of the following conditions are met: (a) the Company is delisted from The Stock Exchange of Hong Kong Limited; and (b) the Plan, as amended hereby, is approved by the Company's shareholders.

13.2 **Expiration Date.** The Plan will expire on, and no Award may be granted pursuant to the Plan after December 7, 2021. Any Awards that are outstanding on December 7, 2021 shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 14

AMENDMENT, MODIFICATION, AND TERMINATION

14.1 **Amendment, Modification, and Termination.** Subject to Applicable Laws, with the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) shareholder approval of the Company is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 11), or (ii) results in a material increase in benefits or a change in eligibility requirements. For the purpose of the Plan, shareholder approval means the affirmative vote of a simple majority of votes cast by shareholders of the Company present or represented and entitled to vote at a meeting duly held in accordance with the applicable provisions of the Company's Memorandum of Association and Articles of Association.

14.2 **Awards Previously Granted.** Except with respect to amendments made pursuant to paragraph 14.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan and other previous plans without the prior written consent of the Participant.

ARTICLE 15

CANCELLATION OF OPTIONS

15.1 **Options Granted but not Exercised.** Any cancellation of Options granted but not exercised must be approved by the Participants of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 10.3. Where the Company cancels Options, the grant of new Options to the same Participant may only be made under this Plan within the limits set out in paragraph 4.1.

ARTICLE 16

GENERAL PROVISIONS

16.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

16.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

16.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws, including without limitation the Macau, Hong Kong or PRC tax laws, rules, regulations and government orders or the U.S. Federal, state or local tax laws, as applicable. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's payroll tax obligations) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may, in its discretion and in satisfaction of the foregoing requirement, allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's federal, state, local and foreign income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

16.4 Section 409A of the Code.

- (a) Notwithstanding any contrary provision in the Plan or an Award Agreement, if any provision of the Plan or an Award Agreement contravenes any regulations or guidance promulgated under Section 409A of the Code or would cause an Award to be subject to additional taxes, accelerated taxation, interest and/or penalties under Section 409A of the Code, such provision of the Plan or Award Agreement may be modified by the Committee without consent of the Participant in any manner the Committee deems reasonable or necessary. In making such modifications the Committee shall attempt, but shall not be obligated, to maintain, to the maximum extent practicable, the original intent of the applicable provision without contravening the provisions of Section 409A of the Code. Moreover, any discretionary authority that the Committee may have pursuant to the Plan shall not be applicable to an Award that is subject to Section 409A of the Code to the extent such discretionary authority would contravene Section 409A of the Code or the guidance promulgated thereunder.
- (b) Notwithstanding any provision of the Plan or an Award Agreement to the contrary, if, upon the termination of a Participant's employment with the Company for any reason, the Company determines that the Participant is a Specified Employee, no payments shall be made with respect to an Award that is subject to Section 409A of the Code before the date that is the first business day following the six-month anniversary of the Participant's Separation From Service for any reason, or if earlier, upon the Participant's death. The provisions of this Section 16.4(b) shall only apply if required pursuant to Section 409A of the Code.

16.5 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of any Service Recipient.

16.6 Unfunded Status of Awards. The Plan is intended to be an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

16.7 Indemnification. To the extent allowable pursuant to applicable law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company’s Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

16.8 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

16.9 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

16.10 Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.11 Fractional Shares. No fractional shares of Share shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

16.12 Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

16.13 Government and Other Regulations. The obligation of the Company to make payment of awards in Share or otherwise shall be subject to all Applicable Laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

16.14 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

Issue No. 2

Approved by Annual General Meeting

Approved Date: May 20, 2015

Certified to be a true copy by Company Secretary

Signature: /s/ Stephanie Cheung

Amendment History:

<u>Issue</u>	<u>Plan Reference</u>	<u>Shareholder Approval Date</u>	<u>Implementation Date</u>
1	2011 Original SIP (“2011 OSIP”)	October 6, 2011	December 7, 2011
2	2015 Amended SIP (“2015 ASIP”)	May 20, 2015	July 3, 2015

WHITE & CASE

SECOND AMENDMENT AND RESTATEMENT AGREEMENT

(Seventh Amendment Agreement in respect of the Senior Facilities Agreement)

dated 19 June 2015

between, amongst others,

MELCO CROWN (MACAU) LIMITED
as the Company

and

DEUTSCHE BANK AG, HONG KONG BRANCH
acting as Agent

DB TRUSTEES (HONG KONG) LIMITED
acting as Security Agent

White & Case
9th Floor Central Tower
28 Queen's Road Central
Hong Kong

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THIS AGREEMENT is dated 19 June 2015 and made between:

- (1) **MELCO CROWN (MACAU) LIMITED**, (formerly Melco Crown Gaming (Macau) Limited) a company incorporated under the laws of the Macau S.A.R. (registered number 24325 (SO)), whose registered office is at Av. Dr. Mário Soares, n.º25, Edifício Montepio, 1. andar, comp. 13, Macau (the “**Company**” or “**Original Borrower**”);
- (2) **THE PARTIES LISTED ON THE SIGNING PAGES AS RELEVANT OBLIGORS** (together with the Original Borrower, the “**Relevant Obligors**”);
- (3) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANK OF AMERICA, N.A., BANK OF CHINA LIMITED, MACAU BRANCH** and **DEUTSCHE BANK AG, SINGAPORE BRANCH** as coordinating lead arrangers and bookrunners (the “**Coordinating Lead Arrangers and Bookrunners**”);
- (4) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNING PAGES AS CONTINUING LENDERS** (the “**Continuing Lenders**”);
- (5) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNING PAGES AS NEW LENDERS** (the “**New Lenders**”);
- (6) **DEUTSCHE BANK AG, HONG KONG BRANCH** as facility agent of the other Finance Parties (the “**Agent**”); and
- (7) **DB TRUSTEES (HONG KONG) LIMITED** as agent and security trustee for the Secured Parties (the “**Security Agent**”).

RECITALS

- (A) Certain of the parties hereto entered into a USD1,750,000,000 Senior Secured Term Loan and Revolving Credit Facilities Agreement dated 5 September 2007 as amended pursuant to a transfer agreement between, *inter alios*, the Company and the Agent dated 17 October 2007, a Supplemental Deed in respect of the Deed of Appointment between, *inter alios*, the Company and the Agent dated 19 November 2007, an amendment agreement between, *inter alios*, the Company and the Agent dated 7 December 2007, a second amendment agreement between, *inter alios*, the Company and the Agent dated 1 September 2008, a third amendment agreement between, *inter alios*, the Company and the Agent dated 1 December 2008, a letter agreement between, *inter alios*, the Company and the Agent dated 8 October 2009, a fourth amendment agreement between, *inter alios*, the Company and the Agent dated 10 May 2010 and as further amended and restated pursuant to a first amendment and restatement agreement between, *inter alios*, the Company and the Agent dated 22 June 2011, and as further amended pursuant to an amendment letter between the Company and the Agent dated 10 August 2011 and a sixth amendment agreement between the Company and the Agent dated 5 April 2013 (the “**Senior Facilities Agreement**”).
- (B) It has also been proposed that certain amendments be made to the Senior Facilities Agreement (as set out below) and certain other Finance Documents (and that certain additional Finance Documents be entered into) in connection with the transactions contemplated by the Mandate Documents.

**SECTION 1
INTERPRETATION**

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions and incorporation of defined terms

- (a) In this Agreement:
 - (i) “**Amended Senior Facilities Agreement**” means the Senior Facilities Agreement, as amended and restated pursuant to the terms of this Agreement, the terms of which are set out in Schedule 3 (*Amended Senior Facilities Agreement*); and
 - (ii) “**Effective Date**” has the meaning given to it in Clause 4 below.
- (b) Unless a contrary indication appears, a term defined in or by reference in Schedule 3 (*Amended Senior Facilities Agreement*) or, if not defined in or by reference in Schedule 3 (*Amended Senior Facilities Agreement*), the Deed of Priority has the same meaning in this Agreement.
- (c) The principles of construction and rules of interpretation set out in Schedule 3 (*Amended Senior Facilities Agreement*) shall have effect as if set out in this Agreement.

1.2 Clauses

In this Agreement any reference to a “Clause”, a “Schedule” or a “Party” is, unless the context otherwise requires, a reference to a Clause, a Schedule or a Party to this Agreement.

1.3 Designation

In accordance with the Senior Facilities Agreement, each of the Company and the Agent designate this Agreement as a Finance Document.

1.4 Mandate Documents

- (a) The Company agrees that, without prejudice to paragraph 19.1 of the commitment letter dated 15 May 2015 between the Company and the Coordinating Lead Arrangers and Bookrunners, the obligations of each Coordinating Lead Arranger and Bookrunner under paragraphs 2 (*Conditions*) and 3 (*Underwriting Proportions*) thereof shall not survive the entry into of this Agreement.
- (b) The Company agrees with the Coordinating Lead Arrangers and Bookrunners that the fees and all other amounts payable by the Company pursuant to the Mandate Documents shall be paid on the Effective Date. The provisions of the Mandate Documents shall, save as provided by this Clause, continue in full force and effect (until such time as provided for under such provisions of the Mandate Documents).

2. PREPAYMENT AND CANCELLATION

- (a) Each Continuing Lender confirms that upon receipt of the notice of prepayment and cancellation referred to in step 2 of the Funds Flow Memorandum, it irrevocably waives its right to receive and any obligation of any Obligor to make payment of the prepayment and other amounts specified therein and releases and discharges in full each Obligor in respect thereof.
- (b) Each Continuing Lender and the Company agree that (without prejudice to the validity of the notice of prepayment and cancellation referred to in step 2 of the Funds Flow Memorandum given by the Company to any Lender under the Senior Facilities Agreement which is not a Continuing Lender) the notice of prepayment and cancellation referred to in step 2 of the Funds Flow Memorandum given to the Continuing Lenders shall have no effect.

3. COMMITMENTS

3.1 Commitment increase

On the Effective Date (and subject to and in accordance with (and in the order set out in) the Funds Flow Memorandum and conditional on the steps set out in the Funds Flow Memorandum occurring on the Effective Date in the order set out therein):

- (a) the aggregate of the Term Loan Facility Commitments of the Continuing Lenders and the New Lenders is hereby increased so that it equals the Base Currency Amount of USD500,000,000 and such that after such increase and the transfer, the Term Loan Facility Commitment of each Lender (including, without limitation, any Transferee Lender) is the amount set out beside the name of such Lender under the heading "Term Loan Facility Commitment" in Part I of Schedule 4 (*Commitments and Loans*); and
- (b) the aggregate of the Revolving Credit Facility Commitments of the Continuing Lenders and the New Lenders is hereby increased so that it equals the Base Currency Amount of USD1,250,000,000, and such that after such increase the Revolving Credit Facility Commitment of each Lender (including, without limitation, any New Lender) is the amount set out beside the name of such Lender under the heading "Revolving Credit Facility Commitment" in Part I of Schedule 4 (*Commitments and Loans*).

3.2 Administrative Details

The address, fax number and attention details of each Party for the purposes of clause 34.2 (*Addresses*) of the Amended Senior Facilities Agreement are those identified with its name on the signing pages to the Amended Senior Facilities Agreement.

4. AMENDMENT

With effect from the date upon which the Agent confirms to the Continuing Lenders, the New Lenders and the Company that (i) it has received each of the documents listed in Schedule 1 (*Conditions Precedent*) (or waived receipt of, as the case may be) in a form and substance satisfactory to the Agent and (ii) steps 1 to 5 of the Funds Flow Memorandum have occurred in accordance with the Funds Flow Memorandum (such date being the "**Effective Date**"), and which confirmation shall be promptly given by the Agent upon being so satisfied, the Senior Facilities Agreement shall be amended so that it shall be read and construed for all purposes as set out in Schedule 3 (*Amended Senior Facilities Agreement*) and as if, as at that date, (following the transactions set out in Clause 3 (*Commitments*)) the Commitments and outstanding participations of the parties (and their respective rights and obligations as between each other) were as set out in Part I and Part II of Schedule 4 (*Commitments and Loans*) respectively.

5. REPRESENTATIONS

5.1 Representation on the date of this Agreement

Each Relevant Obligor makes the representations and warranties set out in this Clause 5.1 to each Finance Party (by reference to the facts and circumstances then existing) on the date of this Agreement and on the Effective Date.

(a) **Status**

- (i) Each Relevant Obligor is a corporation duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.
- (ii) Each of the Relevant Obligors and each of its Subsidiaries (other than any Excluded Subsidiary) has the power to own its assets and carry on its business as it is being conducted.
- (iii) Each Relevant Obligor is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any person in relation to this Agreement and each Amendment Agreement (defined below).

(b) **Binding obligations**

Subject to the Legal Reservations, the obligations expressed to be assumed by each Relevant Obligor in this Agreement and each of the amendment agreements and security confirmations set out in schedule 10 (*Transaction Security Documents*) of the Amended Senior Facilities Agreement under the heading “Amendment Agreements and Security Confirmations” therein (each, for the purposes of this Clause 5.1 (*Representations on the date of this Agreement*)), an “**Amendment Agreement**”) are legal, valid, binding and enforceable obligations.

(c) **Non-conflict with other obligations**

The entry into and performance by each Relevant Obligor of, and the transactions contemplated by, this Agreement and each Amendment Agreement do not and will not conflict with:

- (i) any law or regulation applicable to such Relevant Obligor;
- (ii) its and each of its Subsidiaries’ (other than any Excluded Subsidiary’s) Constitutional Documents; or
- (iii) save in respect of the matters referred to in Clause 7(a) below, any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries’ (other than any Excluded Subsidiary’s) assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur.

(d) **Power and authority**

Each Relevant Obligor has the power to enter into, perform and deliver, and has taken all necessary corporate action to authorise its entry into, performance and delivery of, this Agreement and each Amendment Agreement and the transactions contemplated therein.

(e) **Validity and admissibility in evidence**

- (i) All Authorisations (other than in respect of any Excluded Project) required or desirable:
 - (A) to enable each Relevant Obligor lawfully to enter into, exercise its rights and comply with its obligations under this Agreement and each Amendment Agreement; and
 - (B) to make this Agreement and each Amendment Agreement admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

- (ii) All Authorisations necessary for it to carry out its business which are part of the Projects, where the failure of obtaining such Authorisations has or would reasonably be expected to have a Material Adverse Effect, have been obtained or effected and are in full force and effect.

(f) Governing law and enforcement

Subject to the Legal Reservations:

- (i) the choice of English law as the governing law of this Agreement and, in the case of each Amendment Agreement, Hong Kong law or, as the case may be, Macau SAR law will be recognised and enforced in each Relevant Obligor's Relevant Jurisdiction; and
- (ii) any judgment obtained in relation to this Agreement or any Amendment Agreement in England, Hong Kong or Macau SAR will be recognised and enforced in its Relevant Jurisdictions.

(g) No filing or stamp taxes

Subject to the Legal Reservations, under the laws of each Relevant Obligor's Relevant Jurisdictions it is not necessary that this Agreement or any Amendment Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Agreement or any Amendment Agreement or the transactions contemplated therein (save for any stamp, registration, notarial or similar Tax which is referred to in any legal opinion of legal counsel in Macau SAR delivered to the Agent under Clause 4 (*Amendment*), which will be made or paid promptly after the date of this Agreement).

(h) Deduction of Tax

No Relevant Obligor is required under the laws of its Relevant Jurisdiction or at its address specified in the Senior Facilities Agreement or the Amended Senior Facilities Agreement to make any deduction for or on account of Tax from any payment it may make under this Agreement or any Amendment Agreement.

(i) No default

Save in respect of the matters referred to in Clause 7(a) below:

- (i) no Event of Default or Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document; and
- (ii) no other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under:
 - (A) any Transaction Document; or
 - (B) any other agreement or instrument which is binding on any Obligor or to which its assets are subject which has or would reasonably be expected to have a Material Adverse Effect (as defined in the Senior Facilities Agreement).

5.2 Representations on the Effective Date

The representations and warranties set out in clause 22 (*Representations*) of the Amended Senior Facilities Agreement are deemed to be made by each of the Relevant Obligors (by reference to the facts and circumstances then existing, following the granting of the waivers set out in Clause 7(a) below) on the Effective Date and, in each case, as if any reference therein to any Finance Document in respect of which any amendment, acknowledgement, confirmation, consolidation, novation, restatement, replacement or supplement is expressed to be made by any Document (as defined in Schedule 1 (*Conditions Precedent*)) included, to the extent relevant, such Document and the Finance Document as so amended, acknowledged, confirmed, consolidated, novated, restated, replaced or supplemented.

6. CONTINUITY AND FURTHER ASSURANCE

6.1 Continuing obligations

Subject to Clause 7 (*Waiver and Consent*) below, the provisions of the Senior Facilities Agreement (including, without limitation, the guarantees, undertakings and indemnities provided under clause 19 (*Guarantee and Indemnity*) thereof) and the other Finance Documents shall, save as amended by this Agreement, continue in full force and effect. In particular, nothing in this Agreement shall affect the rights of the Secured Parties in respect of the occurrence of any Default which is continuing or which arises on or after the date of this Agreement (other than any Default which has occurred or may occur as a result of the entry into of this Agreement or the entry into, and performance of, the transactions contemplated by any of the foregoing or the steps referred to in the Funds Flow Memorandum, provided that such steps are carried out in accordance with the Funds Flow Memorandum).

6.2 Further assurance

Each Relevant Obligor shall, upon the written request of the Agent and at its own expense, do all such acts and things reasonably necessary to give effect to the amendments effected or to be effected pursuant to this Agreement.

7. WAIVER AND CONSENT

- (a) The parties hereto waive any Default or other breach under any of the Finance Documents (including any of the “Finance Documents” as defined in the Senior Facilities Agreement) which has occurred or may occur as a result of the entry into of this Agreement or the entry into, and performance of, the transactions and other acts or things contemplated by any of the foregoing or the Funds Flow Memorandum (including any such Default or breach which may arise in connection with any failure to make any payment in respect thereof or any cancellation contemplated therein).
- (b) Nothing in this Clause 7 shall affect the rights of the Finance Parties in respect of the occurrence of any other Default. The waivers referred to in this Clause 7 shall only apply to the matters referred to in this Clause 7 and shall be without prejudice to any rights which any of the Finance Parties may have at any time in relation to any circumstance or matter other than as specifically referred to in this Clause 7 (and whether or not subsisting at the date of this Agreement).

8. MISCELLANEOUS

8.1 Incorporation of terms

The provisions of clause 1.3 (*Third Party Rights*), clause 20.1 (*Transaction expenses*), (subject to Clause 3.2 above) clause 34 (*Notices*), clause 36 (*Partial Invalidity*), clause 37 (*Remedies and Waivers*) and clause 43 (*Enforcement*) of Schedule 3 (*Amended Senior Facilities Agreement*) shall be incorporated into this Agreement as if set out in full herein and as if references in those clauses to “Agreement” are references to this Agreement and cross references to specified clauses thereof are references to the equivalent clauses set out or incorporated herein.

8.2 Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

8.3 Direction

- (a) Each Finance Party (other than the Agent and the Security Agent) hereby directs the Agent to direct the Security Agent to enter into the documents referred to in Schedule 1 (*Conditions Precedent*) to which it is envisaged the Security Agent be a party.
- (b) Each Finance Party (other than the Agent and the Security Agent) hereby directs the Agent to enter into the documents referred to in Schedule 1 (*Conditions Precedent*) to which it is envisaged the Agent be a party.

9. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
CONDITIONS PRECEDENT

1. Constitutional documents

A copy of the Constitutional Documents of each Relevant Obligor.

2. Corporate documents

- (a) A copy of a resolution of the board of directors of each Relevant Obligor (save if such resolution is not required under the law of incorporation or the Constitutional Documents of that Relevant Obligor) approving the terms of, and the transactions contemplated by, the documents referred to in paragraph 3 below to which it is a party (the “**Documents**”) and resolving that it execute, deliver and perform the Documents; authorising a specified person or persons to execute the Documents; and authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices under or in connection with the Documents.
- (b) A specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above.
- (c) A certificate of an authorised signatory of the Company certifying that each document referred to in this Schedule 1 (*Conditions Precedent*) (other than those referred to in paragraph 3 (a) below) will be correct and complete and in full force and effect and will not have been amended or superseded as at the Effective Date.

3. Documents

- (a) Receipt by the Agent of an original of each of the following documents, in each case duly executed by the parties thereto:
 - (i) this Agreement; and
 - (ii) each agreement, deed, acknowledgements, confirmation, amendment or other instrument listed in Schedule 2 (*Deeds of Confirmatory Security and Security Confirmations*).

4. Legal Opinions

- (a) A legal opinion of Mr Henrique Saldanha, legal advisers to the Agent as to Macau SAR law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.
- (b) A legal opinion of Conyers, Dill & Pearman, legal advisers to the Agent as to Cayman Islands law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.
- (c) A legal opinion of White & Case, legal advisers to the Agent as to Hong Kong SAR law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.
- (d) A legal opinion of White & Case, legal advisers to the Agent as to English law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.

5. **Fees and expenses**

Receipt by the Agent of satisfactory evidence that:

- (a) all Taxes, fees, costs and other expenses payable in connection with the execution, delivery, filing, recording, stamping and registering of the Documents; and
 - (b) all fees, costs and expenses then due to any of the Finance Parties under the Finance Documents and to their advisers,
- in each case which are due and payable on or prior to the Effective Date have been paid or shall be paid by no later than the Effective Date.

6. **Other documents and evidence**

- (a) The Financial Model.
- (b) Evidence that all required registrations, filings or other similar steps required under the Amendment and Restatement Agreement or the security confirmations and amendment agreements set out in Schedule 2 (*Deeds of Confirmatory Security and Security Confirmations*) to be carried out on or prior to the Effective Date, have been carried out or will be carried on or before the Effective Date.
- (c) To the extent not previously provided under the Senior Facilities Agreement, such documentation and other evidence required to enable the Agent and any other Finance Party to comply with “know your customer” or similar identification procedures and checks under all applicable laws and regulations.
- (d) A certificate of the Company confirming that, save in respect of the matters referred to in Clause 7(a) of this Agreement, no Default will have occurred and be continuing as at the Effective Date.
- (e) The Funds Flow Memorandum, in the agreed form.
- (f) In respect of any Lender not already party to the Deed of Priority, a duly executed Finance Party Accession Undertaking (as defined in the Deed of Priority).

SCHEDULE 2
DEEDS OF CONFIRMATORY SECURITY AND SECURITY CONFIRMATIONS

1. A composite deed of confirmatory security with respect to the English law debentures dated 13 September 2007, 17 December 2007, 12 August 2008 and 30 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
2. A composite deed of confirmatory security with respect to the English law share charges over the shares of MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited and MPEL Investments Limited dated 13 September 2007 and 21 January 2014 and entered into by certain Relevant Obligors and MPEL International Limited (formerly known as Melco PBL International Limited) (each as amended, novated, supplemented, extended, replaced or restated from time to time).
3. A composite confirmation with respect to the Macau law security documents listed therein dated 5 September 2007, 16 May 2008, 21 August 2008 and 21 January 2014 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
4. A composite amendment and confirmation with respect to the Macau law pledge and assignments over intellectual property rights dated 8 April 2008, 12 August 2008 and 30 August 2008 and entered into by certain Macau incorporated Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
5. An amendment and confirmation with respect to the Macau law pledge and assignment over intellectual property rights dated 8 April 2008 and entered into by MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited and MPEL Investments Limited (as amended, novated, supplemented, extended, replaced or restated from time to time).
6. A composite amendment and confirmation with respect to the Macau law assignments of onshore contracts dated 5 September 2007, 17 December 2007, 12 August 2008 and 30 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
7. A composite amendment and confirmation with respect to the Macau law pledges over onshore accounts dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
8. A composite deed of confirmatory security with respect to the Hong Kong law account charges dated 27 November 2007, 17 December 2007 and 25 July 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
9. A composite amendment and confirmation with respect to the Macau law floating charges dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
10. A composite amendment and confirmation with respect to the Macau law assignments of leases and rights to use agreements dated 16 May 2008 and 12 August 2008 and entered into by certain Relevant Obligors (as amended, novated, supplemented, extended, replaced or restated from time to time).
11. A confirmation with respect to the Hong Kong law IP direct agreement dated 30 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).

12. A confirmation with respect to Hong Kong law Altira IP direct agreement dated 15 April 2009 (as amended, novated, supplemented, extended, replaced or restated from time to time).
13. A composite amendment and confirmation with respect to the Macau law pledges of enterprises dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
14. A composite amendment and confirmation with respect to the Macau law land security assignments dated 5 September 2007 and 21 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
15. A composite amendment and confirmation with respect to the Macau law share pledge agreements listed therein dated 5 September 2007, 17 December 2007 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).

SCHEDULE 3
AMENDED SENIOR FACILITIES AGREEMENT

MELCO CROWN (MACAU) LIMITED

dated 5 September 2007

arranged by

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
BANK OF AMERICA, N.A.
BANK OF CHINA LIMITED, MACAU BRANCH
DEUTSCHE BANK AG, SINGAPORE BRANCH
as Coordinating Lead Arrangers and Bookrunners

and

DEUTSCHE BANK AG, HONG KONG BRANCH
acting as Agent

DB TRUSTEES (HONG KONG) LIMITED
acting as Security Agent

USD1,750,000,000 SENIOR SECURED TERM LOAN AND
REVOLVING CREDIT FACILITIES AGREEMENT
(ORIGINALLY DATED 5 SEPTEMBER 2007,
AS AMENDED AND RESTATED FROM TIME TO TIME
INCLUDING BY A SECOND AMENDMENT AND RESTATEMENT
AGREEMENT DATED 19 JUNE 2015)

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THIS AGREEMENT is dated 5 September 2007 (as amended by a transfer agreement dated 17 October 2007, a supplemental deed dated 19 November 2007, a transfer agreement dated 4 December 2007, an amendment agreement dated 7 December 2007 and a second amendment agreement dated 1 September 2008, a third amendment agreement dated 1 December 2008, a letter agreement dated 8 October 2009, a fourth amendment agreement dated 10 May 2010, a first amendment and restatement agreement dated 22 June 2011, a fifth amendment agreement dated 5 April 2013 and a second amendment and restatement agreement dated 19 June 2015) and made between:

- (1) **MELCO CROWN (MACAU) LIMITED**, (formerly Melco Crown Gaming (Macau) Limited) a company incorporated under the laws of the Macau S.A.R. (registered number 24325 (SO)), whose registered office is at Alameda Dr. Carlos d'Assumpção, n.ºs 411-417, Edifício Dynasty Plaza, 15º andar O, P, em Macau (the "**Company**" and the "**Original Borrower**");
- (2) **THE PERSONS** listed in Part D of Schedule 1 (*Original Parties*) as guarantors (together with the Company, the "**Original Guarantors**");
- (3) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANK OF AMERICA, N.A., BANK OF CHINA LIMITED, MACAU BRANCH and DEUTSCHE BANK AG, SINGAPORE BRANCH** as coordinating lead arrangers and bookrunners (the "**Coordinating Lead Arrangers and Bookrunners**");
- (4) **THE FINANCIAL INSTITUTIONS** listed in Part A and Part B of Schedule 1 (*Original Parties*) as lenders (the "**Original Lenders**");
- (5) **THE PERSONS** listed in Part C of Schedule 1 (*Original Parties*) as hedge counterparties (the "**Original Hedge Counterparties**");
- (6) **DEUTSCHE BANK AG, HONG KONG BRANCH** as facility agent of the other Finance Parties (the "**Agent**"); and
- (7) **DB TRUSTEES (HONG KONG) LIMITED** as agent and security trustee for the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceptable Bank**" means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency;
- (b) Banco Nacional Ultramarino, S.A.;
- (c) Bank of China Limited, Macau Branch;

- (d) any Finance Party or an Affiliate of any Finance Party; or
- (e) any other bank or financial institution approved by the Agent.

“**Accession Letter**” means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

“**Account**” means the Holding Account, the Mandatory Prepayment Account and each other bank account opened from time to time by a Relevant Obligor in any jurisdiction.

“**Account Bank**” means, in relation to an Account, the bank or financial institution with which the Account is maintained.

“**Additional Borrower**” means a company which becomes a Borrower in accordance with Clause 28 (*Changes to the Obligors*).

“**Additional Guarantor**” means a company which becomes a Guarantor in accordance with Clause 28 (*Changes to the Obligors*).

“**Additional Hotel**” means the additional hotel tower to be constructed and located on the City of Dreams Site or on the Additional Hotel Site, including such relevant portion of the podium as is comprised in such additional hotel tower.

“**Additional Hotel Site**” means the land plot or lot resulting from the legal separation from the City of Dreams Site of an autonomous plot or lot for the purposes of developing the Additional Hotel, such plot or lot being separately or autonomously described or registered in the Macau Real Estate Registry.

“**Additional Lender**” has the meaning given to that term in Clause 7.2(f) (*Availability*).

“**Additional Obligor**” means an Additional Borrower or an Additional Guarantor.

“**Affiliate**” means, in relation to any person, any other person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person. For purposes of this definition, “**control**” means, in relation to a person, the power, directly or indirectly, to (a) vote 20 per cent. or more of the shares or other securities having ordinary voting power for the election of the board of directors (or persons performing similar functions) of such person or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

“**Affiliate Agreement**” means any agreement entered into by a Relevant Obligor with an Affiliate which is not a Relevant Obligor in connection with the supply of goods or services to such Relevant Obligor by such Affiliate (or by such Relevant Obligor to such Affiliate) involving the payment or expenditure by any party thereto or any other flow of funds in excess of USD1,000,000 (or its equivalent in other currencies).

“**Agent’s Spot Rate of Exchange**” means the Agent’s spot rate of exchange for the purchase of one currency with the Base Currency in the Hong Kong foreign exchange market at or about 11:00 a.m. on a particular day.

“**Altira Assets**” has the meaning given to it in paragraph (l) of the definition of Permitted Disposal in this Clause 1.1 (*Definitions*).

“**Altira Insurance Proceeds**” has the meaning given to it in Clause 10.1 (*Definitions*).

“**Altira Loss Event**” has the meaning given to it in Clause 10.1 (*Definitions*).

“**Altira Project**” means the ownership, operation and maintenance of a hotel and casino or gaming area on the Altira Site by Altira Developments Limited and the leasing, operation and management of any casino or gaming area comprised therein by the Company (including the ownership, operation and maintenance of any associated gaming equipment and utensils) in accordance with the Subconcession.

“**Altira Site**” means the land described in the Land Concession in relation to the Altira Project.

“**Annual Basket**” means, in any financial year, US\$125,000,000 minus the portion (if any) of such amount in that financial year applied:

- (a) to make acquisitions in reliance on Annual Basket capacity pursuant to paragraph (a)(ii)(B) of the definition of “Permitted Acquisition”;
- (b) to make acquisitions in reliance on and pursuant to paragraph (f) of the definition of “Permitted Acquisition”;
- (c) to make disposals in reliance on Annual Basket capacity pursuant to paragraph (m)(ii)(B) of the definition of “Permitted Disposal”;
- (d) to make disposals in reliance on and pursuant to paragraph (o) of the definition of “Permitted Disposal”;
- (e) to provide guarantees in reliance on Annual Basket capacity pursuant to paragraph (i)(ii)(B) of the definition of “Permitted Guarantee”;
- (f) to provide guarantees in reliance on and pursuant to paragraph (j) of the definition of “Permitted Guarantee”;
- (g) to provide loans in reliance on Annual Basket capacity pursuant to paragraph (c)(ii)(B) of the definition of “Permitted Loan”;
- (h) to provide loans in reliance on and pursuant to paragraph (f) of the definition of “Permitted Loan”;
- (i) to enter into or invest in Joint Ventures in reliance on Annual Basket capacity pursuant to paragraph (a)(ii)(B)(2) of Clause 25.10 (*Joint ventures*); and
- (j) to invest in any Joint Venture in reliance on and pursuant to paragraph (a)(iii) of Clause 25.10 (*Joint ventures*).

“**Anti-Terrorism Law**” means each of:

- (a) the Executive Order;
- (b) the USA Patriot Act;
- (c) the Money Laundering Control Act of 1986, Public Law 99-570 and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency;
- (d) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq, the Trading with the Enemy Act, 50 U.S.C. App. §§ 1 et seq, any executive order or regulation promulgated thereunder and administered by OFAC;
- (e) the U.S. Foreign Corrupt Practices Act of 1977;

- (f) the Iran Sanctions Act of 1996 and the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010; and
- (g) any other sanctions, restrictions or embargoes enacted or imposed by the United Nations, the European Union, the State Secretariat for Economic Affairs of Switzerland, OFAC, HM Treasury of the United Kingdom, the Hong Kong Monetary Authority, the Monetary Authority of Singapore or any other body notified in writing by the Agent (acting on behalf of any Lender) to the Company from time to time.

“**APLMA**” means the Asia Pacific Loan Market Association.

“**Arrangers**” means each of the Coordinating Lead Arrangers and Bookrunners.

“**Assignment Agreement and Lender Accession Undertaking**” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement and Lender Accession Undertaking*) or any other form agreed between the relevant assignor and assignee.

“**Auditors**” means Deloitte Touche Tohmatsu.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Availability Period**” means:

- (a) in relation to the Term Loan Facility, the period from and including the Second Amendment and Restatement Effective Date up to and including the date falling one Month after the Second Amendment and Restatement Effective Date;
- (b) in relation to the Revolving Credit Facility, the period from and including the Second Amendment and Restatement Effective Date up to and including the date falling one Month prior to the Final Repayment Date for the Revolving Credit Facility; and
- (c) in relation to an Incremental Facility, as agreed by the relevant parties pursuant to Clause 7.2(c)(i) (*Availability*).

“**Available Commitment**” means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

- (a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date.

For the purposes of calculating a Lender’s Available Commitment in relation to any proposed Utilisation under the Revolving Credit Facility or any Incremental Revolving Credit Facility only, that Lender’s participation in any Revolving Credit Facility Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from a Lender’s Commitment under that Facility.

“**Available Facility**” means, in relation to a Facility, the aggregate for the time being of each Lender’s Available Commitment in respect of that Facility.

“**Base Currency**” means Hong Kong dollars.

“Base Currency Amount” means:

- (a) in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent’s Spot Rate of Exchange on the date which is five Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement), as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation; and
- (b) in relation to any other amount as at any date which is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent’s Spot Rate of Exchange on that date.

“Bond” means the US\$1,000,000,000 5.00% Senior Notes due 2021 issued by Bondco on or about 7 February 2013 and any refinancing thereof, in whole or in part, by any other Financial Indebtedness, in each case, as amended, novated, supplemented, extended, restated, restructured, modified, renewed, refunded, replaced (whether upon or after termination or discharge or otherwise) or refinanced in whole or in part in accordance with the terms of this Agreement.

“Bond Documents” means the Bond and any agreements, documents, guarantees, collateral or other instruments relating thereto, as amended, novated, supplemented, extended, restated, restructured, modified, renewed, refunded, replaced (whether upon or after termination or discharge or otherwise) or refinanced in whole or in part, from time to time in accordance with the terms of this Agreement.

“Bond Guarantee” means the guarantees given by the Bond Guarantors in respect of the Bond and referred to in paragraph (g) of the definition of “Permitted Guarantee” set out in this Clause 1.1 (*Definitions*).

“Bond Guarantors” means, at any time, any of the following Relevant Obligors:

- (a) the Company;
- (b) Altira Hotel Limited;
- (c) Altira Developments Limited;
- (d) Melco Crown (COD) Hotels Limited;
- (e) Melco Crown (COD) Developments Limited;
- (f) Melco Crown (Cafe) Limited;
- (g) Golden Future (Management Services) Limited;
- (h) Melco Crown Hospitality and Services Limited;
- (i) Melco Crown (COD) Retail Services Limited;
- (j) Melco Crown (COD) Ventures Limited;
- (k) COD Theatre Limited;
- (l) Melco Crown COD (HR) Hotel Limited;
- (m) Melco Crown COD (CT) Hotel Limited;
- (n) Melco Crown COD (GH) Hotel Limited; and
- (o) MPEL International Limited.

and any other Relevant Obligors which, in each case, at that time, are “Subsidiary Guarantors” as defined in the Bond Documents.

“**Bond Proceeds**” means an amount equal to the amount of the Bondco Loan or, as the case may be, any proceeds thereof (including any such proceeds which may have been advanced to any other Relevant Obligor) (in each case, net of any upfront fee paid in respect of the Bondco Intercompany Note by MPEL Investments to Bondco).

“**Bondco**” means MCE Finance Limited, a company incorporated in the Cayman Islands with limited liability.

“**Bondco Loan**” means any loan advanced by Bondco to MPEL Investments pursuant to the Bondco Intercompany Note (the principal amount of which does not exceed the principal amount of the Bond) and any refinancing thereof, in whole or in part, by any other Financial Indebtedness, in each case, as amended, novated, supplemented, extended, restated, restructured, modified, renewed, refunded, replaced (whether upon or after termination or discharge or otherwise) or refinanced in whole or in part in accordance with the terms of this Agreement.

“**Bondco Intercompany Note**” means any agreements, documents or other instruments as amended, novated, supplemented, extended, restated, restructured, modified, renewed, refunded, replaced (whether upon or after termination or discharge or otherwise) or refinanced in whole or in part in accordance with the terms of this Agreement, from time to time pursuant to which Bondco may advance the Bondco Loan to MPEL Investments.

“**Borrower**” means the Original Borrower or an Additional Borrower.

“**Borrowings**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Break Costs**” means the amount (if any) by which:

- (a) the interest excluding the Margin which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in the Macau SAR, the Hong Kong SAR, Singapore, Sydney, London and, in relation to any date for payment or purchase of a currency other than the Base Currency, the principal financial centre of the country of that currency.

“**Capital Expenditure**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Capital Stock” means:

- (a) (where used in the definition of “Change of Control” set out in this Clause 1.1):
 - (i) in the case of a corporation, corporate stock;
 - (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
 - (iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
 - (iv) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock; and
- (b) (where used elsewhere in this Agreement or any other Finance Document) any and all shares, interest, participations or other equivalents (howsoever designated) of capital stock of a corporation, any and all classes of membership interests in a limited liability company, any and all classes of partnership interests in a partnership, any and all equivalent ownership interests in a person and any and all agreements, warrants, rights or options to acquire any of the foregoing.

“Cash Equivalent Investments” means at any time:

- (a) deposits maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of any country or by an instrumentality or agency of any of them having an equivalent credit rating of either A-1 or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or P-1 or higher by Moody’s Investor Services Limited, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-2 or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or P-2 or higher by Moody’s Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) any investment accessible within 30 days in money market funds which have a credit rating of either A-2 or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or P-2 or higher by Moody’s Investor Services Limited and which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above; or
- (e) any other debt security approved by the Majority Lenders,

in each case, to which any member of the Group is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than one arising under the Transaction Security Documents).

“**Change of Control**” means the occurrence of any of the following:

- (a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Bondco and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) of the Securities Exchange Act of 1934 of the United States of America) (other than a Sponsor or a Related Party of a Sponsor);
- (b) the adoption of a plan relating to the liquidation or dissolution of Bondco;
- (c) either:
 - (i) the Sponsors cease collectively to beneficially own, directly or indirectly, at least 30% of the outstanding Capital Stock of the Company (including any and all agreements, warrants, rights or options to acquire any Capital Stock); or
 - (ii) any person or persons acting in concert (other than the Sponsors) gain control of the board of directors of the Company or acquire a greater percentage of the outstanding Capital Stock of the Company that is owned directly or indirectly by the Sponsors,

(including any and all agreements, warrants, rights or options to acquire any Capital Stock and measured in each case, by both voting power and size of equity interests); or
- (d) the first day on which MPEL ceases to own, directly or indirectly, 100% of the outstanding Equity Interests of Bondco.

“**Charged Property**” means all of the assets of the Obligors or other person which from time to time are, or are expressed to be, the subject of the Transaction Security.

“**City of Dreams Project**” means the ownership, operation and maintenance of a resort-hotel-casino on the City of Dreams Site by Melco Crown (COD) Developments Limited, the ownership or leasing and the operation and management of any casino or gaming area comprised therein by the Company (including the ownership, operation and maintenance of any associated gaming equipment and utensils) in accordance with the Subconcession, the design, construction, development, financing, maintenance, management and operation of the Additional Hotel (prior to any Permitted Disposal pursuant to paragraph (i) of the definition thereof as set out in this Clause 1.1 (*Definitions*)) and the leasing, operation and maintenance of the remainder of the City of Dreams Project by the City of Dreams Project Operating Company.

“**City of Dreams Site**” means the land described in the City of Dreams Land Concession.

“**Code**” means the US Internal Revenue Code of 1986.

“**Commitment**” means a Term Loan Facility Commitment, Revolving Credit Facility Commitment or an Incremental Facility Commitment.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

“Confidential Information” means all information relating to the MPEL Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 39 (*Disclosure of Information*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“Confidentiality Undertaking” means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Company and the Agent.

“Consolidated EBITDA” has the meaning given to such term in Clause 24.1 (*Financial definitions*).

“Consolidated Total Debt” has the meaning given to such term in Clause 24.1 (*Financial definitions*).

“Constitutional Documents” means, collectively, in relation to any person, any certificate of incorporation, memorandum and articles of association, bylaws, shareholders’ agreement, certificate of formation, limited liability company agreement, partnership agreement and any other formation or constituent documents applicable to such person.

“Core Asset” means:

- (a) the Relevant Property and the buildings constructed thereon owned by a member of the Group; and
- (b) the Material Documents,

in each case, to the extent required for any Project but excluding (i) any of the Relevant Property and buildings comprising the Additional Hotel, (ii) the Additional Hotel Site, and (iii) any asset or interest in land required solely for the Mocha Slot Business, any Excluded Project and/or (to the extent sub-paragraph (ii) is not applicable) the Additional Hotel.

“Corporate Structure Chart” means the corporate structure chart in the agreed form prepared by the Company and dated on or about the Second Amendment and Restatement Effective Date, describing the ownership structure of the Group and the Sponsor Group Shareholders, certain of the Group’s assets (including the Subconcession and the Projects) as at the Second Amendment and Restatement Effective Date and addressed to and capable of being relied upon by the Finance Parties.

“**Crown**” means Crown Resorts Limited (formerly known as Crown Limited), a limited liability company incorporated in the State of Victoria, Australia (with ACN: 125 709 953) with registered address: Level 3, Crown Towers, 8 Whiteman Street, Southbank VIC 3006, Australia.

“**Deed of Amendment**” means the deed of amendment relating to the Subordination Deed dated 22 June 2011 between, amongst others, the Company, the Relevant Obligors and the Security Agent.

“**Deed of Appointment**” means the deed of appointment dated on or about the date of this Agreement entered into between, amongst others, the Company, the Agent, the Security Agent, the POA Agent and the Original Lenders, as amended, novated, supplemented, extended, replaced or retained (in each case, however fundamentally) including pursuant to a Supplemental Deed dated 19 November 2007 between, amongst others, the Company, the Agent, the Security Agent, the POA Agent, the Original Lenders and the Subconcession Bank Guarantor.

“**Deed of Priority**” means the Deed of Appointment.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Defaulting Lender**” means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders’ participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within 2 Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Disposal**” means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**Distribution**” has the meaning given to that term in Clause 25.21 (*Dividends and share redemption*).

“**Enforcement Notice**” has the meaning given in the Deed of Appointment (and includes, for the avoidance of doubt, an Enforcement Notice under and as defined in the Subordination Deed).

“**Environmental Claim**” means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

“**Environmental Law**” means any applicable law or regulation which relates to:

- (a) the pollution or protection of the environment;
- (b) harm to or the protection of human health;
- (c) the conditions of the workplace; or
- (d) any emission or substance capable of causing harm to any living organism or the environment.

“**Environmental Permits**” means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

“**Equity**” means, at any time, the aggregate of:

- (a) the amounts paid up by each Sponsor Group Shareholder by way of subscription for shares in the Group; and
- (b) the amounts advanced to the Group and outstanding at such time by way of Sponsor Group Loans.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Event of Default” means any event or circumstance specified as such in Clause 26 (*Events of Default*).

“Excluded Project” means any gaming, entertainment, hotel or resort related business, development, project, undertaking or venture of any kind (other than any Projects and the Mocha Slot Business) and including (except as otherwise designated as a “Project” under this Agreement), without limitation:

- (a) such business, development or undertaking at the Hotel Taipa Square in Macau SAR;
 - (b) such business, projects development, undertaking or venture at or comprised in the Studio City development in Macau SAR; and
- and any other property development or management business or undertaking or any other business necessary for, incidental to, arising out of, supportive of or connected to any such business, development, project, undertaking or venture, in each case carried out by an Excluded Subsidiary or other person outside the Group or, in the case of any casino or gaming related business, development, project, undertaking or venture, the Company, provided that the foregoing neither involves nor permits any claim, interest, liability or right of recourse of any kind in connection therewith against, or the creation of any security interest over, any Core Asset save as permitted (or contemplated by any agreement, document, transaction or other thing permitted) by the Finance Documents and (in respect of the Company) contemplated by or arising under or in connection with any Excluded Project Agreement or Excluded Project Operation Agreement.

“Excluded Project Agreement” means any agreement (including the New Cotai Agreement and any Lease Agreement) entered into by the Company in respect of or relating to any casino or gaming related business, development, project, undertaking or venture in an Excluded Project or any assets relating to or comprised therein.

“Excluded Project Material Adverse Effect” means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Group taken as a whole; or
- (b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

“Excluded Project Operation Agreement” means any agreement entered into between, among others, the Company, the Agent, the Security Agent and any counterparty to an Excluded Project Agreement or other participant in or lender to an Excluded Project with regard to the enforcement of rights against and interests in the Company and its assets.

“Excluded Project Revenues” means any Revenues paid, distributed or otherwise derived from or in connection with any Excluded Project, Excluded Project Agreement or Excluded Subsidiary or any right, title, benefit or interest in respect thereof or any realisation, Disposal or other dealing in respect of any of the foregoing (but not, for the avoidance of doubt, including any Revenues of any member of the Group under any agreement referred to in paragraph (g) of the definition of Permitted Transaction).

“Excluded Subsidiary” means any Subsidiary of the Company:

- (a) (i) which is Melco Crown (Macau Peninsula) Developments Limited or Melco Crown (Macau Peninsula) Hotel Limited or (ii) which becomes a Subsidiary of the Company after the date of this Agreement and has been designated as such by the Company by written notice to the Agent; and
- (b) whose assets and business form no part of nor are in any way necessary to ensure the full benefit of any Project to the Group.

“Executive Order” means Executive Order No. 13224 of 23 September 2001 - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism.

“Facility” means the Term Loan Facility, the Revolving Credit Facility and (as applicable and so designated in an Incremental Facility Notice) any Incremental Facility.

“Facility Office” means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“**FATCA Deduction**” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“**FATCA Exempt Party**” means a Party that is entitled to receive payments free from any FATCA Deduction.

“**Fee Letter**” means any letter or letters referred to as a “Fee Letter” in the Mandate Documents and the agreement entitled “Fee Proposal” dated 30 May 2011 between the Agent, the Security Agent and the Company.

“**Final Repayment Date**” means:

- (a) in relation to the Revolving Credit Facility, the date falling 60 Months from the Second Amendment and Restatement Effective Date;
 - (b) in relation to the Term Loan Facility, the date falling 72 Months from the Second Amendment and Restatement Effective Date; and
 - (c) in relation to an Incremental Facility, the Incremental Facility Termination Date relating to that Incremental Facility,
- and if any such date is not a Business Day, the immediately preceding Business Day.

“**Finance Document**” means:

- (a) this Agreement;
- (b) any Accession Letter;
- (c) any Compliance Certificate;
- (d) any Fee Letter;
- (e) any Hedging Agreement;
- (f) any Selection Notice;
- (g) the Subordination Deed;
- (h) the Deed of Amendment;
- (i) the Deed of Priority;
- (j) the Deed of Appointment;
- (k) any Transaction Security Document;
- (l) any Transfer Certificate and Lender Accession Undertaking, Assignment Agreement and Lender Accession Undertaking or Hedge Counterparty Accession Undertaking;
- (m) any Utilisation Request;
- (n) the Mandate Documents;
- (o) the Second Amendment and Restatement Agreement;

- (p) any Incremental Lender Accession Deed;
- (q) any Incremental Facility Notice;
- (r) any Incremental Facility Document; and
- (s) any other document designated as a “Finance Document” by the Agent and the Company.

“**Finance Party**” means the Agent, the Arrangers, the Security Agent, a Lender, a Hedge Counterparty or an Incremental Facility Lender.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) monies borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value as at the relevant date on which Financial Indebtedness is calculated (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (i) any amount raised by the issue of redeemable shares;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**Financial Model**” means the financial model in the agreed form provided to the Agent on or about the date of the Second Amendment and Restatement Agreement.

“**Financial Quarter**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Financial Year**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**First Amendment and Restatement Agreement**” means the amendment and restatement agreement dated 22 June 2011 between, amongst others, the Agent and the Company.

“**First Amendment and Restatement Effective Date**” means the “Effective Date” as defined in the Amendment and Restatement Agreement.

“**Fitch**” means Fitch Ratings Ltd.

“**Floating Charge**” means each of the floating charges described at paragraphs 70-83 of Schedule 8 (*Transaction Security Documents*).

“**Funds Flow Memorandum**” means a funds flow statement in the agreed form.

“**GAAP**” means, in respect of MPEL, the Company and other members of the Group, generally accepted accounting principles in the United States of America as in effect from time to time.

“**Governmental Authority**” means, as to any person, the government of the Macau SAR, any other national, state, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over such person, or any arbitrator with authority to bind such person at law.

“**Grantor**” means:

- (a) other than an Obligor, each person that may grant Security under any Transaction Security Document after the Second Amendment and Restatement Effective Date; and
- (b) each Subordinated Creditor.

“**Group**” means MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited, MPEL Investments Limited, Melco Crown (Macau) Limited and each of their Subsidiaries for the time being (other than any Excluded Subsidiary).

“**Guarantor**” means an Original Guarantor or an Additional Guarantor.

“**Hedge Counterparty**” means:

- (a) any Original Hedge Counterparty; and
- (b) any counterparty to a Hedging Agreement which has become a Party to this Agreement and a party to the Deed of Appointment in accordance with Schedule 9 (*Hedging Arrangements*), Clause 27.8 (*Hedge Counterparties*) and the provisions of the Deed of Appointment.

“**Hedge Counterparty Accession Undertaking**” means a deed substantially in the form set out in Part B of Schedule 9 (*Hedging Arrangements*) or any other form acceptable to the Agent.

“Hedge Voting Right Event” means, in relation to a Hedge Counterparty, the occurrence and continuation of each of the following events:

- (a) the serving of a notice by the Agent pursuant to paragraph (b) of Clause 26.21 (*Acceleration*); and
- (b) any amount due is unpaid (other than default interest) under the Hedging Agreement to which such Hedge Counterparty is party following its early termination.

“Hedging Agreement” means any master agreement, confirmation, schedule or other agreement in agreed form entered into or to be entered into by a Borrower and a Hedge Counterparty which has become a Party to this Agreement and a party to the Deed of Appointment, Schedule 9 (*Hedging Arrangements*), Clause 27.8 (*Hedge Counterparties*) and the provisions of the Deed of Appointment for the purpose of hedging interest rate liabilities and/or any exchange rate risks in relation to the Facilities in accordance with Schedule 9 (*Hedging Arrangements*).

“HIBOR” means, in relation to any Loan denominated in HK dollars:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for HK dollars for the Interest Period of that Loan) the Interpolated Screen Rate; or
- (c) (if no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the Relevant Interbank Market,

at or about 11:00 a.m. (Hong Kong time) on the Quotation Date for the Base Currency for a period comparable to the Interest Period for that Loan, and if any such rate is less than zero, such rate shall be deemed to be zero.

“HKD”, “Hong Kong dollars” or “HK dollars” denotes the lawful currency of the Hong Kong SAR.

“HKSE” means the main board of The Stock Exchange of Hong Kong Limited.

“Holdco” means each of MPEL Nominee One Limited, MPEL Nominee Two Limited and MPEL Nominee Three Limited.

“Holding Account” means an account:

- (a) held in Macau SAR or Hong Kong SAR by a member of the Group with the Agent or Security Agent;
- (b) identified between the Company and the Agent as a Holding Account; and
- (c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Agent and the Security Agent,

as the same may be redesignated, substituted or replaced from time to time.

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“Hong Kong SAR” means the Hong Kong Special Administrative Region.

“Hotel Management Agreement” means a hotel management agreement entered into by a Project Company or a Project Operating Company with a person for the operation and management of any hotel in connection with a Project (including Grand Hyatt of Macau in the case of the City of Dreams Project).

“Impaired Agent” means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of “Defaulting Lender”; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;
unless, in the case of paragraph (a) above:
 - (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within 2 Business Days of its due date; or
 - (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“Incremental Facility” means an Incremental Revolving Credit Facility and/or an Incremental Term Loan Facility.

“Incremental Facility Commitments” means the Incremental Revolving Credit Facility Commitments and/or Incremental Term Loan Facility Commitments.

“Incremental Facility Document” means each document relating to or evidencing the terms of an Incremental Facility.

“Incremental Facility Lender” has the meaning given to that term in Clause 7.2(g) (*Availability*).

“Incremental Facility Loan” means a loan made or to be made under an Incremental Facility or the principal amount outstanding for the time being of that loan.

“Incremental Facility Notice” has the meaning given to that term in Clause 7.2(b) (*Availability*).

“Incremental Facility Termination Date” means the date on which an Incremental Facility terminates.

“Incremental Lender Accession Deed” means a deed of accession substantially in the form set out in Schedule 10 (*Form of Incremental Lender Accession Deed*).

“Incremental Revolving Credit Facility” has the meaning given to that term in Clause 7.1(b) (*Type of Facility*).

“Incremental Revolving Credit Facility Commitments” has the meaning given to that term in Clause 7.2(g)(i) (*Availability*).

“Incremental Term Loan Facility” has the meaning given to that term in Clause 7.1 (*Type of Facility*).

“Incremental Term Loan Facility Commitments” has the meaning given to that term in Clause 7.2(g)(i) (*Availability*).

“Indirect Tax” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“Insolvency Event” in relation to a Finance Party means that the Finance Party:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Insurance Proceeds Account” means the Mandatory Prepayment Account or the Holding Account into which Insurance Proceeds or, as the case may be, Excluded Insurance Proceeds are required to be paid pursuant to Clause 10.2 (*Mandatory Prepayment*).

“Intellectual Property” means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use any such assets referred to in paragraph (a) above,

of each member of the Group.

“Interest Cover” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Interest Period” means, in relation to a Loan, each period determined in accordance with Clause 13 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 12.3 (*Default interest*).

“Interpolated Screen Rate” means:

- (a) in relation to HIBOR, the rate which results from interpolating on a linear basis (rounded to the same number of decimal places as the two relevant Screen Rates) between:
 - (i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of a Loan; and
 - (ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,each as of 11:00 a.m. (Hong Kong time) on the Quotation Date for the Base Currency; and
- (b) in relation to LIBOR, the rate which results from interpolating on a linear basis (rounded to the same number of decimal places as the two relevant Screen Rates) between:
 - (i) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of a Loan; and
 - (ii) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,each as of 11:00 a.m. (London time) on the Quotation Date for the Optional Currencies.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Land Concession**” means in relation to:

- (a) the Altira Project, the land concession between the Macau SAR and Altira Developments Limited dated 20 February 2006 which forms an integral part of Dispatch number 20/2006 of the Secretary for Transport and Public Works of Macau SAR, as revised by the land concession amendment dated 10 December 2013 which forms an integral part of Dispatch 67/2013 of the Secretary for Transport and Public Works of Macau SAR; and
- (b) the City of Dreams Project, the land concession between the Macau SAR and Melco Crown (COD) Developments Limited dated 11 August 2008 of the Secretary for Transport and Public Works of Macau SAR which forms an integral part of Dispatch number 25/2008 of the Secretary for Transport and Public Works of Macau SAR as revised by a land concession amendment dated 2 September 2010 which forms an integral part of Dispatch 45/2010 of the Secretary for Transport and Public Works of Macau SAR, and by the land concession amendment dated 17 January 2014 which forms an integral part of Dispatch 5/2014 of the Secretary for Transport and Public Works of Macau SAR.

“**Land Concession Direct Agreement**” means the agreement relating to security dated 5 September 2007 between the Macau SAR the Company, Altira Developments Limited, Melco Crown (COD) Developments Limited and the Security Agent.

“**Lease Agreement**” means an agreement between the Company and the developer, owner or operator (as the case may be) of an Excluded Project or any part thereof in connection with the leasing (including by way of Occupational Lease), operation and management of a casino or gaming area by the Company in such Excluded Project.

“**Legal Opinion**” means any legal opinion delivered to the Agent under clause 4 (*Amendment*) of the Second Amendment and Restatement Agreement or Clause 28 (*Changes to the Obligors*).

“**Legal Requirements**” means all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question.

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under statutes of limitation;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; or
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

“**Lender**” means a Term Loan Facility Lender or a Revolving Credit Facility Lender.

“**Leverage**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**LIBOR**” means, in relation to any Loan denominated in US dollars or Yen:

- (a) the applicable Screen Rate;
- (b) (if no Screen Rate is available for US dollars or (as the case may be) Yen for the Interest Period of that Loan) the Interpolated Screen Rate; or
- (c) (if no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to borrow funds in US dollars or (as the case may be) Yen in the Relevant Interbank Market and for the relevant period were the Reference Banks to do so by asking for and then accepting interbank offers for deposits in reasonably market size in US dollars or (as the case may be) Yen and for the that period,

at or about 11:00 a.m. (London time) on the Quotation Date for Optional Currencies, and if any such rate is less than zero, such rate shall be deemed to be zero.

“Liquidated Damages” means any liquidated damages paid by any party (other than an Obligor) pursuant to any obligation, default or breach under the Material Documents (other than any Termination Proceeds), in each case net of any Taxes, costs and expenses incurred by any Obligor or its agents pursuant to transactions on arm’s length terms (or such better terms for such Obligor) in connection with the collection, adjustment or settlement thereof.

“Loan” means a Term Loan Facility Loan or a Revolving Credit Facility Loan.

“Macau Gaming Laws” means Law No. 16/2001 and Administrative Regulation No. 26/2001, as amended from time to time, and other laws promulgated by any Governmental Authority of the Macau SAR and applying to gaming operations in the Macau SAR.

“Macau SAR” means the Macau Special Administrative Region.

“Maintenance Capital Expenditure” means payment by the Relevant Obligors for expenditure on maintenance or refurbishment of equipment, machinery, fixed assets and real property, which under the usual accounting policies of the Company would be regarded as maintenance capital expenditure, excluding expenditure on Permitted Acquisitions (other than any such expenditure on the refurbishment of any asset that is acquired as part of a Permitted Acquisition).

“Majority Lenders” means a Lender or Lenders (and, after the occurrence and continuation of a Hedging Voting Right Event in relation to any Hedge Counterparty, that Hedge Counterparty) who hold in aggregate more than 50 per cent. of the Voting Entitlements of all such Finance Parties.

“Managing Director” means Mr. Lawrence Yau Lung Ho.

“Mandate Documents” means each of the letters dated 15 May 2015 between the Coordinating Lead Arrangers and Bookrunners and the Company.

“Mandatory Prepayment Account” means the account so designated as the Mandatory Prepayment Account between the Company and the Agent.

“**Margin**” means:

- (a) in relation to any Incremental Facility Loan, as agreed by the Company and the relevant Incremental Facility Lenders thereunder; and
- (b) in relation to the Term Loan Facility or the Revolving Credit Facility or Unpaid Sum, 2.50 per cent. per annum but if (i) no Event of Default has occurred and is continuing and (ii) Leverage, in respect of the most recently completed Relevant Period (or, as the case may be, as at the Second Amendment and Restatement Effective Date), is within a range set out below, then the Margin will be the percentage per annum set out below opposite that range:

<u>Leverage</u>	<u>Margin</u>
Equal to or greater than 3.0:1	2.50%
Less than 3.0:1 but equal to or greater than 2.5:1	2.25%
Less than 2.5:1 but equal to or greater than 2.0:1	2.00%
Less than 2.0:1 but equal to or greater than 1.5:1	1.75%
Less than 1.5:1 but equal to or greater than 1.0:1	1.50%
Less than 1.0:1	1.25%

and **provided that**:

- (i) as at the Second Amendment and Restatement Effective Date and the period from the Second Amendment and Restatement Effective Date until the date occurring six Months after the Second Amendment and Restatement Effective Date (such period, the “**Initial Margin Period**”), the Margin will be 1.75 per cent. (1.75%) and, thereafter, determined by reference to the latest Compliance Certificate delivered to the Agent;
- (ii) after the last day of the Initial Margin Period, any increase or decrease in the Margin shall take effect on the date (the “**reset date**”) which is the first day of the next Interest Period for that Loan following receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 23.5 (*Provision and contents of Compliance Certificate*);
- (iii) if, following receipt by the Agent of the annual audited financial statements of the Group and related Compliance Certificate, those statements and Compliance Certificate do not confirm the basis for a reduced Margin, then the provisions of Clause 12.2 (*Payment of interest*) shall apply and the Margin for that Loan shall be the percentage per annum determined using the table above and the revised Leverage calculated using the figures in the Compliance Certificate;
- (iv) while an Event of Default is continuing, the Margin shall be 2.50 per cent. per annum; and
- (v) for the purpose of determining the Margin, Leverage and Relevant Period shall be determined in accordance with Clause 24 (*Financial covenants*).

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Group taken as a whole; or
- (b) the ability of the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (c) subject to the Legal Reservations and the Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents,

without taking account (for the purposes of paragraphs (a) and (b) above) of any contribution, loss or other effect of any kind (including any previous contribution, loss or effect) in any way comprised in, related to or derived from any Excluded Project Agreement, Excluded Project, Excluded Project Revenues or Excluded Subsidiary or any interest therein and which, in each case, is unrelated to any of the Projects.

“**Material Default**” means:

- (a) an Event of Default; or
- (b) any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Finance Documents or any combination of any of the foregoing) be an Event of Default, other than:
 - (i) any Default (other than an Event of Default) arising under Clause 26.3 (*Other obligations*) insofar as it relates to a breach of Clause 25.5 (*Taxation*), Clause 25.15 (*Subconcession and Land Concessions*), Clause 25.24 (*Share Capital*), Clause 25.25 (*Insurance*), Clause 25.26 (*Access*), Clause 25.28 (*Intellectual Property*), Clause 25.31 (*Hedging and Treasury Transactions*), Clause 25.32 (*Further assurance*) and Clause 25.38 (*Account Segregation*); and
 - (ii) any Default (other than an Event of Default) arising under Clause 26.4 (*Misrepresentation*) insofar as it relates to a breach of Clause 22.11 (*No filing or stamp taxes*), Clause 22.12 (*Deduction of Tax*), Clause 22.14 (*Taxation*), Clause 22.15 (*No misleading information*), Clause 22.16 (*Financial Statements*), Clause 22.20 (*Environmental laws*), Clause 22.24 (*Good title to assets*), Clause 22.29 (*Insurance*) and Clause 22.33 (*Labour Disputes*).

“**Material Documents**” means the Subconcession and each Land Concession.

“**Melco**” means Melco International Development Limited, a limited liability company incorporated in Hong Kong (with registered number 000099) with registered address: 38th floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

“**Mocha Slot Business**” means the Mocha Slot electronic gaming machine lounge business carried on by the Company or any other member of the Group.

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month and, consistent with the terms of this Agreement, that Interest Period is to be of a duration equal to a whole number of Months, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. “**Monthly**” shall be construed accordingly.

“**Moody’s**” means Moody’s Investors Service, Inc..

“**MPEL**” means Melco Crown Entertainment Limited, a limited liability company incorporated in the Cayman Islands (with registered number 143119) with registered address: Walker House, 87 Mary Street, George Town, Grand Cayman, KYI-9005, Cayman Islands.

“**MPEL Group**” means MPEL and each of its Subsidiaries.

“**MPEL Investments**” means MPEL Investments Limited, a limited liability company incorporated in the Cayman Islands (with registered number 168835) with registered address: Walker House, 87 Mary Street, George Town, Grand Cayman, KYI-9005, Cayman Islands.

“**New Cotai Agreement**” means the services and the rights to use agreement dated 11 May 2007 between, amongst others, the Company and New Cotai Entertainment (Macau) Limited.

“**Notional Amount**” means the “**Notional Amounts**” as defined in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

“**Obligor**” means a Borrower, a Guarantor or the Managing Director.

“**Obligors’ Agent**” means the Company, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.3 (*Obligors’ Agent*).

“**Occupational Lease**” means any lease, sub-lease, licence, tenancy or right to occupy or use (or any agreement for the grant of any of the foregoing) to which a Relevant Obligor’s interest in a Property may be subject from time to time or which may be granted to a Relevant Obligor.

“**OFAC**” means the Office of Foreign Assets Control of the US Department of Treasury.

“**Onshore Security Documents**” means any Transaction Security Document governed by or expressed to be governed by Macau SAR law.

“**Optional Currency**” means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.3 (*Conditions relating to Optional Currencies*).

“**Original Financial Statements**” means the audited consolidated financial statements for the financial year ended 31 December 2014 of MPEL.

“**Original Obligor**” means the Original Borrower, an Original Guarantor or the Managing Director.

“**Party**” means a party to this Agreement.

“**Parent**” means MPEL Nominee One Limited.

“**Patacas**” or “**MOP**” denotes the lawful currency of the Macau SAR.

“**Perfection Requirements**” means the making or the procuring of the appropriate registrations, filing, endorsements, notarisation, stamping and notifications of the Transaction Security Documents or the Transaction Security created thereunder.

“**Permits**” means all approvals, licences, consents, permits, Authorisations, registrations and filings, necessary in connection with the execution, delivery, completion, implementation, perfection or performance, admission into evidence or enforcement of the Transaction Documents on the terms thereof and all material approvals, licences, consents, permits, Authorisations, registrations and filings required for the design, development, construction, ownership, maintenance, operation or management of the Projects and business of the Group as contemplated under the Transaction Documents.

“Permitted Acquisition “ means:

- (a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by:
 - (i) another member of the Group;
 - (ii) a member of the MPEL Group which is not a member of the Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such acquisition, if determined on a pro forma basis after giving effect to such acquisition would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*) and no Material Default has occurred which is continuing or would result therefrom; or
 - (B) where:
 - (1) such acquisition is made on arm’s length terms (or better, for the relevant member of the Group);
 - (2) the consideration payable for such acquisition does not exceed the Annual Basket; and
 - (3) no Material Default has occurred which is continuing or would result from such acquisition;
 - (iii) a person who is not a member of the Group or the MPEL Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such acquisition, if determined on a pro forma basis after giving effect to such acquisition would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);
 - (B) such acquisition is made on arm’s length terms (or better, for the relevant member of the Group); and
 - (C) no Default has occurred which is continuing or would result therefrom;
- (b) an acquisition of shares pursuant to a Permitted Share Issue;
- (c) an acquisition of fully paid shares in an Excluded Subsidiary subscribed for using the proceeds of Equity or any other amounts which would otherwise be available for distribution as a Permitted Distribution (other than solely pursuant to paragraph (a) of the definition thereof) or may otherwise be used for this purpose and which, in each case, are not required for any other purposes under the Finance Documents;
- (d) an acquisition of securities which are Cash Equivalent Investments so long as those Cash Equivalent Investments become subject to the Transaction Security as soon as is reasonably practicable or are acquired using the proceeds of Equity or any other amounts which would otherwise be available for distribution as a Permitted Distribution (other than solely pursuant to paragraph (a) of the definition thereof) or may otherwise be used for this purpose and which, in each case, is not required for any other purposes under the Finance Documents; and

- (e) the incorporation of a company with limited liability which on incorporation becomes:
 - (i) an Excluded Subsidiary; or
 - (ii) a member of the Group, but only if that company is or becomes an Additional Obligor and the shares in, and assets of, which become subject to Security in form, scope and substance similar to the Security granted by the Relevant Obligors under the Transaction Security and satisfactory to the Agent within 30 days of incorporation; and
- (f) an acquisition for cash consideration, of (A) all of the issued share capital of a limited liability company or (B) (if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:
 - (i) no Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;
 - (ii) the acquired company, business or undertaking is incorporated or established, and carries on its principal business in, the Macau SAR and is engaged in a business substantially the same as that carried on by the Group; and
 - (iii) the consideration (including associated costs and expenses) for the acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition (when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in any such acquired companies or businesses at the time of acquisition) does not in any Financial Year of the Company exceed in aggregate USD10,000,000 (or its equivalent in other currencies).

“Permitted Disposal” means any Disposal:

- (a) comprised in the grant of any lease, licence or right to occupy or use or equivalent interest made by any member of the Group in the ordinary course of business of the disposing entity with respect to any part of any Real Property or any enterprise of the disposing entity including, without limitation, in respect of restaurants, retail and entertainment outlets, hotel rooms or other facilities;
- (b) of trading stock, inventory or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (c) of obsolete, spare or redundant vehicles, plant, tools, equipment, fittings, furnishings, utensils or other assets used in the ordinary course of business for cash or in exchange for replacement assets comparable or superior as to type, value or quality subject, in the case of exchange or replacement, to equivalent security to that being given over such assets being provided over such exchanged or replaced assets;
- (d) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments subject to equivalent security to that being given over such assets (if any) being provided in the case of exchange for Cash Equivalent Investment;

- (e) of cash or non-cash prizes and other complimentary items by any member of the Group in the ordinary course of business for customers or patrons customary in the business of the MPEL Group;
- (f) of the registered strata title to any casino by the relevant Project Company to the Company in accordance with or, as the case may be, after an amendment is made to and in accordance with, the relevant Land Concession to permit the registration of strata title and any such Disposal and subject to complying with the Subconcession and all other Legal Requirements, and the granting of Security in favour of, and in form and substance reasonably satisfactory to, the Security Agent, in respect thereof;
- (g) arising as a result of any Permitted Loan, Permitted Security, Permitted Payment or Permitted Distribution;
- (h) of any Excluded Project Revenues or any right (contractual or otherwise), title, assets, benefit or interest comprised in, relating to or derived from any Excluded Project, Excluded Project Agreement, Excluded Project Revenues or Excluded Subsidiary (**provided that** any such right, title, asset, benefit or interest was acquired, where acquired using Obligors' Revenues, using only monies not required to be applied for other purposes under the Finance Documents), which (in each case) are permitted to be dealt with in such manner under (and are not required for any other purpose contemplated by) any Excluded Project Agreement and which do not form part of, and (other than in the case of Excluded Project Revenues) which are not necessary to ensure the full benefit to the Group of any Project **provided further that**, save as contemplated by any Excluded Project Agreement, any claim, interest, liability or right of recourse of any kind of any counterparty in connection with such Disposal against or in that member of the Group or any of its assets (including, without limitation, the Projects) is limited to an aggregate amount equal to all Excluded Project Revenues derived in respect of that Excluded Project, including any Disposal proceeds, (less any amounts thereof applied in accordance with the relevant Excluded Project Agreement) and any other assets of that member of the Group comprised in, relating to or derived from that Excluded Project (and which do not form part of, and (other than in the case of Excluded Project Revenues) which are not necessary to ensure the full benefit to the Group of any Project);
- (i) of:
 - (i) either:
 - (A) such portion of the City of Dreams Site that shall comprise the Additional Hotel Site, or
 - (B) such portion of the Real Property of the City of Dreams Project Company required for construction, development or operation of the Additional Hotel (including such relevant portion of the podium as is comprised in the Additional Hotel); and
 - (ii) any construction or development in relation to, or buildings constituting, the Additional Hotel (including the Additional Hotel itself) together with any assets comprised in, relating to or derived from the Additional Hotel (such assets not being necessary to ensure the full benefit to the Group of and not being in any way comprised in the remainder of the Projects),

provided that neither any such Disposal nor any subsequent construction and development of the Additional Hotel (to the extent required to complete the Additional Hotel) shall in any material way adversely affect either the remainder of the City of Dreams Project or any interest of the Finance Parties therein or breach any applicable Legal Requirements;

- (j) (subject to the terms of the Finance Documents and **provided that** no Event of Default or Default is continuing or is likely to occur as a result of such waiver, variation, discharge, release or termination) comprised in the waiver, variation, discharge, release or termination of any contract or other document which (save to the extent it relates to an Excluded Project) is made in the ordinary course of business;
- (k) (subject to the terms of the Finance Documents and **provided that** no Event of Default or Default is continuing or is likely to occur as a result of such entry into or grant of such licence or similar arrangement) comprised in any licence or similar arrangement for the use of Intellectual Property or software and associated systems used or developed by any member of the Group in the ordinary course of business;
- (l) of any asset (other than (i) Cash or Cash Equivalent Investments, (ii) assets transferred to the Altira Project following the occurrence of an Altira Loss Event (save for any assets which have become comprised in the Altira Project as a result of the occurrence of the Altira Loss Event (as defined in Clause 10.1 (*Definitions*)), or (iii) Intellectual Property required in relation to the City of Dreams Project) comprised in the Altira Project (which, in each case, is not necessary to ensure the full benefit to the Relevant Obligors of, nor is in any way part of, the City of Dreams Project) (the “**Altira Assets**”) and of all the shares in the Altira Project Operating Company and/or the Altira Project Company (provided that, in each case, its only assets are Altira Assets) following the occurrence of an Altira Loss Event and the making of the mandatory prepayment in respect thereof contemplated by Clause 10 (*Mandatory Prepayment*) **provided that** such Disposal neither involves nor permits any claim, interest, liability, right of recourse of any kind in connection therewith against or in any member of the Group or its assets, including the City of Dreams Project, other than to the extent of any Disposal proceeds therefrom and **further provided that** no Event of Default or Default is continuing or is likely to occur as a result of such Disposal;
- (m) a disposal of any asset which is not a Core Asset by a member of the Group to:
 - (i) another member of the Group;
 - (ii) a member of the MPEL Group which is not a member of the Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to disposal, if determined on a pro forma basis after giving effect to such disposal would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*) and no Material Default has occurred which is continuing or would result therefrom; or
 - (B) where:
 - (1) such disposal is entered into on arm’s length terms (or better, for the relevant member of the Group);
 - (2) the value of such disposal does not exceed the Annual Basket; and
 - (3) no Material Default has occurred which is continuing or would result from such Disposal;

- (iii) a person who is not a member of the Group or the MPEL Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such disposal, if determined on a pro forma basis after giving effect to the disposal would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);
 - (B) such disposal is made on arm's length terms (or better, for the relevant member of the Group); and
 - (C) no Default has occurred which is continuing or would result therefrom; and
- (n) of any Core Asset by a member of the Group (the "**Disposing Company**") to another member of the Group (the "**Acquiring Company**"), but if:
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (ii) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company;
- (o) in addition to other Disposals permitted above, of assets at fair market value for valuable cash consideration not in excess of USD15,000,000 (or its equivalent in any other currency or currencies) in the aggregate in any Financial Year; and
- (p) not falling within any of the above paragraphs but made with the prior written consent of the Agent such consent not to be unreasonably withheld or delayed,

provided that, for the avoidance of doubt, no Disposal of a Core Asset (other than pursuant to paragraphs (l), (n) or (p) above shall be a Permitted Disposal.

"Permitted Distribution" means:

- (a) the making of a Distribution to the Company or any member of the Group; and
- (b) the payment of a Distribution by the Parent or the payment by any member of the Group of any management, advisory or other fee to or for the order of any Sponsor Group Shareholder or any Affiliate thereof which is not a member of the Group **provided that**:
 - (i) no Default has occurred which is continuing; and
 - (ii) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such payment, if determined on a pro forma basis after giving effect to such payment would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*); and

- (c) the payment of a dividend by the Parent or the payment by any member of the Group of any management, advisory or other fee to or for the order of any Sponsor Group Shareholder or any Affiliate thereof which is not a member of the Group **provided that** such payment is made or derived from Excluded Project Revenues or proceeds of the disposal of any right, title, asset, benefit or interest comprised in, relating to or derived from the Excluded Project Revenues, Excluded Projects, Excluded Project Agreements or Excluded Subsidiaries (to the extent permitted pursuant to the Finance Documents) which do not form part of, and (other than in the case of Excluded Project Revenues) which are not necessary to ensure the full benefit to the Group of the Projects and which may be applied for such purpose under (and are not required for any other purpose contemplated by) any Excluded Project Agreement, (if requested by the Agent) as certified by the Company to the Agent.

Where amounts which are available to make a Permitted Distribution have been used for other purposes permitted under this Agreement (including making Permitted Loans) the amount of such Permitted Distributions that may be made using such amounts shall be reduced *pro tanto*.

“**Permitted Financial Indebtedness**” means Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) arising under the Subconcession Bank Guarantee Facility Agreement or any Sponsor Group Loan or Subordinated Debt, subject always to the terms of this Agreement, the Deed of Priority and the Subordination Deed;
- (c) arising under a Permitted Loan or a Permitted Guarantee or as permitted by Clause 25.31 (*Hedging and Treasury Transactions*);
- (d) under finance or capital leases of vehicles, plant, equipment or computers, **provided that** the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed USD10,000,000 (or its equivalent in other currencies) at any time;
- (e) incurred to a bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets **provided that:**
- (i) if the provider of such Financial Indebtedness proposes to share in the benefit of any of the Transaction Security or any other Security over the Charged Property, the Relevant Obligors and the provider of such Financial Indebtedness have (prior to the incurrence of that Financial Indebtedness) entered into an intercreditor agreement (in form and substance satisfactory to the Majority Lenders (acting reasonably)) with the Agent and the Relevant Obligors and the provider of such Financial Indebtedness have provided to the Agent any other documentation and other evidence required by the Agent (acting reasonably) in connection therewith (in form and substance satisfactory to the Agent); and
- (ii) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to the incurrence of such Financial Indebtedness, if determined on a *pro forma* basis after giving effect to the creation, assumption, incurrence or sufferance to exist of such Financial Indebtedness (when taken together with all such other Financial Indebtedness of the Relevant Obligors permitted pursuant to this paragraph (e) would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);

- (f) arising under current trade receivables and payables between members of the Group and members of the MPEL Group or Sponsor Group Shareholders arising in the ordinary course of business; and
- (g) not permitted by the preceding sub-paragraphs or as a Permitted Transaction and the outstanding amount of which does not exceed USD100,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

“**Permitted Guarantee**” means:

- (a) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;
- (b) any guarantee permitted under Clause 25.23 (*Financial Indebtedness*);
- (c) any guarantee reimbursement obligations under the Subconcession Bank Guarantee Facility in an aggregate amount not exceeding MOP550,000,000;
- (d) any guarantees for the arrangement of cash or deposit collateral for any Land Concession;
- (e) the endorsement of negotiable instruments in the ordinary course of trade;
- (f) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (d) of the definition of Permitted Security;
- (g) any guarantee given by any Bond Guarantor in respect of the Bond;
- (h) any guarantee or other payment undertaking given by a member of the Group in connection with any obligations of a participant in or direct or indirect owner of an Excluded Project (or any financing thereof) where such guarantee or other payment undertaking is collateral to any Security permitted pursuant to paragraph (q) of the definition of Permitted Security set out in this Clause 1.1 (*Definitions*) and **provided that** any recourse under such guarantee or other payment undertaking is limited to the value of such Security; and
- (i) a guarantee given by a member of the Group for Financial Indebtedness incurred by:
 - (i) another member of the Group;
 - (ii) a member of the MPEL Group which is not a member of the Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such guarantee, if determined on a pro forma basis after giving effect to such guarantee would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*) and no Material Default has occurred which is continuing or would result therefrom; or
 - (B) where:
 - (1) such guarantee is given on arm’s length terms (or better, for the relevant member of the Group);
 - (2) the value of such guarantee does not exceed the Annual Basket; and
 - (3) no Material Default has occurred which is continuing or would result therefrom;

- (iii) a person who is not a member of the Group or the MPEL Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such guarantee, if determined on a pro forma basis after giving effect to such guarantee would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);
 - (B) such guarantee is given on arm's length terms (or better, for the relevant member of the Group); and
 - (C) no Default has occurred which is continuing or would result therefrom;
- (j) any guarantee not permitted by any of the preceding sub-paragraphs and the outstanding principal amount of which does not exceed USD20,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"Permitted Investments" means:

- (a) securities issued, or directly and fully guaranteed or insured, by the United States government or any agency or instrumentality of the United States government (as long as the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than nine months from the date of acquisition;
- (b) securities issued, or directly and fully guaranteed or insured, by the government of the Hong Kong SAR or any agency or instrumentality of the government of the Hong Kong SAR (as long as the full faith and credit of the Hong Kong SAR is pledged in support of those securities) having maturities of not more than nine months from the date of acquisition;
- (c) interest-bearing demand or time deposits (which may be represented by certificates of deposit) issued by Acceptable Banks or, if not issued by Acceptable Banks, secured at all times, in the manner and to the extent provided by law, by collateral security in paragraph (a) or (b) above, of a market value of no less than the amount of monies so invested;
- (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (a), (b) and (c) above entered into with any financial institution meeting the qualifications specified in paragraph (c) above;
- (e) commercial paper having a rating of A-2 or P-2 from S&P or Moody's respectively and in each case maturing within nine months after the date of acquisition;
- (f) any investment in money market funds which (i) have a credit rating of either A-2 or higher by Standard & Poor's Rating Services or F2 or higher by Fitch Ratings Ltd or P-2 or higher by Moody's Investor Services Limited, (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (e) above and (iii) can be turned into cash on not more than 30 days' notice; and
- (g) any other debt security approved by the Majority Lenders.

“Permitted Loan” means:

- (a) any trade credit extended by any member of the Group to its customers (including patrons of any casino or gaming business comprised in a Project or an Excluded Project) on normal commercial terms, in the ordinary course of its trading activities and **provided always that** such extensions of credit (i) comply with all applicable Legal Requirements (including any such Legal Requirements concerning money lending in any jurisdiction in which an Account is situate) and (ii) do not involve the payment of Cash to any such customer by such member of the Group;
- (b) any loan made to an Obligor for the purposes of enabling an Obligor to meet its payment obligations under the Finance Documents;
- (c) a loan made by a member of the Group to:
 - (i) another member of the Group;
 - (ii) a member of the MPEL Group which is not a member of the Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such loan, if determined on a pro forma basis after giving effect to such loan would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*) and no Material Default has occurred which is continuing or would result therefrom; or
 - (B) where:
 - (1) such loan is made on arm’s length terms (or better, for the relevant member of the Group);
 - (2) the value of such loan does not exceed the Annual Basket; and
 - (3) no Material Default has occurred which is continuing or would result therefrom;
 - (iii) a person who is not a member of the Group or the MPEL Group, provided that:
 - (A) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to making such loan, if determined on a pro forma basis after giving effect to such loan would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);
 - (B) such loan is made on arm’s length terms (or better, for the relevant member of the Group); and
 - (C) no Default has occurred which is continuing or would result therefrom;

- (d) any loan made by an Obligor to an Excluded Subsidiary, any other participant in, or direct or indirect owner of, an Excluded Project or a Joint Venture relating to an Excluded Project using the proceeds of Equity or any amount that is available for the making of a Permitted Distribution under paragraph (b) of such definition (all requirements to such Permitted Distribution (as set out in such definition) being made being satisfied) **provided that** any such loan made using the proceeds of Equity may only be made if:
- (A) such proceeds of Equity are not required for any other purpose under this Agreement or any other Finance Document or in connection with any of the Projects; and
 - (B) no Event of Default or Default is continuing or is likely to occur as a result of making any such loan),
- or any other amounts deriving from Excluded Project Revenues, Excluded Projects, Excluded Project Agreements or Excluded Subsidiaries or proceeds of the disposal of any right, title, asset, benefit or interest comprised in, relating to or derived from Excluded Project Revenues, Excluded Projects, Excluded Project Agreements or Excluded Subsidiaries (to the extent permitted pursuant to the Finance Documents) which, in each case, are permitted to be so applied in such manner under (and are not required for any other purpose contemplated by) any Excluded Project Agreement; or
- (e) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed USD10,000,000 (or its equivalent in other currencies) at any time; or
- (f) any loan not permitted by any of the preceding paragraphs so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed USD25,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

“Permitted Payment” means:

- (a) a scheduled payment of fees, commission or interest under the Subconcession Bank Guarantee Facility Agreement **provided that** such payment shall not exceed MOP10,000,000 per annum;
- (b)
- (i) a scheduled interest payment under any Sponsor Group Loan or any payment of any amounts payable under or in respect of the Bondco Intercompany Note **provided that**:
 - (A) no Default has occurred which is continuing; and
 - (B) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such payment, if determined on a pro forma basis after giving effect to such payment would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*); and

- (ii) any payment or prepayment in respect of a Sponsor Group Loan or any payment of any amounts payable under or in respect of the Bondco Intercompany Note **provided that** such payment is made or derived from Excluded Project Revenues which are permitted to be applied for such purpose (and are not required for any other purpose contemplated) by any Excluded Project Agreement (and which do not form part of any Project), amounts available for application towards payment of a Permitted Distribution (including any amounts referred to in paragraph (d) of the definition thereof) which may otherwise be used for this purpose and Equity, **and provided further that** in respect of a payment or prepayment made using Equity:
 - (A) such payment or prepayment may only be made within 30 days of the delivery of a Compliance Certificate showing that the provisions of Clause 24 (*Financial Covenants*) are being (and, following such payment, would continue to be) complied with;
 - (B) such Equity is not required for any other purpose under this Agreement or any other Finance Document or in connection with any of the Projects; and
 - (C) no Event of Default or Default is continuing or is likely to occur as a result of making any such payment or prepayment;
- (iii) a payment of fees, costs and other expenses associated with the Facilities **provided that** such payment is made as further described in the Funds Flow Memorandum; and
- (c) a repayment of Sponsor Group Loans in an aggregate amount not exceeding USD304,616,000 (or its equivalent in other currencies) **provided that** such Sponsor Group Loans were made and used for the purposes referred to in paragraph (c) of the definition of “**Permitted Payment**” set out in clause 1.1 (*Definitions*) of the Senior Facilities Agreement (as such term is defined in the Second Amendment and Restatement Agreement) and **further provided that** such repayment is funded from amounts available for the making of a Permitted Distribution pursuant to paragraph (b) of the definition of Permitted Distribution set out in Clause 1.1 (*Definitions*) of this Agreement.

Where amounts which are available to make a Permitted Payment have been used for other purposes permitted under this Agreement the amount of such Permitted Payments that may be made using such amounts shall be reduced *pro tanto*.

“**Permitted Security**” means:

- (a) any Security which is to be irrevocably discharged or released in full by an Obligor on the date of first Utilisation under this Agreement;
- (b) any Transaction Security or Security permitted under the Finance Documents;
- (c) any lien arising or subsisting by operation of law and in the ordinary course of day-to-day business and not as a result of any default or omission by any member of the Group;

- (d) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as:
 - (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of persons which are not Obligors; and
 - (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of persons which are not Obligors;
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group **provided that** the aggregate value of all assets subject to any such Security shall not exceed USD10,000,000 (or its equivalent in other currencies);
- (f) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;
- (g) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph (d) of the definition of "Permitted Financial Indebtedness";
- (h) any Security created in favour of a plaintiff or defendant in any proceedings as security for costs or expenses;
- (i) any Security securing unpaid Taxes and arising by law but only if such unpaid taxes are contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets are available to pay the amount of those unpaid Taxes;
- (j) any Security over goods, documents of title to goods and related documents and insurances and their proceeds to secure liabilities of any member of the Group in respect of a letter of credit, trust receipts, import loans or shipping guarantees issued or granted for all or part of the purchase price and costs of shipment, insurance and storage of goods acquired by a member of the Group in the ordinary course of trading;
- (k) easements, rights-of-way, restrictions, encroachments, and other similar Security or Quasi-Security and other minor defects and irregularities in title, incurred in the ordinary course of business;
- (l) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Security arising in the ordinary course of day-to-day business for amounts which are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate measures;
- (m) Security in favour of customs and revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods in the ordinary course of trading;
- (n) any Security or deposits in connection with workers' compensation, unemployment insurance and other social security legislation of all applicable laws **provided that** such Security is contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets are available to discharge such Security;
- (o) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any Relevant Property and any Relevant Property Easements;

- (p) any Security of cash collateral required in respect of Permitted Guarantees for Subconcession and Land Concession;
- (q) any Security over any assets (**provided that**, any such right, title, asset, benefit or interest was acquired, where acquired using Obligors' Revenues, using only monies not required to be applied for other purposes under the Finance Documents) or revenues, to the extent that they (in each case) are comprised in, relate to or derive from any Excluded Project Agreement, Excluded Project, Excluded Project Revenues or Excluded Subsidiary or any right, title, asset, benefit or interest in respect thereof or comprised therein and, in each case, such assets form no part of, nor are (other than in the case of Excluded Project Revenues) in any way necessary to ensure the full benefit to the Group of, any Project and are (in each case) permitted to be dealt with in such manner under (and are not required for any other purpose contemplated by) any Excluded Project Agreement;
- (r) any sharing of the Transaction Security or the granting, creating or sharing in any other Security over the Charged Property where that granting, creating or sharing is required for the purposes of incurring the Financial Indebtedness referred to in paragraph (d)(i) of the definition of "Permitted Financial Indebtedness" set out in this Clause 1.1 (*Definitions*); and
- (s) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under the preceding paragraphs) does not exceed USD100,000,000 (or its equivalent in other currencies);

"Permitted Share Issue" means an issue of shares by a member of the Group to another member of the Group where (if the existing shares of the Subsidiary are the subject of Transaction Security) the newly-issued shares also become subject to Transaction Security on the same terms and the relevant member of the Group to which the shares are issued if not already a Relevant Obligor becomes a Relevant Obligor (except that up to a maximum of 10% of the shareholding of the Company from time to time may be issued to the Managing Director where such new-issued shares are also subject to the Transaction Security on the same terms as the existing shares in the Company issued to the Managing Director).

"Permitted Transaction" means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents;
- (b) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms (or better, for the relevant member of the Group);
- (c) any payments for goods and services under a Service Agreement or Affiliate Agreement **provided that** any such payment is in an amount not exceeding the actual, arm's length cost (or better, for the relevant member of the Group) of such goods and services paid by the supplier plus a margin of not more than five per cent or (where any applicable Legal Requirement stipulates that a margin higher than five per cent must be charged pursuant to such Service Agreement or Affiliate Agreement in such circumstances (such margin being the **"Specified Margin"**)) the lesser of the Specified Margin and ten per cent;

- (d) any Permitted Share Issue;
- (e) any Bond Guarantee;
- (f) any loan or other payment made pursuant to or in connection with the Bondco Intercompany Note; or
- (g) the entry by any member of the Group into, and the performance of its obligations under, any agreement which relates to the supply of goods or services to an Excluded Project with any Excluded Subsidiary or other person outside the Group where such agreement is entered into and performed in the ordinary course of trading of that member of the Group and on arm's length terms (or better, for the relevant member of the Group).

“**Pledge of Enterprise**” means each of the pledge of enterprises described at paragraphs 35-48 of Schedule 8 (*Transaction Security Documents*).

“**Pledge over Gaming Equipment and Utensils**” means the pledge over gaming equipment and utensils dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as pledgor and the Security Agent, as described at paragraph 117 of Schedule 8 (*Transaction Security Documents*).

“**POA Agent**” has the meaning given in the Deed of Priority.

“**Project**” means:

- (a) the City of Dreams Project;
- (b) the Altira Project; or
- (c) any gaming, hotel or resort related business, development, project, undertaking or venture designated as a “Project” by the Company and agreed to by the Agent (acting on the instructions of the Majority Lenders).

“**Project Company**” means:

- (a) in the case of the City of Dreams Project, Melco Crown (COD) Developments Limited or such other Relevant Obligor that owns the Real Property comprising the City of Dreams Project (the “**City of Dreams Project Company**”);
- (b) in the case of the Altira Project, Altira Developments Limited or such other Relevant Obligor that owns the Real Property comprising the Altira Project (the “**Altira Project Company**”); or
- (c) in the case of any other Project, such person or Relevant Obligor that owns the Real Property comprising that Project.

“**Project Operating Company**” means:

- (a) in the case of the City of Dreams Project, Melco Crown (COD) Hotels Limited or such other Relevant Obligor that operates the City of Dreams Project (the “**City of Dreams Project Operating Company**”);
- (b) in the case of the Altira Project, Altira Hotel Limited or such other Relevant Obligor that operates the Altira Project (the “**Altira Project Operating Company**”); or
- (c) in the case of any other Project, such person or Relevant Obligor that operates that Project.

“Projections” means the projections for 2015 delivered by the Company to the Agent prior to the Second Amendment and Restatement Effective Date.

“Properties” means the land described in the Land Concessions, and any other Real Property acquired by a Relevant Obligor after the date of this Agreement. A reference to a **“Property”** is a reference to any of the Properties.

“Quarter Date” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Quarterly Financial Statements” has the meaning given to that term in Clause 23.3 (*Definitions*).

“Quasi-Security” has the meaning given to that term in Clause 25.16 (*Negative pledge*).

“Quotation Date” means, in relation to any period for which an interest rate is to be determined:

- (a) for the Base Currency, the first day of that period; and
- (b) for any Optional Currency, two Business Days prior to the first day of that period.

“Real Property” means:

- (a) any freehold, leasehold or immovable property, including the land described in the Land Concessions and the Occupational Leases relating to the Mocha Slot Business, and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property.

“Receiver” means a receiver, receiver and manager, administrative receiver or analogous person in any Relevant Jurisdiction of the whole or any part of the Charged Property.

“Reference Banks” means:

- (a) in relation to HIBOR, such banks as may be appointed by the Agent in consultation with the Company from time to time; and
- (b) in relation to LIBOR, such banks as may be appointed by the Agent in consultation with the Company from time to time.

“Related Fund”, in relation to a fund (the **“first fund”**), means a fund which is managed or advised by the same investment manager or adviser or an Affiliate thereof as the first fund.

“Related Party” means:

- (a) any controlling stockholder, 80% (or more) owned Subsidiary, or immediate family member (in the case of an individual) of any Sponsor; or
- (b) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or persons beneficially holding an 80% or more controlling interest of which consist of any one or more Sponsors and/or such other persons referred to in the immediately preceding paragraph (a).

“Relevant Interbank Market” means, in relation to HK dollars, the Hong Kong interbank market and in relation to US dollars or Yen, the London interbank market.

“Relevant Jurisdiction” means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

“Relevant Obligors” means the Obligors other than the Managing Director.

“Relevant Period” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“Relevant Property” means the City of Dreams Site or the Altira Site and, in respect of a “Project” designated under this Agreement, any other property which is designated as a “Relevant Property” by the Company and agreed to by the Agent (acting on instructions of the Majority Lenders).

“Relevant Property Easement” means in relation to any Relevant Property, the easements appurtenant, easements in gross, licence agreements and other rights running for the benefit of the Project Company and/or appurtenant to the Relevant Property.

“Repayment Date” means each of the dates specified in Clause 8.1 (*Term Loan Facility*) as Repayment Dates.

“Repayment Instalment” means each instalment for repayment of the Loans under the Term Loan Facility referred to in Clause 8.1 (*Term Loan Facility*).

“Repeating Representations” means each of the representations set out in Clause 22 (*Representations*) other than Clause 22.11 (*No filing or stamp taxes*), Clause 22.12 (*Deduction of Tax*), paragraphs (a) to (f) of Clause 22.15 (*No Misleading Information*) and paragraphs (d) and (e) of Clause 22.16 (*Financial Statements*).

“Restricted Party” means any person listed:

- (a) in the Annex to the Executive Order (as defined in the definition of “Anti-Terrorism Law” set forth above in this Clause 1.1 (*Definitions*));
- (b) on the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC; or
- (c) in any successor list to either of the foregoing.

“Revenues” means all Group income and receipts, including those derived from the ownership, operation or management of the Projects or any other business of the MPEL Group, including payments received by any Relevant Obligor under any Material Document, net payments, if any, received under Hedging Agreements, Liquidated Damages, Insurance Proceeds, together with any receipts derived from the sale or disposal of rights of any other property pertaining to the Projects or the business of the MPEL Group or incidental to the operation or management of the Projects or the business of the MPEL Group, all as determined in conformity with cash accounting principles, and the proceeds of any condemnation awards relating to any Project or the business of the MPEL Group.

“Revolving Credit Facility” means the revolving credit facility made available pursuant to this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

“Revolving Credit Facility Commitment” means:

- (a) in relation to an Original Lender, the aggregate amounts in the Base Currency set opposite its name under the heading “Revolving Credit Facility Commitment” in Part B of Schedule 1 (*Original Parties*) and the amount of any other Revolving Credit Facility Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Revolving Credit Facility Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“Revolving Credit Facility Lender” means:

- (a) a lender identified as such in Part B of Schedule 1 (*Original Parties*); or
- (b) any person, bank, financial institution, trust, fund or other entity which has become a Party as a Lender:
 - (i) under the Revolving Credit Facility in accordance with Clause 27 (*Changes to the Lenders*); or
 - (ii) under an Incremental Revolving Credit Facility in accordance with Clause 7 (*Incremental Facilities*),

which, in each case, has not ceased to be a Party in accordance with the terms of this Agreement, an Incremental Facility Document.

“Revolving Credit Facility Loan” means:

- (a) an Incremental Revolving Credit Facility Loan; or
- (b) a loan made or to be made under the Revolving Credit Facility or the principal amount outstanding for the time being of that loan.

“Rollover Loan” means one or more Revolving Credit Facility Loans:

- (a) made or to be made on the same day that a maturing Revolving Credit Facility Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Revolving Credit Facility Loan;
- (c) in the same currency as the maturing Revolving Credit Facility Loan; and
- (d) made or to be made to the same Borrowers for the purpose of refinancing a maturing Revolving Credit Facility Loan.

“Screen Rate” means:

- (a) in relation to HIBOR, the rate designated as “FIXING@11:00” (or any other designation which may from time to time replace that designation or, if no such designation appears, the arithmetic average (rounded upwards, to four decimal places) of the displayed rates for the relevant period) appearing under the heading “HONG KONG INTERBANK OFFERED RATES (HK DOLLAR)” for the relevant period on the Reuters Screen HIBOR1=R Page; and
- (b) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate);

and if the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

“**SEC**” means the United States Securities and Exchange Commission or any successor thereto.

“**Second Amendment and Restatement Agreement**” means the second amendment and restatement agreement dated 2015 between, amongst others, the Agent and the Company.

“**Second Amendment and Restatement Effective Date**” means the “Effective Date” as defined in the Second Amendment and Restatement Agreement.

“**Secured Obligations**” has the meaning given in the Deed of Appointment.

“**Secured Parties**” has the meaning given in the Deed of Appointment.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Selection Notice**” means a notice substantially in the form set out in Part B of Schedule 3 (*Requests*) given in accordance with Clause 13 (*Interest Periods*) in relation to a Facility.

“**Service Agreement**” means any of:

- (a) the services agreement dated 1 January 2007 and made between Melco Crown (Macau) Limited and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (b) the services agreement dated 1 January 2007 and made between Altira Hotel Limited and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (c) the services agreement dated 1 January 2007 and made between Altira Developments Limited (under its former name of Great Wonders Investments Limited) and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (d) the services agreement dated 1 January 2007 and made between Melco Crown (COD) Developments Limited (under its former name Melco Hotels and Resorts (Macau) Limited) and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (e) the services agreement dated 29 May 2007 and made between Melco Crown (COD) Hotels Limited and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (f) the services agreement dated 1 January 2007 and made between MPEL Investments Limited and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (g) the services agreements dated 1 January 2007 and made between Melco Crown Entertainment Limited (formerly known as Melco PBL Entertainment (Macau) Limited) and the Company;

- (h) the services agreement dated 29 May 2007 and made between Melco Crown (Cafe) Services Limited and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (i) the services agreement dated 29 May 2007 and made between Golden Future (Management Services) Limited (formerly known as Melco PBL Services (Macau) Limited) and MPEL Services Limited (formerly named Melco PBL Services Limited);
- (j) the services agreement dated 1 June 2008 and made between Melco Crown Hospitality and Services Limited and MPEL Services Limited;
- (k) the services agreement dated 5 August 2008 and made between Melco Crown (COD) Retail Services Limited and MPEL Services Limited;
- (l) the services agreement dated 5 August 2008 and made between Melco Crown (COD) Ventures Limited and MPEL Services Limited;
- (m) the services agreement dated 27 October 2009 and made between Melco Crown (Macau) Limited and Melco Crown Security Services Limited;
- (n) the services agreement dated 27 October 2009 and made between Golden Future (Management Services) Limited and Melco Crown Security Services Limited;
- (o) the services agreement dated 27 October 2009 and made between Altira Hotel Limited and Melco Crown Security Services Limited;
- (p) the services agreement dated 27 October 2009 and made between Melco Crown (COD) Hotels Limited and Melco Crown Security Services Limited; and
- (q) the services agreement dated 25 March 2010 and made between Golden Future (Management Services) Limited and MPEL Properties (Macau) Limited,

and any other agreement which a member of the Group may enter into from time to time with an Affiliate outside the Group for the supply of goods or services as permitted pursuant to this Agreement.

“**Sponsor Group Loans**” means Financial Indebtedness advanced by one or more of the Sponsor Group Shareholders to a Relevant Obligor and that is subordinated in accordance with the terms provided by the Subordination Deed.

“**Sponsor Group Shareholder**” means any direct or indirect shareholder of the Parent which is a Sponsor, a Subsidiary of a Sponsor or which would be a Subsidiary of a Sponsor were the rights and interests of each Sponsor in respect thereof combined.

“**Sponsors**” means MPEL, Melco and Crown and “**Sponsor**” means each of them.

“**Standard & Poor’s**” or “**S&P**” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc..

“**Subconcession**” means the trilateral agreement dated 8 September 2006 entered into by and between Macau SAR, Wynn Resorts (Macau), S.A. (“**Wynn Macau**”) (as concessionaire for the operation of casino games of chance and other casino games in the Macau SAR, under the terms of a concession contract dated 24th June 2002 between the Macau SAR and Wynn Macau) and the Company comprising a set of instruments from which shall flow an integrated web of rights, duties and obligations by and for all and each of the Macau SAR, Wynn Macau and the Company (the nominative administrative contract known as the subconcession contract for the operation of casino games of chance and other casino games in the Macau SAR, executed by Wynn Macau and the Company, to be the most significant instrument thereof), pursuant to the terms of which the Company shall be entitled to operate casino games of chance and other casino games in the Macau SAR as an autonomous subconcessionaire in relation to Wynn Macau, and including any supplemental letters or agreements entered into or issued by Macau SAR and any member of Group or MPEL.

“**Subconcession Bank Guarantee**” means the bank guarantee provided under article 61 of the Subconcession.

“**Subconcession Bank Guarantee Facility**” means the facility extended to the Company by the Subconcession Bank Guarantor in accordance with the terms of the Subconcession Bank Guarantee Facility Agreement for the issuance of the Subconcession Bank Guarantee.

“**Subconcession Bank Guarantee Facility Agreement**” means the agreement dated 1 September 2006 between the Subconcession Bank Guarantor and the Company.

“**Subconcession Bank Guarantor**” means Banco Nacional Ultramarino, S.A.

“**Subconcession Direct Agreement**” means the agreement relating to security (with the exclusion of land concession and immovable property) in the agreed form to be entered into between the Macau SAR, the Company and the Security Agent.

“**Subordinated Creditor**” has the meaning given to it in the Subordination Deed;

“**Subordinated Debt**” means Financial Indebtedness owing to Subordinated Creditors (being Sponsor Group Shareholders and Obligors that are, in each case, Subordinated Creditors) that is subordinated in accordance with the terms provided in respect thereof by the Subordination Deed.

“**Subordination Deed**” means the subordination deed dated 13 September 2007 between, amongst others, the Company, certain Relevant Obligors and the Security Agent (as amended, novated, supplemented, extended, replaced or retained (in each case, however fundamentally) from time to time, including pursuant to the Deed of Amendment).

“**Subsidiary**” means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Super-Majority Lenders**” means a Lender or Lenders (and, after the occurrence and continuation of a Hedging Voting Right Event in relation to any Hedge Counterparty, that Hedge Counterparty) who hold in aggregate more than 75% of the Voting Entitlements of all such Finance Parties.

“**Syndication Date**” means the day on which the Coordinating Lead Arrangers and Bookrunners (or a Coordinating Lead Arranger and Bookrunner on behalf of the other Coordinating Lead Arrangers and Bookrunners) confirm that the general syndication of the Facilities has been completed.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Term Loan Facility**” means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

“**Term Loan Facility Commitment**” means:

- (a) in relation to an Original Lender, the aggregate of the amount set opposite its name under the heading “Term Loan Facility Commitment” in Part A of Schedule 1 (*Original Parties*) and the amount of any other Term Loan Facility Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Term Loan Facility Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Term Loan Facility Lender**” means:

- (a) a lender identified as such in Part A of Schedule 1 (*Original Parties*); or
- (b) any person, bank, financial institution, trust, fund or other entity which has become a Party as a Lender:
 - (i) under the Term Loan Facility in accordance with Clause 27 (*Changes to the Lenders*); or
 - (ii) under an Incremental Term Loan Facility in accordance with Clause 7 (*Incremental Facilities*),

which, in each case, has not ceased to be a Party in accordance with the terms of this Agreement or an Incremental Facility Document.

“**Term Loan Facility Loan**” means:

- (a) an Incremental Term Loan Facility Loan; or
- (b) a loan made or to be made under the Term Loan Facility or the principal amount outstanding for the time being of that loan.

“**Termination Date**” means, in relation to a Facility, the Final Repayment Date therefor.

“**Termination Proceeds**” means compensation or other proceeds paid by the Macau SAR in relation to the termination, redemption or rescission of the Subconcession.

“**Total Commitments**” means the aggregate of the Total Term Loan Facility Commitments and the Total Revolving Credit Facility Commitments at the Second Amendment and Restatement Effective Date.

“**Total Leverage**” has the meaning given to that term in Clause 24.1 (*Financial definitions*).

“**Total Revolving Credit Facility Commitments**” means the aggregate of the Revolving Credit Facility Commitments, being the Base Currency Amount of USD1,000,000,000 at the Second Amendment and Restatement Effective Date.

“**Total Term Loan Facility Commitments**” means the aggregate of the Term Loan Facility Commitments, being the Base Currency Amount of USD500,000,000 at the Second Amendment and Restatement Effective Date.

“**Transaction Documents**” means:

- (a) the Finance Documents;
- (b) the Constitutional Documents of each Relevant Obligor;
- (c) the Subconcession Bank Guarantee Facility Agreement; and
- (d) the Excluded Project Operation Agreements.

“**Transaction Security**” means the Security or other collateral created, evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means each of the documents listed as being a Transaction Security Document in Schedule 8 (*Transaction Security Documents*) together with any other document entered into by any Obligor or other person creating or expressed to create any Security or other collateral over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

“**Transfer Certificate and Lender Accession Undertaking**” means an agreement substantially in the form set out in Schedule 4 (*Form of Transfer Certificate and Lender Accession Undertaking*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to an assignment or transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement and Lender Accession Undertaking or Transfer Certificate and Lender Accession Undertaking; and
- (b) the date on which the Agent executes the relevant Assignment Agreement and Lender Accession Undertaking or Transfer Certificate and Lender Accession Undertaking.

“**Treasury Transactions**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**US**” and “**United States**” means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“**US Person**” means any person whose jurisdiction of organization is a state of the United States or the District of Columbia.

“**USA Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“**USD**”, “**US dollars**” or “**US\$**” denotes the lawful currency of the United States.

“**Utilisation**” means a utilisation of a Facility.

“**Utilisation Date**” means the date on which a Utilisation is made.

“**Utilisation Request**” means a notice substantially in the form set out in Part A of Schedule 3 (*Requests*).

“**Voting Entitlement**” means, at any time:

- (a) in relation to a Lender, the sum of the Base Currency Amounts of its participations in any outstanding Loans and its aggregate undrawn Available Commitments under the Facilities; and
- (b) in relation to each Hedge Counterparty (after a Hedge Voting Right Event has occurred in relation to such Hedge Counterparty and is continuing), the Base Currency Amount of any amount due but unpaid (other than default interest) under the Hedging Agreement to which such Hedge Counterparty is party following its early termination in accordance with the Hedging Agreement.

“**Voting Stock**” means, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

“**Yen**” or “**JPY**” denotes the lawful currency of Japan.

1.2

Construction

- (a) Unless a contrary indication appears a reference in this Agreement to:
 - (i) the “**Agent**”, an “**Arranger**”, any “**Finance Party**”, any “**Lender**”, any “**Hedge Counterparty**”, any “**Obligor**”, any “**Party**”, any “**Secured Party**”, the “**Security Agent**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) a document in “**agreed form**” is a document which is in a form previously agreed in writing by or on behalf of the Company and the Agent or, if not so agreed, is in the form specified by the Agent;
 - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
 - (iv) a “**Finance Document**” or a “**Transaction Document**” or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, however fundamentally);
 - (v) “**guarantee**” means (other than in Clause 21 (*Guarantee And Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (vi) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

- (vii) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;
 - (viii) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (ix) an “**equivalent amount in other currencies**”, “**equivalent amount in HKD**”, “**equivalent amount in USD**” or “**its equivalent**” means, in relation to an amount in one currency, that amount converted on any relevant date into the relevant currency, HKD or USD (as the case may be) at the Agent’s Spot Rate of Exchange on that date;
 - (x) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xi) a time of day is a reference to Hong Kong time.
- (b) Any reference to the Agent “acting reasonably” shall, to the extent that the Agent seeks instructions from the Lenders or a group of Lenders in respect of any matter, be construed so as to require the Lenders or that group of Lenders to act reasonably in respect of that matter.
 - (c) Section, Clause and Schedule headings are for ease of reference only.
 - (d) Unless a contrary indication appears, (i) a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement; and (ii) the word “including” shall be construed as “including without limitation” (and cognate expressions shall be construed similarly).
 - (e) A Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived, save that, in respect of an Event of Default under Clause 26.1 (*Non-payment*) which occurs as a result of a Lender of a maturing Revolving Credit Facility Loan not making an equivalent Rollover Loan available on a proposed Utilisation Date pursuant to the operation of Clause 4.2 (*Further conditions precedent*), such Event of Default is “**continuing**” if it has not been waived or remedied by that Lender being repaid such Revolving Credit Facility Loan in full (together with all accrued interest and other amounts payable to that Lender pursuant to the Finance Documents) by the Company by the date falling no later than 3 Business Days from that proposed Utilisation Date.

1.3 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of any Finance Document.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

Other Definitions

In any other Finance Document:

“Hard Rock Agreement” means:

- (a) the hotel trademark licence agreement dated 22 January 2007 between Hard Rock Holdings Limited and Melco Crown (COD) Developments Limited (as novated to Melco Crown COD (HR) Hotel Limited by a novation agreement dated 30 August 2008 between Hard Rock Holdings Limited, Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited);
- (b) the casino trademark licence agreement dated 22 January 2007 between Hard Rock Holdings Limited and the Company;
- (c) the memorabilia lease (hotel) dated 22 January 2007 between Hard Rock Cafe International (STP), Inc. and Melco Crown (COD) Developments Limited (as novated to Melco Crown COD (HR) Hotel Limited by a novation agreement dated 30 August 2008 between Hard Rock Cafe International (STP), Inc., Melco Crown (COD) Developments Limited and Melco Crown COD (HR) Hotel Limited);
- (d) the memorabilia lease (casino) dated 22 January 2007 between Hard Rock Cafe International (STP), Inc. and the Company;
- (e) the letter agreement in relation to insurance for memorabilia for Hard Rock Hotel and Casino in Macau SAR dated 30 August 2008 between Melco Crown (COD) Developments Limited, the Company, Hard Rock Cafe International (STP), Inc. and Melco Crown COD (HR) Hotel Limited; and
- (f) the non-disturbance agreement dated 30 August 2008 between Melco Crown (COD) Developments Limited, Melco Crown (COD) Hotels Limited, Hard Rock Holdings Limited and Melco Crown COD (HR) Hotel Limited.

“Hyatt Agreement” means:

- (a) the Hotel Management Agreement in respect of Grand Hyatt Macau dated 30 August 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd.;
- (b) the non-disturbance agreement dated 30 August 2008 between Hyatt of Macau Ltd., Melco Crown (COD) Developments Limited, Melco Crown (COD) Hotels Limited and Melco Crown COD (GH) Hotel Limited; and
- (c) the letter agreement dated 30 August 2008 between Hyatt of Macau Ltd., Melco Crown (COD) Developments Limited, Melco Crown (COD) Hotels Limited and Melco Crown COD (GH) Hotel Limited.

“IP Agreement” means:

- (a) Trade Mark Licence Agreement dated 30 November 2006 between Melco Crown Entertainment Limited and Crown Resorts Limited (formerly known as Crown Limited);
- (b) Trade Mark Sub-Licence Agreement dated 9 February 2007 between Melco Crown Entertainment Limited and Melco Crown (Macau) Limited;
- (c) Trade Mark Sub-Licence Agreement dated 9 February 2007 between Melco Crown Entertainment Limited and Altira Hotel Limited;

- (d) Trademark Licence Agreement dated 18 August 2008 between Melco Crown Entertainment Limited and MPEL Services Limited;
- (e) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (Macau) Limited;
- (f) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (COD) Hotels Limited;
- (g) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown COD (HR) Hotel Limited;
- (h) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (Cafe) Limited;
- (i) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown COD (CT) Hotel Limited;
- (j) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (COD) Developments Limited;
- (k) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (COD) Retail Services Limited;
- (l) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown (COD) Ventures Limited;
- (m) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and COD Theatre Limited;
- (n) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown COD (GH) Hotel Limited;
- (o) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Altira Hotel Limited (formerly known as Melco Crown (CM) Hotel Limited);
- (p) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Melco Crown Hospitality and Services Limited;
- (q) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Golden Future (Management Services) Limited;
- (r) Trade Mark Sub-Licence Agreement dated 18 August 2008 between MPEL Services Limited and Altira Developments Limited (formerly known as Melco Crown (CM) Developments Limited);
- (s) Trade Mark Sublicense Agreement dated 21 August 2008 between Melco Crown Entertainment Limited and Melco Crown Hospitality and Services Limited;
- (t) Trade Mark Sublicense Agreement dated 21 August 2008 between Melco Crown Entertainment Limited and Melco Crown (COD) Hotels Limited;
- (u) Trade Mark Sublicense Agreement dated 21 August 2008 between Melco Crown Entertainment Limited and Melco Crown COD (CT) Hotel Limited;
- (v) Altira Trade Mark Licence Agreement dated 15 April 2009 between Melco Crown Entertainment Limited and MPEL Services Limited;

- (w) Altira Trade Mark Sub-Licence Agreement dated 15 April 2009 between MPEL Services Limited and Melco Crown (Macau) Limited; and
- (x) Altira Trade Mark Sub-Licence Agreement dated 15 April 2009 between MPEL Services Limited and Altira Hotel Limited (formerly known as Melco Crown (CM) Hotel Limited).

“Major Project Document” means:

- (a) each Hyatt Agreement;
- (b) each Hard Rock Agreement;
- (c) each Mocha Lease;
- (d) each IP Agreement; and
- (e) any other document (other than the Subconcession, each Land Concession or the New Cotai Agreement) entered into by a Relevant Obligor on or prior to the First Amendment and Restatement Effective Date with a total contract price payable by a Relevant Obligor (or expected aggregate amount to be paid by a Relevant Obligor in the case of “cost plus” contracts) or which may otherwise involve liabilities, actual or contingent, incurred by a Relevant Obligor or a grant or disposal of a property interest, in each case in an amount or of a value in excess of USD50,000,000 or its equivalent in other currencies,

each as the same may be amended from time to time in accordance with the terms and conditions of this Agreement and thereof.

“Mocha Lease” means any Occupational Lease entered into in connection with the Mocha Slot Business prior to the Second Amendment and Restatement Effective Date.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrowers term loan and revolving credit facilities in the aggregate Base Currency Amount of USD1,750,000,000 which may be utilised by means of the following:

- (a) a HKD term loan facility in an aggregate amount equal to the Total Term Loan Facility Commitments; and
- (b) a multicurrency revolving credit facility in an aggregate amount equal to the Total Revolving Credit Facility Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' Agent

- (a) Each Relevant Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Relevant Obligor notwithstanding that they may affect the Relevant Obligor, without further reference to or the consent of that Relevant Obligor; and
 - (ii) each Finance Party to give any notice, demand or other communication to that Relevant Obligor pursuant to the Finance Documents to the Company,

and in each case the Relevant Obligor shall be bound as though the Relevant Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Relevant Obligor or in connection with any Finance Document (whether or not known to any other Relevant Obligor and whether occurring before or after such other Relevant Obligor became a Relevant Obligor under any Finance Document) shall be binding for all purposes on that Relevant Obligor as if that Relevant Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Relevant Obligor, those of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

- (a) Subject to Clause 5.5 (*Limitations on Utilisations*), the relevant Borrower shall apply the Term Loan Facility towards:
- (i) refinancing certain existing Financial Indebtedness of the Obligors; and
 - (ii) financing agreed fees, costs and other expenses associated with the Facilities, as described in the Funds Flow Memorandum; and
 - (iii) general corporate purposes of MPEL and its Subsidiaries.
- (b) Subject to Clause 5.5 (*Limitations on Utilisations*), the relevant Borrower shall apply the Revolving Credit Facility towards:
- (i) refinancing certain existing Financial Indebtedness of the Obligors as described in the Funds Flow Memorandum; and
 - (ii) general corporate purposes of MPEL and its Subsidiaries.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

[INTENTIONALLY OMITTED]

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation under a Facility if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Utilisation and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and
- (b) all the Repeating Representations are true and correct in all material respects.

4.3 **Conditions relating to Optional Currencies**

- (a) A currency will constitute an Optional Currency in relation to a Utilisation of the Revolving Credit Facility or an Incremental Facility if:
 - (i) it is readily available in the amount required and freely convertible into the Base Currency in the wholesale market for that currency on the Quotation Date and the Utilisation Date for that Utilisation; and
 - (A) it is US dollars or Yen; or
 - (B) it is any other currency which has been approved by the Agent (acting on the instructions of all Lenders under the Revolving Credit Facility or the relevant Incremental Facility) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.
- (b) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(i)(B) above, the Agent will confirm to the Company within five (5) Business Days of receipt of the relevant written request from the Company:
 - (i) whether or not the relevant Lenders have granted their approval; and
 - (ii) if approval has been granted, the minimum amount for any subsequent Utilisation in that currency.

4.4 **Maximum number of Utilisations**

- (a) A Borrower may not deliver a Utilisation Request under the Revolving Credit Facility if as a result of the proposed Utilisation 20 or more Revolving Credit Facility Loans would be outstanding.
- (b) A Borrower may not deliver a Utilisation Request under the Term Loan Facility if as a result of the proposed Utilisation five or more Term Loans would be outstanding.
- (c) Any Loan made by a single Lender under Clause 6.2 (*Unavailability of a currency*) shall not be taken into account in this Clause 4.4.

**SECTION 3
UTILISATION**

5. UTILISATION REQUESTS AND LENDER PARTICIPATION

5.1 Delivery of a Utilisation Request

- (a) A Borrower (or the Company on its behalf) may utilise a Facility in accordance with Clause 2.1 (*The Facilities*) by delivery to the Agent of a duly completed Utilisation Request signed by an authorised signatory of the Borrower, not later than 11.00 a.m. on the fifth Business Day prior to the proposed Utilisation Date.
- (b) The Company is not required to deliver a Utilisation Request in respect of any of the Utilisations to be made on the Second Amendment and Restatement Effective Date (as such Utilisations of the Term Loan Facility will occur, pursuant to Clause 5.6 (*Utilisations on the Second Amendment and Restatement Effective Date*), on the Second Amendment and Restatement Effective Date). The Utilisation Request in respect of the Utilisations of the Term Loan Facility contemplated by Clause 5.6 (*Utilisations on the Second Amendment and Restatement Effective Date*) shall be deemed to have been delivered by the Company on the Second Amendment and Restatement Effective Date in accordance with Clause 5.6 (*Utilisations on the Second Amendment and Restatement Effective Date*) (and the requirements of this Clause 5.1 shall not apply with respect to such Utilisations of the Term Loan Facility contemplated by Clause 5.6 (*Utilisations on the Second Amendment and Restatement Effective Date*)).

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
 - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iv) the proposed Interest Period complies with Clause 13 (*Interest Periods*).
- (b) Utilisations under the Term Loan Facility and/or the Revolving Credit Facility may be requested in the same Utilisation Request.

5.3 Currency and amount

- (a) The currency specified in a Utilisation Request in relation to the Term Loan Facility must be the Base Currency.
- (b) The currency specified in a Utilisation Request in relation to the Revolving Credit Facility must be the Base Currency or an Optional Currency.
- (c) The currency specified in a Utilisation request in relation to an Incremental Facility must be the Base Currency or an Optional Currency.

- (d) The amount of the proposed Utilisation in relation to the Term Loan Facility and the Revolving Credit Facility must be:
 - (i) if the currency selected is the Base Currency, a minimum of HKD40,000,000 or, if less, the Available Facility;
 - (ii) (in relation to the Revolving Credit Facility only) if the currency selected is US dollars, a minimum of USD5,000,000 or, if less, the Available Facility;
 - (iii) (in relation to the Revolving Credit Facility only) if the currency selected is Yen, a minimum of JPY600,000,000 or, if less, the Available Facility; and
 - (iv) (in relation to the Revolving Credit Facility only) if the currency selected is an Optional Currency other than US dollars and Yen, the minimum amount specified by the Agent pursuant to paragraph (b)(ii) of Clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility.
- (e) The amount of any minimum proposed Utilisation in relation to an Incremental Facility shall be agreed between the Company and the Lenders under that Incremental Facility in the Incremental Facility Notice or Incremental Facility Document applicable to that Incremental Facility.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and (in respect of Revolving Credit Facility Loans) subject to Clause 8.2 (*Revolving Credit Facility*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and notify each Lender of the amount, currency and the Base Currency Amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available by 2.00 p.m. on the third Business Day prior to the proposed Utilisation Date (except that, in relation to the Utilisations of the Term Loan Facility and the Revolving Credit Facility contemplated by Clause 5.6 (*Utilisations on the Second Amendment and Restatement Effective Date*), such notification shall be made on or prior to the Second Amendment and Restatement Effective Date).

5.5 Limitations on Utilisations

- (a) The proceeds of the Facilities shall not be applied:
 - (i) towards any purpose connected with the operation of casino games of chance or other forms of gaming; or
 - (ii) (directly or indirectly) for business activities (1) relating to or involving (A) Cuba, Sudan, Iran, Myanmar (Burma), Syria or North Korea (in each case to the extent such country is subject to any economic and/or trade sanctions) or (B) any other countries that are subject to economic and/or trade sanctions as notified in writing by the Agent (acting on behalf of any Lender) to the Company from time to time (C) any Restricted Party or (2) which would otherwise result in a breach of any Anti-Terrorism Law.
- (b) No Utilisation under the Revolving Credit Facility may be made to finance (or refinance) the making of any dividend (or interest on any unpaid dividend) (whether in cash or in kind) on or in respect of any member of the Group's share capital, the repayment or distribution of any share premium reserve of any member of the Group, or the redemption, repurchase, defeasance, retirement or repayment of any member of the Group's share capital.

5.6 Utilisations on the Second Amendment and Restatement Effective Date

- (a) Notwithstanding any other provision of this Agreement (including, without limitation, this Clause 5), on the Second Amendment and Restatement Effective Date, the Utilisations of the Term Loan Facility described in Part I of Appendix 4 of the Funds Flow Memorandum shall occur and the Company shall be deemed to have delivered a Utilisation Request for such Utilisations and the requirements under this Clause 5 shall be deemed to have been satisfied with respect to such Utilisation Request.
- (b) The Parties hereby acknowledge that, following the making of the Utilisations referred to in Clause 5.6(a) above, the Utilisations described in Part II of Appendix 4 of the Funds Flow Memorandum have been made under this Agreement and are outstanding.
- (c) Upon the Utilisations described in Part II of Appendix 4 of the Funds Flow Memorandum having been deemed to be made pursuant to this Clause 5, the two Term Loan Facility Loans pursuant to such Utilisations shall be consolidated into and treated as a single Term Loan Facility Loan as described in Part III of Appendix 4 of the Funds Flow Memorandum.

5.7 Cancellation of Commitment

The Commitments of each Lender under a Facility which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for that Facility.

6. OPTIONAL CURRENCIES

6.1 Selection of currency

- (a) A Borrower shall select the currency of a Utilisation in a Utilisation Request.
- (b) The Company may agree with the Agent and the Incremental Facility Lenders under an Incremental Facility any provisions in relation to the selection of currencies in relation to that Incremental Facility in any Incremental Facility Notice.

6.2 Unavailability of a currency

If before 10:00 a.m. on any Quotation Date:

- (a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower to that effect by 12:00 p.m. on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (*Lenders' participation*).

7. INCREMENTAL FACILITIES

7.1 Type of Facility

An Incremental Facility may be by way of:

- (a) a term loan facility (such term loan facility an "**Incremental Term Loan Facility**"); or
- (b) a revolving credit facility (such revolving credit Facility an "**Incremental Revolving Credit Facility**").

7.2 Availability

- (a) If the Company and one or more Lenders or other entities (being such other banks, financial institutions, trusts, funds or other entities which are regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets and which are not Lenders, the "**Non-Lenders**") agree, except as otherwise provided in this Agreement, such Lenders and Non-Lenders may make available Incremental Facilities in an aggregate amount not exceeding the Base Currency Amount of USD1,300,000,000 that may be used for any purpose agreed between the Company and the Incremental Facility Lenders.
- (b) An Incremental Facility shall not be made available unless, prior to the Final Repayment Date in respect of the Revolving Credit Facility, the Agent has received a notice substantially in the form set out in Schedule 11 (*Form of Incremental Facility Notice*) (an "**Incremental Facility Notice**") from the Company requesting that such Lenders and Non-Lenders make available an Incremental Facility.
- (c) Each Incremental Facility Notice will:
 - (i) set out the maturity date, amount (the "**Requested Facility Amount**"), availability period and margin of the Incremental Facility that is the subject of such Incremental Facility Notice (the "**Relevant Incremental Facility**");
 - (ii) specify whether the Relevant Incremental Facility will be an Incremental Term Loan Facility or an Incremental Revolving Credit Facility;
 - (iii) specify the currency of the Relevant Incremental Facility, which shall be the Base Currency or an Optional Currency;
 - (iv) (if the Company so chooses, at its discretion) invite each Lender to participate in the Relevant Incremental Facility in a proportionate amount calculated by reference to the proportion of that Lender's existing Commitments to the aggregate of the Total Commitments and Incremental Facility Commitments on the date of the Incremental Facility Notice;
 - (v) confirm that the Repeating Representations are true and accurate in all material respects as at the date of the Incremental Facility Notice; and
 - (vi) confirm that no Event of Default is continuing at the time of, or would arise as a result of, the establishment and utilisation of the Relevant Incremental Facility.

- (d) Upon receipt, the Agent shall promptly and in any case within three Business Days forward the Incremental Facility Notice to all Lenders and each Lender (if applicable) shall have ten Business Days from the date of the Incremental Facility Notice to accept any invitation made by the Company as contemplated by paragraph (c)(iv) above (the “**Lender Invitation Period**”). Following the expiry of the Lender Invitation Period, any Lender that has not responded to the Company in relation to the Incremental Facility Notice (or has declined the invitation to participate) shall not participate in the Relevant Incremental Facility.
- (e) No Lender shall be obliged to participate in any Incremental Facility.
- (f) The Company shall be permitted to invite Non-Lenders to provide commitments for and to become lenders under the Relevant Incremental Facility (and each such entity that agrees to provide a commitment in relation to a Relevant Incremental Facility will be an “**Additional Lender**”) subject to paragraph (g) below.
- (g) If sufficient Lenders and Additional Lenders have provided acceptances to the Company to make available commitments (of an aggregate amount not less than the Requested Facility Amount, or, subject to paragraph (a) above, such other amount agreed between the Company, the Lenders and the Additional Lenders) in respect of the Relevant Incremental Facility, the Company shall notify the Agent of:
 - (i) the aggregate amount of the commitments that have been agreed to be made available by the Lenders and/or Additional Lenders in respect of the Relevant Incremental Facility (such commitments in relation to an Incremental Term Loan Facility being “**Incremental Term Loan Facility Commitments**” and such commitments in relation to an Incremental Revolving Credit Facility being “**Incremental Revolving Credit Facility Commitments**”); and
 - (ii) the identity and notice details of the Lenders and Additional Lenders (the “**Incremental Facility Lenders**”) that have agreed to provide the Relevant Incremental Facility,which the Agent will notify to all of the Lenders and such Additional Lenders.

7.3 **Terms of Incremental Facilities**

- (a) Except as provided below, the terms of any Incremental Facility will be those agreed by the Incremental Facility Lenders and the Company.
- (b) Any Incremental Term Loan Facility:
 - (i) shall have Incremental Term Loan Facility Commitments of a minimum Base Currency Amount of HKD1,000,000 and an integral multiple of HKD1,000,000;
 - (ii) may not have a maturity date that is earlier than the Final Repayment Date in relation to the Term Loan Facility;
 - (iii) may not have a shorter average weighted maturity than the Term Loan Facility;
 - (iv) shall rank pari passu in right and priority of payment with the Facilities;
 - (v) shall not have the benefit of any guarantee or Security which is not extended rateably and equally to the Lenders under the Facilities;

- (vi) shall not contain more onerous financial or other undertakings, representations, events of default and terms of mandatory prepayment than those applicable to the Facilities, provided that this shall not restrict any additional availability conditions being imposed under the relevant Incremental Facility; and
- (vii) shall not have a Yield higher than the Yield then applicable to the Term Loan Facility, unless the difference in such Yield is also paid by the Company to the Agent for the account of the Lenders under the Term Loan Facility,

except (A) with the consent of the Lenders under the Term Loan Facility and the Revolving Credit Facility or (B) (in the case of paragraphs (v) to (vii) above) where the additional benefit of such term is also extended to the Lenders under the Term Loan Facility and the Revolving Credit Facility and the Agent is hereby authorised by the Lenders to execute such documents the Agent reasonably considers necessary to effect such amendments to extend the benefit of such terms to such Lenders.

(c) Any Incremental Revolving Facility:

- (i) shall have Incremental Revolving Credit Facility Commitments of a minimum Base Currency Amount of HKD1,000,000 and an integral multiple of HKD1,000,000;
- (ii) shall rank *pari passu* in right and priority of payment with the Facilities;
- (iii) shall not contain more onerous financial or other undertakings, representations, events of default and terms of mandatory prepayment than those applicable to the Facilities, provided that this shall not restrict any additional availability conditions being imposed under the relevant Incremental Facility;
- (iv) shall not have the benefit of any guarantee or Security which is not extended rateably and equally to the Lenders under the Facilities;
- (v) shall comprise a margin no higher than the Margin; and
- (vi) may provide for fees applicable to such Incremental Revolving Credit Facility as agreed by the Company and the relevant Incremental Facility Lenders thereunder provided that if the percentage that such fees represent as a proportion of the relevant Incremental Revolving Credit Facility exceeds the percentage used to calculate the fees payable to the Lenders in respect of the Revolving Credit Facility (such excess being the “**Applicable Rate**”), the Company shall pay to the Agent for the account of the Lenders under the Revolving Credit Facility immediately prior to the establishment of such Incremental Revolving Credit Facility on a *pro rata* basis, an amount equal to the Applicable Rate of the Revolving Credit Facility Commitments (as in force immediately prior to the establishment of such Incremental Revolving Credit Facility) provided that such fees shall exclude arrangement fees, structuring fees or underwriting or similar fees paid to arrangers for such Incremental Revolving Credit Facility Commitments that are not generally shared with the relevant Incremental Facility Lenders and any customary consent fees paid generally to consenting Incremental Facility Lenders,

except (A) with the consent of the Lenders under the Term Loan Facility and the Revolving Credit Facility or (B) (in the case of paragraph (iii) to (vi) above), where the additional benefit of such term is also extended to the Lenders under the Term Loan Facility and the Revolving Credit Facility and the Agent is hereby authorised by the Lenders and to execute such documents the Agent reasonably considers necessary to effect such amendments to extend the benefit of such terms to such Lenders.

- (d) Each Incremental Facility Lender which is not a party to this Agreement as a Lender shall accede to this Agreement as a Lender by duly completing and signing an Incremental Lender Accession Deed prior to making available its Incremental Facility Commitments and the Agent shall only be obliged to execute the relevant Incremental Lender Accession Deed delivered to it by an Additional Lender once it is satisfied that it has complied with all necessary 'know-your-customer' checks or other similar checks under all applicable laws and regulations in relation to such Additional Lender and at any time thereafter such Additional Lender shall be treated as a Lender for the purposes of this Agreement.
- (e) The making available of any Incremental Facility will not require the consent of any Lender other than the Incremental Facility Lenders that are participating in such Incremental Facility.
- (f) Subject to paragraph (e) above, the Incremental Facility Lenders shall make such commitments available subject to satisfaction of the following conditions precedent:
- (i) the aggregate of (I) the principal amount of such Incremental Facility and (II) the principal amounts of such other Incremental Facilities made available under this Clause 7.3 does not exceed the Base Currency Amount of USD1,300,000,000;
 - (ii) a certificate from the Company confirming that the Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such Incremental Facility being made available, if determined on a *pro forma* basis after such Incremental Facility is made available, would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*), setting out (in reasonable detail) computations of such compliance and signed by the chief financial officer of the Company;
 - (iii) the receipt of such customary legal opinions (at the cost of the Company) in form satisfactory to the Agent (acting reasonably) and any documents required in connection therewith;
 - (iv) receipt by the Agent of a certificate from the Company confirming that all fees (including without limitation any upfront or arrangement fees), costs and expenses due to the Incremental Facility Lenders in connection with the relevant Incremental Facility have been or will be paid;
 - (v) the Agent has received all agreements, deeds, acknowledgements, confirmations, amendments or other instruments required for the maintenance of the Transaction Security and guarantees provided by any Guarantor, in each case in connection with the relevant Incremental Facility and in form substantially similar to security confirmations or confirmatory security provided for the purposes of the Second Amendment and Restatement Agreement in form and substance satisfactory to the Agent (acting reasonably);

- (vi) in respect of any incurrence of an Incremental Facility which would increase the aggregate of the principal amount outstanding and Available Commitments under the Facilities above the Base Currency Amount of US\$2,750,000,000, evidence in form and substance satisfactory to the Agent (acting reasonably) that the relevant Governmental Authority of the government of Macau SAR has approved the incurrence of such Financial Indebtedness (to the extent any such approval is necessary); and
 - (vii) the Agent has received evidence in form and substance satisfactory to the Agent (acting reasonably) that any other Authorisation required from a Governmental Authority (including of the government of Macau SAR) for the purposes of incurring Financial Indebtedness under an Incremental Facility or the preservation of the Transaction Security in connection with such Financial Indebtedness has been obtained.
- (g) For the purposes of this Clause 7.3, “Yield” means as to the Term Loan Facility or any Incremental Term Loan Facility, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, an interest rate floor or otherwise, provided that (A) for the purposes of the calculation of Yield, any original issue discount or upfront fees shall be equated to interest rate on an assumed three year average life to maturity (with no present value discount), and (B) “Yield” shall not include arrangement fees, structuring fees or underwriting or similar fees paid to arrangers for such Incremental Term Loan Facility Commitments that are not generally shared with the relevant Incremental Facility Lenders and shall not include customary consent fees paid generally to consenting Incremental Facility Lenders.

7.4 **Repayment of Incremental Facility**

If an Incremental Facility expires in accordance with its terms the Incremental Facility Commitments of the Incremental Facility Lenders shall be reduced to zero.

7.5 **Amendments and Waivers – Incremental Facilities**

No amendment or waiver of a term of any Incremental Facility shall require the consent of any Finance Party other than the relevant Incremental Facility Lenders provided that:

- (a) any amendment or waiver of Clause 7 (*Incremental Facilities*); or
- (b) any amendment or waiver of a term of any Incremental Facility which would (had such relevant term after giving effect to such amendment or waiver constituted a term of such Incremental Facility at the time it was made available pursuant to this Clause 7) be a breach of this Clause 7,

shall be subject to Clause 38.2(a)(xiii) (*Amendments and Waivers*).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

8. REPAYMENT

8.1 Term Loan Facility

- (a) Each Borrower shall repay the Loans made to it under the Term Loan Facility in instalments by repaying on each Repayment Date an amount which reduces the amount of each outstanding Loan under the Term Loan Facility by an amount equal to the relevant percentage of the amount of that Loan borrowed by it as at the close of business in Hong Kong on the last day of the Availability Period in relation to the Term Loan Facility as set out in the table below:

Repayment Date (number of Months from the Second Amendment and Restatement Effective Date)	Percentage of Facility to be Repaid Term Loan Facility Term Loans
15	2.25%
18	2.25%
21	2.25%
24	2.25%
27	2.25%
30	2.25%
33	2.25%
36	2.25%
39	2.25%
42	2.25%
45	2.25%
48	2.25%
51	2.25%
54	2.25%
57	2.25%
60	2.25%
63	2.25%
66	2.25%
69	2.25%
Final Repayment Date	57.25%
Total	100.0%

- (b) No Borrower may reborrow any part of the Term Loan Facility which is repaid.
- (c) For the avoidance of doubt, paragraph (a) above shall apply only to the Term Loan Facility and not to any Incremental Term Loan Facility. Each Borrower shall repay the Loans made to it under an Incremental Term Loan Facility in the manner set out in the relevant Incremental Facility Document or Incremental Facility Notice relating to that Incremental Term Loan Facility.

8.2 Revolving Credit Facility

- (a) A Borrower which has drawn a Revolving Credit Facility Loan shall repay that Loan in full on the last day of its Interest Period.
- (b) Without prejudice to the Borrowers' obligations under paragraph (a) above, if one or more Revolving Credit Facility Loans are to be made available to the Borrowers:
 - (i) on the same day that a maturing Revolving Credit Facility Loan is due to be repaid by the Borrowers;
 - (ii) in the same currency as the maturing Revolving Credit Facility Loan; and
 - (iii) in whole or in part for the purpose of refinancing the maturing Revolving Credit Facility Loan,

the aggregate amount of the new Revolving Credit Facility Loans shall be treated as if applied in or towards repayment of the maturing Revolving Credit Facility Loan so that:

- (A) if the amount of the maturing Revolving Credit Facility Loan exceeds the aggregate amount of the new Revolving Credit Facility Loans:
 - (1) the Borrowers will only be required to pay an amount in cash in the relevant currency equal to that excess; and
 - (2) each Lender's participation (if any) in the new Revolving Credit Facility Loans shall be treated as having been made available and applied by the Borrowers in or towards repayment of that Lender's participation (if any) in the maturing Revolving Credit Facility Loan and that Lender will not be required to make its participation in the new Revolving Credit Facility Loans available in cash; and
- (B) if the amount of the maturing Revolving Credit Facility Loan is equal to or less than the aggregate amount of the new Revolving Credit Facility Loans:
 - (1) the Borrowers will not be required to make any payment in cash; and
 - (2) each Lender will be required to make its participation in the new Revolving Credit Facility Loans available in cash only to the extent that its participation (if any) in the new Revolving Credit Facility Loans exceeds that Lender's participation (if any) in the maturing Revolving Credit Facility Loan and the remainder of that Lender's participation in the new Revolving Credit Facility Loans shall be treated as having been made available and applied by the Borrowers in or towards repayment of that Lender's participation in the maturing Revolving Credit Facility Loan.

9. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

9.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
- (c) each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

9.2 Voluntary cancellation

The Company may, if it gives the Agent not less than 5 Business Days' prior notice, cancel the whole or any part (being a minimum Base Currency Amount of HKD160,000,000) of an Available Facility. Any cancellation under this Clause 9.2 shall reduce the Commitments of the Lenders rateably under that Facility.

9.3 Voluntary prepayment

A Borrower under a Facility may, if it gives the Agent not less than 5 Business Days' prior notice, prepay the whole or any part of a Loan outstanding thereunder (but, if in part, being an amount that, whether alone or with any such prepayment made by any other Borrower at such time, reduces the Base Currency Amount of such Loans by a minimum amount of HKD160,000,000).

9.4 Right of cancellation and repayment in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 16.2 (*Tax gross-up*); or
 - (ii) any Lender claims indemnification from the Company or an Obligor under Clause 16.3 (*Tax indemnity*) or Clause 17.1 (*Increased costs*),(any such Lender, an "**Affected Lender**") the Company may whilst the circumstance giving rise to the requirement for indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Utilisations.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Utilisation is outstanding shall repay that Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

9.5 **Right of cancellation in relation to a Defaulting Lender**

- (a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 5 Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

10. **MANDATORY PREPAYMENT**

Each Borrower shall prepay the Utilisations and/or cancel Available Commitments under the Facilities on the dates and in accordance, and otherwise comply, with the provisions of this Clause 10 (*Mandatory Prepayment*).

10.1 **Definitions**

For the purposes of this Clause 10 (*Mandatory Prepayment*):

"Altira Insurance Proceeds" means the proceeds of any insurance claim under a property all risks (or equivalent) insurance policy in respect of the loss, damage, destruction or determination by any relevant Insurer of a constructive total loss of all or substantially all of the Altira Project (an **"Altira Loss Event"**) receivable by any Relevant Obligor (including, if not in cash, the monetary value thereof) and after deducting any reasonable expenses, Taxes and costs in relation to that claim which are incurred by any Group member to persons who are not Obligors.

"Disposal Prepayment Event" means the Disposal of all or substantially all of the business and assets of the Group or all the Relevant Obligors and/or comprised in any of the Altira Project or the City of Dreams Project.

"Excluded Insurance Proceeds" means (1) any Altira Insurance Proceeds and (2) any proceeds of an insurance claim or settlement thereof (whether for any single loss, any series of related losses or otherwise) under any property all risks (or equivalent) insurance policy receivable by any Relevant Obligor (including, if not in cash, the monetary value thereof) **provided that:**

- (a) the Company notifies the Agent such proceeds are or are to be applied to the replacement, reinstatement and/or repair of the assets (or reimbursement of payments made by the Company or other Relevant Obligor in respect thereof) or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made and **provided further that**, where such loss or related losses exceeds USD10,000,000 (or its equivalent):
 - (i) the damage or destruction does not constitute the destruction of all or substantially all of a Project;
 - (ii) a Default has not occurred and is continuing (other than a Default resulting solely from such damage or destruction) and, after giving effect to any proposed repair and restoration, no Default will result from such damage or destruction or proposed repair and restoration (or any proposed reimbursement of payments made by the Company or other Relevant Obligor in respect thereof);

- (iii) the Company has certified within 6 months of the event or events to which the relevant insurance claim relates that repair or restoration of the Project or the affected assets to a condition substantially similar to their condition immediately prior to the event or events to which the relevant insurance claims relate, is technically and economically feasible within 18 months of such event or events and that a sufficient amount of funds is or will be available to the Project Company or other Relevant Obligor to make such repairs and restorations (subject at all times to Clause 24.2 (*Financial condition*));
 - (iv) the Company has certified within 6 months of the event or events to which the relevant insurance claim relates that a sufficient amount of funds is or will be available to the Group to make all payments on Financial Indebtedness which will become due during and following the period prior to the completion of the repairs or restoration (the “**repair period**”) and, in any event, to maintain compliance with the covenants set forth in Clause 24 (*Financial Covenants*) during such repair period; and
 - (v) no Permit is necessary to proceed with the repair and restoration of the Project or the affected assets and, except with the consent of the Finance Parties, no amendment to any of the Finance Documents is necessary for the purpose of effecting the repairs or restoration of the Project or the affected assets or subjecting the repairs or restoration to the Security of the applicable Transaction Security Documents and maintaining the priority of such Security or, if any of the above is necessary, the Project Company or Relevant Obligor will be able to obtain the same as and when required; or
- (b) (to the extent not applied in accordance with paragraph (a) above) such proceeds do not (together with the proceeds of any claim or settlement receivable in respect of any related loss, whether or not suffered by the same person) exceed an amount equal to USD50,000,000 (or its equivalent) in aggregate for the Group in any Financial Year.

“**Insurance Proceeds**” means the proceeds of any insurance claim (under any property all risks (or equivalent) insurance policy) receivable by any Relevant Obligor (including, if not in cash, the monetary value thereof) except for Excluded Insurance Proceeds and after deducting any reasonable expenses, Taxes and costs in relation to that claim which are incurred by any Group member to persons who are not Obligors and other than any proceeds of any insurance claim relating to any assets solely comprised in Excluded Project Revenues, Excluded Projects or Excluded Subsidiaries.

“**Termination Proceeds**” means compensation or other proceeds receivable by any Relevant Obligor (including, if not in cash, the monetary value thereof) in relation to the termination, redemption or rescission of the Subconcession (other than compensation or other proceeds receivable by the Company in relation thereto which are solely attributable to and are paid by any relevant Macau SAR Governmental Authority in respect of an Excluded Project and the Company provides evidence satisfactory to the Agent (acting reasonably) that such sums have been so attributed and so paid by that Macau SAR Governmental Authority) or any Land Concession from the Macau SAR and after deducting any reasonable expenses, Taxes and costs in relation to that claim which are incurred by any Group member to persons who are not Obligors.

10.2 Mandatory Prepayment

- (a) The Company shall ensure that the Borrowers prepay Loans in the following amounts at the times and (where relevant) in the order of application contemplated by paragraph (a) of Clause 10.3 (*Application of mandatory prepayments*):
- (i) the amount of Insurance Proceeds;
 - (ii) the amount of Termination Proceeds; and
 - (iii) the amount of Altira Insurance Proceeds.
- (b) If all or substantially all of the City of Dreams Project is lost, damaged or destroyed or determined by any relevant Insurer to be a constructive total loss, the Facilities will be cancelled, and all outstanding Utilisations, together with accrued interest and all other amounts accrued under the Finance Documents, shall become immediately due and payable, upon the earlier of:
- (i) receipt of Insurance Proceeds in respect of such loss, damage, destruction or determination; and
 - (ii) the date falling 6 Months from the date on which such loss, damage, destruction or determination occurs,
- provided that** if, following such loss, damage, destruction or determination and prior to such payment date, (1) an Event of Default (other than an Event of Default specified in Clause 26.14 (*Cessation of business*)) has occurred and is continuing, (2) the Relevant Obligors have not begun to receive the proceeds of any business interruption insurance in respect of such loss, damage, destruction or determination by the date falling 15 Business Days from the occurrence of such loss, damage, destruction or determination (the “**Trigger Date**”) or (3) any Permitted Payment or Permitted Distribution is made following such loss, damage, destruction or determination, the Facilities will be cancelled, and all outstanding Utilisations, together with accrued interest and all other amounts accrued under the Finance Documents, shall become immediately due and payable, upon (in respect of (1) and (3) above) the date of such event or circumstance or (in respect of (2) above) the Trigger Date.
- (c) If a Disposal Prepayment Event occurs, the Facilities will be cancelled and all outstanding Utilisations, together with accrued interest and all other amounts accrued under the Finance Documents, shall become immediately due and payable.
- (d) If a Change of Control occurs, a Lender which so requires may notify the Agent of its intention to be prepaid within 20 Business Days after the occurrence of the Change of Control, and the Agent shall, by not less than ten Business Days’ notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in relation to that Lender’s participation(s), immediately due and payable, whereupon the Commitment of that Lender will be cancelled and all such outstanding amounts will become immediately due and payable.
- (e) If, at the end of any Interest Period, the Agent notifies the Company that the Base Currency Amount of all Loans outstanding under a Facility at any time exceeds the aggregate Commitments in relation to that Facility, the Company shall promptly prepay such Facility by the Base Currency Amount of such excess.

10.3 Application of mandatory prepayments

- (a) Unless the Company makes an election under paragraph (c) below, the Borrowers shall make prepayments under paragraph (a) of Clause 10.2 (*Mandatory Prepayment*):
 - (i) in the case of any prepayment relating to an amount of Altira Insurance Proceeds, promptly upon receipt of those Altira Insurance Proceeds and in any event within six Months of the relevant Altira Loss Event; and
 - (ii) in the case of any other prepayment under paragraph (a) of Clause 10.2 (*Mandatory Prepayment*), promptly upon receipt of the relevant proceeds.
- (b) A prepayment under Clause 10.2 (*Mandatory Prepayment*) (other than any prepayment under paragraph (e) thereunder) shall be applied in the order set out in Clause 11.9 (*Prepayments – Order of Application*):
- (c) Subject to paragraph (d) below, the Company may, by giving the Agent not less than three Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, elect that any prepayment under paragraph (a) of Clause 10.2 (*Mandatory Prepayment*) (other than any such prepayment in respect of Termination Proceeds or Altira Insurance Proceeds) be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Company makes such an election, then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.
- (d) If the Company has made an election under paragraph (c) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree).

10.4 Mandatory Prepayment Accounts and Holding Accounts

- (a) The Company shall ensure that:
 - (i) any amounts in respect of which the Company has made an election under paragraph (c) of Clause 10.3 (*Application of mandatory prepayments*) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a Relevant Obligor; and
 - (ii) any Excluded Insurance Proceeds to be applied, in accordance with the definition thereof, in replacement, reinstatement or repair of assets (or reimbursement of payments made by the Company or other Relevant Obligor in respect thereof) or to satisfy (or make reimbursement in respect of) liabilities, charges or claims, or are otherwise to be held pending application for any other purpose are promptly paid into a Holding Account after receipt by a Relevant Obligor.
- (b) The Relevant Obligors irrevocably authorise the Agent to apply:
 - (i) amounts credited to the Mandatory Prepayment Account; and
 - (ii) amounts credited to the Holding Account which have not been applied as contemplated by sub-paragraph (a)(ii) within 180 days of receipt of the relevant proceeds (or such longer time period as may be contemplated by the provisions of the definitions referred to therein or as the Agent may otherwise agree),

to pay amounts due and payable under Clause 10.3 (*Application of mandatory prepayments*) and otherwise under the Finance Documents. The Relevant Obligors further irrevocably authorise the Agent to so apply amounts credited to the Holding Account whether or not 180 days or such other time period have elapsed since receipt of those proceeds if a Default has occurred and is continuing. The Relevant Obligors also irrevocably authorise the Agent to transfer any amounts credited to the Holding Account to the Mandatory Prepayment Account pending payment of amounts due and payable under the Finance Documents (but if all such amounts have been paid any such amounts remaining credited to the Mandatory Prepayment Account may (unless a Default has occurred) be transferred back to the Holding Account).

- (c) The Security Agent or Agent with which a Mandatory Prepayment Account or Holding Account is held acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to those accounts and that the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account) unless a Default is continuing and (ii) each such account is subject to the Transaction Security.

10.5 **Excluded proceeds**

Where Excluded Insurance Proceeds include amounts which are intended to be used for a specific purpose and/or within a specified period (as set out in the relevant definitions thereof), the Company shall ensure that those amounts are used for that purpose and, if requested to do so by the Agent, shall promptly deliver a certificate to the Agent at the time of such application and at the end of such period confirming the amount (if any) which has been so applied within the requisite time periods provided for in the relevant definition.

11. **RESTRICTIONS**

11.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation or prepayment, authorisation or other election given by any Party under Clause 9 (*Illegality, Voluntary Prepayment And Cancellation*), Clause 11.7 (*Prepayment elections*) or paragraph (c) of Clause 10.3 (*Application of mandatory prepayments*) shall be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made, the affected Facility (or Facilities) and Utilisations and the amount of that cancellation or prepayment.

11.2 **Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

11.3 Reborrowing of Facilities

No Borrower may reborrow any part of the Term Loan Facility or an Incremental Term Loan Facility which is prepaid. Unless a contrary indication appears in this Agreement, any part of the Revolving Credit Facility or an Incremental Revolving Credit Facility which is repaid or voluntarily prepaid may be reborrowed in accordance with the terms of this Agreement.

11.4 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

11.5 No reinstatement of Commitments

No amount of the Total Commitments or Incremental Facility Commitments cancelled under this Agreement may be subsequently reinstated.

11.6 Agent's receipt of Notices

If the Agent receives a notice under Clause 9 (*Illegality, Voluntary Prepayment and Cancellation*) or an election under Clause 11.7 (*Prepayment elections*) or paragraph (c) of Clause 10.3 (*Application of mandatory prepayments*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

11.7 Prepayment elections

The Agent shall notify the Lenders and the Hedge Counterparties in respect of a Facility as soon as possible of any proposed prepayment of that Facility under Clause 9.3 (*Voluntary prepayment*) or paragraph (a) of Clause 10.2 (*Mandatory Prepayment*).

11.8 Effect of Repayment and Prepayment

If all or part of a Loan under a Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the amount of the Base Currency Amount of the Loan which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 11.8 (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 9.1 (*Illegality*) or paragraph (c) of Clause 9.4 (*Right of cancellation and prepayment in relation to a single Lender*)) shall reduce the Commitments of the Lenders rateably under that Facility.

11.9 Prepayments - Order of Application

- (a) In the case of any prepayment pursuant to Clause 9.3 (*Voluntary prepayment*), such prepayment may be applied as the Company directs against all or any part of a Facility and all or any part of a Loan.
- (b) Subject to paragraph (a) above, any prepayment (other than a prepayment required under paragraph (e) of Clause 10.2 (*Mandatory Prepayment*)) under this Agreement will be applied *pro rata* across all Facilities:
 - (i) *first*, in prepayment of the Term Loan Facility Loans *pro rata* across each Repayment Instalment (and in relation to any Incremental Term Loan Facility Loans, *pro rata* across each repayment instalment (if applicable) in relation to that Incremental Term Loan Facility Loan);

- (ii) *second*, in cancellation *pro rata* of the Available Commitments under the Term Loan Facility and each Incremental Term Loan Facility (and the Available Commitments of the Lenders under the Term Loan Facility and each relevant Incremental Term Loan Facility will be cancelled rateably);
- (iii) *thirdly*, in cancellation *pro rata* of the Available Commitments under the Revolving Credit Facility and each Incremental Revolving Credit Facility; and
- (iv) *fourthly*, in prepayment *pro rata* of Loans outstanding under the Revolving Credit Facility and each Incremental Revolving Credit Facility (and any Commitments of the Lenders under the Revolving Credit Facility and each relevant Incremental Revolving Credit Facility associated therewith shall be automatically cancelled).

**SECTION 5
COSTS OF UTILISATION**

12. INTEREST

12.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) in relation to any Loan in the Base Currency, HIBOR or, in relation to any Loan in US dollars or Yen, LIBOR or, in relation to any Loan in any other currency, LIBOR or (if LIBOR is not available for that currency) such other reference rate agreed between the Company and the Agent (acting on the instructions of all the Lenders under the relevant Facility under which such currency is made available).

12.2 Payment of interest

- (a) The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than three Months, on the dates falling at three-monthly intervals after the first day of the Interest Period).
- (b) If the annual audited financial statements of the Group and related Compliance Certificate received by the Agent show that a higher Margin should have applied during a certain period, then the Company shall (or shall ensure the relevant Borrower shall) promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period.

12.3 Default interest

- (a) If a Relevant Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 2 per cent. higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 12.3 shall be immediately payable by the Relevant Obligor on demand by the Agent.
- (b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2 per cent. higher than the rate which would have applied if the Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

12.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the relevant Borrower (or the Company) of the determination of a rate of interest under this Agreement.

13. INTEREST PERIODS

13.1 Selection of Interest Periods and Terms

- (a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Term Loan Facility Loan which has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Term Loan Facility Loan is irrevocable and must be delivered to the Agent by the Borrower (or the Company on behalf of a Borrower) to which that Term Loan Facility Loan was made not later than 11.00 a.m. on the 5th Business Day prior to the commencement of the next Interest Period.
- (c) If a Borrower (or the Company) fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will, subject to Clause 13.2 (*Changes to Interest Periods*), be one Month.
- (d) Subject to this Clause 13, a Borrower (or the Company) may select an Interest Period for a Loan of one, two, three or six Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan).
- (e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.
- (f) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.
- (g) Prior to the Syndication Date, Interest Periods shall be one Month or such other period as the Agent and the Company may agree and any Interest Period which would otherwise end during the Month preceding or extend beyond the Syndication Date shall end on the Syndication Date.
- (h) A Revolving Credit Facility Loan has one Interest Period only.

13.2 Changes to Interest Periods

- (a) Prior to determining the interest rate for a Term Loan Facility Loan, the Agent may shorten an Interest Period for any Term Loan Facility Loan to ensure there are sufficient Term Loan Facility Loans which have an Interest Period ending on a Repayment Date for each Borrower thereunder to make the relevant Repayment Instalment due on that date.
- (b) If the Agent makes any of the changes to an Interest Period referred to in this Clause 13.2, it shall promptly notify the Company and the Lenders and the Hedge Counterparties.

13.3 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13.4 **Consolidation and division of Loans**

If two or more Interest Periods:

- (a) relate to Term Loan Facility Loans made to the same Borrower; and
- (b) end on the same date,

those Term Loan Facility Loans will, unless that Borrower (or the Company on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Term Loan Facility Loan on the last day of the Interest Period.

14. **CHANGES TO THE CALCULATION OF INTEREST**

14.1 **Absence of quotations**

Subject to Clause 14.2 (*Market disruption*), if HIBOR or, if applicable, LIBOR, is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by (in relation to HIBOR) 11:00 a.m. (Hong Kong time) on the Quotation Date for HK dollars or (in relation to LIBOR) 5:00 p.m (Hong Kong time) one Business Day after the Quotation Date for Optional Currencies, HIBOR, or, if applicable, LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

14.2 **Market disruption**

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event not less than 2 Business Days before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) In this Agreement "**Market Disruption Event**" means:
 - (i) at or about noon on the Quotation Date for the relevant Interest Period for the relevant Loan the Screen Rate is not available or the Screen Rate is zero or negative and none or only one of the Reference Banks supplies a rate to the Agent to determine HIBOR or, if applicable, LIBOR for the relevant currency and Interest Period; or
 - (ii) before close of business on the Quotation Date for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 35 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of HIBOR or, if applicable, LIBOR.
- (c) If a Market Disruption Event shall occur, the Agent shall promptly notify the Lenders and the Company thereof.

14.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.
- (c) For the avoidance of doubt, in the event that no substitute basis is agreed at the end of the thirty day period, the rate of interest shall continue to be determined in accordance with the terms of this Agreement.

14.4 Break Costs

- (a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

15. FEES

15.1 Commitment fee

- (a) The Company shall pay to the Agent (for the account of each Lender under the Revolving Credit Facility) a commitment fee in the Base Currency that is computed at a rate of 30 per cent. of the Margin for the Availability Period applicable to the Revolving Credit Facility on that Lender's Available Commitment under the Revolving Credit Facility.
- (b) The Company shall pay to the Agent (for the account of each Lender under the Term Loan Facility) a commitment fee in the Base Currency that is computed at a rate of 30 per cent. of the Margin for the Availability Period applicable to the Term Loan Facility on that Lender's Available Commitment under the Term Loan Facility.
- (c) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the relevant period specified in paragraph (a) above, on the last day of the relevant Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time such cancellation is effective.
- (d) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

15.2 **Arrangement fee**

The Company shall pay to the Arrangers an arrangement fee in the amount and at the times agreed in a Fee Letter.

15.3 **Agency fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

15.4 **Security Agent fee**

The Company shall pay to the Security Agent (for its own account) the Security Agent fee in the amount and at the times agreed in a Fee Letter.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

16. TAX GROSS-UP AND INDEMNITIES

16.1 Definitions

(a) In this Agreement:

“**Protected Party**” means a Finance Party (other than a Hedge Counterparty) which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document (other than under or in respect of a Hedging Agreement).

“**Tax Credit**” means a credit against, relief or remission for, or repayment of, any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document (other than a Hedging Agreement), other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by an Obligor to a Finance Party under Clause 16.2 (*Tax gross-up*) or a payment under Clause 16.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 16 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

16.2 Tax gross-up

- (a) Each Relevant Obligor shall make all payments to be made by it under a Finance Document (other than a Hedging Agreement) without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon a Relevant Obligor becoming aware that such Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Relevant Obligor.
- (c) If a Tax Deduction is required by law to be made by a Relevant Obligor, the amount of the payment due from that Relevant Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If a Relevant Obligor is required to make a Tax Deduction, that Relevant Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Relevant Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

16.3 Tax indemnity

- (a) Without prejudice to Clause 16.2 (*Tax gross-up*), the Company shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or the transactions occurring under such Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party;
 - (ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 16.2 (*Tax gross-up*); or
 - (iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (d) A Protected Party shall, on receiving a payment from a Relevant Obligor under this Clause 16.3, notify the Agent.

16.4 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and
- (b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Relevant Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Relevant Obligor.

16.5 Stamp taxes

The Company shall pay and, within five Business Days of demand, indemnify each Secured Party and Arranger against any cost, loss or liability that Secured Party or Arranger incurs in relation to all stamp duty, registration, excise and other similar Taxes payable in respect of any Finance Document or the transactions occurring under any of them.

16.6 **Indirect tax**

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.
- (b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

16.7 **Survival of obligations**

Without prejudice to the survival of any other section of this Agreement, the agreements and obligations of each Obligor and each Finance Party contained in this Clause 16 shall survive the payment in full by the Obligors of all obligations under this Agreement and the termination of this Agreement.

16.8 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

16.9 **FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

17. **INCREASED COSTS**

17.1 **Increased costs**

- (a) Subject to Clause 17.3 (*Exceptions*) the Company shall, within five Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date of this Agreement;
 - (ii) compliance with any law or regulation made after the date of this Agreement; or
 - (iii) the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III.

The terms “law” and “regulation” in this paragraph (a) shall include, without limitation, any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

- (b) In this Agreement:
 - (i) **“Increased Costs”** means:
 - (C) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital (including, without limitation, as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);
 - (D) an additional or increased cost; or
 - (E) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

- (ii) “**Basel III**” means the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated.

17.2 **Increased cost claims**

- (a) A Finance Party intending to make a claim pursuant to Clause 17.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

17.3 **Exceptions**

- (a) Clause 17.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by a Relevant Obligor;
 - (ii) compensated for by Clause 16.3 (*Tax indemnity*) (or would have been compensated for under Clause 16.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 16.3 (*Tax indemnity*) applied);
 - (iii) attributable to a FATCA Deduction required to be made by a Party;
 - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (v) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) In this Clause 17.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 16.1 (*Definitions*).

17.4 **Replacement of Lender**

- (a) If at any time:
- (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (c) below); or
 - (ii) a Relevant Obligor becomes obliged to repay any amount in accordance with Clause 9.1 (*Illegality*) or to pay additional amounts pursuant to Clause 17.1 (*Increased costs*) or paragraph (c) of Clause 16.2 (*Tax gross-up*) to any Lender in excess of amounts payable to the other Lenders generally,

then the Company may, on 1 Business Day's prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and such Lender shall) transfer all (and not part only) of its rights and obligations under this Agreement pursuant to Clause 27 (*Changes To The Lenders*) to a Lender or other bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (a "**Replacement Lender**") selected by the Company, and which is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations of the transferring Lender (including the assumption of the transferring Lender's participations on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause shall be subject to the following conditions:
- (i) the Company shall have no right to replace the Agent or Security Agent;
 - (ii) neither the Agent nor the Lender shall have any obligation to the Company to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender, such replacement must take place no later than 10 Business Days after the date of the Company's notice referred to in paragraph (a) above;
 - (iv) in no event shall the Lender replaced under this paragraph (b) be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws, regulations and internal policies in relation to that transfer.
- (c) In the event that:
- (i) the Company or the Agent (at the request of the Company) has requested the Lenders to give a consent in relation to, or agree to a waiver or amendment of, any provisions of the Finance Documents or the entry into of any Finance Document or other document (including any document which may bind any of the Finance Parties);
 - (ii) the consent, waiver, amendment or entry in question requires the consent of all the Lenders; and
 - (iii) Lenders and/or Hedge Counterparties whose Voting Entitlements aggregate more than 66 $\frac{2}{3}$ per cent. of the Voting Entitlements of all Lenders and Hedge Counterparties have consented or agreed to such consent, waiver, amendment or entry,

then any Lender who does not and continues not to agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

18. OTHER INDEMNITIES

18.1 Currency indemnity

- (a) If any sum due from a Relevant Obligor under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
- (i) making or filing a claim or proof against that Relevant Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Relevant Obligor shall as an independent obligation, within five Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Relevant Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

18.2 Other indemnities

The Company shall (or shall procure that a Relevant Obligor will), within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by it as a result of:

- (a) the occurrence of any Event of Default;
- (b) any information produced or approved by any Relevant Obligor being or being alleged to be misleading and/or deceptive in any respect;
- (c) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Relevant Obligor or with respect to the transaction contemplated or financed under this Agreement;
- (d) a failure by a Relevant Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 31 (*Sharing Among The Finance Parties*);
- (e) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

18.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

18.4 Indemnity to the Security Agent

- (a) Each Relevant Obligor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
 - (i) the taking, holding, protection or enforcement of the Transaction Security,
 - (ii) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; and
 - (iii) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents.
- (b) The Security Agent may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

19. MITIGATION BY THE LENDERS

19.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 9.1 (*Illegality*), Clause 16 (*Tax Gross-Up And Indemnities*) or Clause 17 (*Increased Costs*), including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

19.2 Limitation of liability

- (a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 19.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 19.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

20. COSTS AND EXPENSES

20.1 Transaction expenses

The Company shall within five Business Days (other than in respect of costs and expenses required to be paid as a condition to Utilisation) on demand pay the Agent, the Arrangers and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the date of this Agreement.

20.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 32.10 (*Change of currency*), the Company shall, within five Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) reasonably incurred or made by the Agent, the Arrangers and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

20.3 Security Agent's ongoing costs

- (a) In the event of (i) a Default or (ii) the Security Agent considering it necessary or expedient or (iii) the Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Company agree to be of an exceptional nature and/or outside the scope of the normal duties of the Security Agent under the Finance Documents, the Company shall pay to the Security Agent any additional remuneration that may be agreed between them.
- (b) If the Security Agent and the Company fail to agree upon the nature of the duties or upon any additional remuneration, that dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Company or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of Hong Kong (the costs of the nomination and of the investment bank being payable by the Company) and the determination of any investment bank shall be final and binding upon the parties to this Agreement.

20.4 Enforcement and preservation costs

The Company shall, within five Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees, disbursements and other out of pocket expenses) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

**SECTION 7
GUARANTEE**

21. GUARANTEE AND INDEMNITY

21.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 21 if the amount claimed had been recoverable on the basis of a guarantee.

21.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

21.3 Reinstatement

If for any reason (including, without limitation, as a result of insolvency, breach of fiduciary or statutory duties or any similar event):

- (a) any payment to a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided, reduced or required to be restored, or
- (b) any discharge, compromise or arrangement (whether in respect of the obligations of any Obligor or any security for any such obligation or otherwise) given or made wholly or partly on the basis of any payment, security or other matter which is avoided, reduced or required to be restored,

then:

- (c) the liability of each Obligor shall continue (or be deemed to continue) as if the payment, discharge, compromise or arrangement had not occurred; and
- (d) each Finance Party shall be entitled to recover the value or amount of that payment or security from each Obligor, as if the payment, discharge, compromise or arrangement had not occurred.

21.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 21 will not be affected by any act, omission, matter or thing which, but for this Clause 21, would reduce, release or prejudice any of its obligations under this Clause 21 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (g) any insolvency or similar proceedings; or
- (h) this Agreement or any other Finance Document not being executed by or binding against any other Guarantor or any other party.

21.5 **Guarantor Intent**

Without prejudice to the generality of Clause 21.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents (including any Incremental Facility) and/or any facility or amount made available under any of the Finance Documents for or in connection with any purpose whatsoever, including without limitation, any of the following: any Relevant Property expansion; acquisitions of any nature; increasing working capital; enabling dividends or distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and expenses associated with any of the foregoing.

21.6 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 21. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

21.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any money received from any Guarantor or on account of any Guarantor's liability under this Clause 21.

21.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under this Clause 21 (*Guarantee and Indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If any Obligor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all the Secured Obligations to be repaid or discharged in full, on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 32 (*Payment Mechanics*).

21.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

22. REPRESENTATIONS

22.1 General

Each Relevant Obligor makes the representations and warranties set out in this Clause 22 (*Representations*) at the times set out herein.

22.2 Times when representations made

- (a) All the representations and warranties in Clause 22 (*Representations*) are made by each Relevant Obligor on the Second Amendment and Restatement Effective Date except for the representations and warranties set out in Clause 22.15 (*No misleading information*) thereof which are deemed to be made by each Relevant Obligor with respect to the information provided by or on behalf of an Obligor for the preparation of the Financial Model, on the Second Amendment and Restatement Effective Date.
- (b) The representations and warranties in Clause 22.15 (*No misleading information*) are deemed to be made by each Relevant Obligor on the Syndication Date.
- (c) The Repeating Representations are deemed to be made by each Relevant Obligor on:
 - (i) the date of each Utilisation Request;
 - (ii) each Utilisation Date; and
 - (iii) the first day of each Interest Period.
- (d) All the representations and warranties in Clause 22 (*Representations*) except Clause 22.15 (*No misleading information*) thereof are deemed to be made by each Additional Obligor on the day on which it becomes (or it is proposed that it becomes) an Additional Obligor.
- (e) Each representation or warranty deemed to be made after the Second Amendment and Restatement Effective Date shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

Status, authorisations and governing law

22.3 Status*

- (a) Each Relevant Obligor is a corporation duly incorporated or organised, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organisation, as the case may be.
- (b) Each of the Relevant Obligors and each of its Subsidiaries (other than any Excluded Subsidiary) has the power to own its assets and carry on its business as it is being conducted.

22.4 **Binding obligations***

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by each Obligor in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

22.5 **Pari Passu***

The payment obligations under the Finance Documents of each of the Relevant Obligors rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

22.6 **Non-conflict with other obligations***

The entry into and performance by each Obligor of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to such Obligor;
- (b) its and each of its Subsidiaries' (other than any Excluded Subsidiary's) Constitutional Documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' (other than any Excluded Subsidiary's) assets or constitute a default or termination event (however described) under any such agreement or instrument, except where a Material Adverse Effect does not or would not be reasonably expected to occur.

22.7 **Power and authority***

Each Obligor has the power to enter into, perform and deliver, and if that Obligor is a corporation has taken all necessary corporate action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

22.8 **Validity and admissibility in evidence***

- (a) All Authorisations (other than in respect of any Excluded Project) required:
 - (i) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party; and
 - (ii) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect.
- (b) All Authorisations necessary for it to carry out its business which are part of the Projects, where the failure of obtaining such Authorisations has or would reasonably be expected to have a Material Adverse Effect, have been obtained or effected and are in full force and effect.

22.9 **Governing law and enforcement***

Subject to the Legal Reservations:

- (a) the choice of governing law of the Finance Documents will be recognised and enforced in each Obligor's Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

No default or tax liability

22.10 **[INTENTIONALLY OMITTED]**

22.11 **No filing or stamp taxes**

Subject to the Legal Reservations, under the laws of each Obligor's Relevant Jurisdictions it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents (save for any stamp, registration, notarial or similar Tax which is referred to in any legal opinion of legal counsel in Macau SAR delivered to the Agent under clause 4 (*Amendment*) of the Second Amendment and Restatement Agreement, which will be made or paid promptly after the date of the relevant Finance Document).

22.12 **Deduction of Tax**

No Obligor is required under the laws of its Relevant Jurisdiction or at its address specified in this Agreement to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

22.13 **No default***

- (a) No Event of Default (or Default in the case of representations made on the Second Amendment and Restatement Effective Date) is continuing or would reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on any Obligor or to which its assets are subject which has or would reasonably be expected to have a Material Adverse Effect.

22.14 **Taxation***

No Relevant Obligor is materially overdue in the filing of any Tax returns nor is any Relevant Obligor overdue in the payment of any amount in respect of Tax, (a) where the failure to file or pay the Tax has or would reasonably be expected to have a Material Adverse Effect or (b) unless such payment is being contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets have been retained in accordance with GAAP in respect of such payment.

Provision of information - general

22.15 No misleading information (*repeating in respect of (e))

Save as disclosed in writing to the Agent and the Arrangers prior to the date of the Second Amendment and Restatement Agreement:

- (a) Any factual information provided by or on behalf of an Obligor for the preparation of the Financial Model was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.
- (b) The financial projections contained in the Financial Model were prepared on the basis of recent historical information at the time and were based on reasonable assumptions.
- (c) The expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of any Financial Model were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) based on reasonable grounds.
- (d) All projections contained in the Financial Model on or before such date have been prepared in good faith on the basis of assumptions which were reasonable at the time at which they were prepared and supplied.
- (e) All other written factual information provided by any Relevant Obligor to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and was not misleading in any material respect.

22.16 Financial Statements (*repeating in respect of (a) to (c))

- (a) The most recent consolidated financial statements of the Parent delivered pursuant to Clause 23.4 (*Financial statements*):
 - (i) have been prepared in accordance with GAAP; and
 - (ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.
- (b) Any quarterly unaudited consolidated financial statements or audited annual financial statements of MPEL delivered to the Agent pursuant to paragraph (m) of Clause 23.9 (*Information: miscellaneous*):
 - (i) have been prepared in accordance with GAAP; and
 - (ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its consolidated financial condition as at the end of, and consolidated results of operations for, the period to which they relate.

- (c) The most recent consolidating statements for the Group (based on the consolidated financial statements of the Parent after deduction of any contribution from, and excluding losses attributable to, any Excluded Project, Excluded Subsidiary or any other entity outside the Group), fairly represent the financial condition of the Group as at the end of, and combined results of operation for, the period to which they relate.
- (d) The Projections supplied under this Agreement:
 - (i) were arrived at after careful consideration and have been prepared in good faith and with due care on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied; and
 - (ii) are consistent with the provisions of the Transaction Documents (including Clause 23.9 (*Information: miscellaneous*) and Clause 24 (*Financial Covenants*)) and the financial statements supplied under this Agreement.
- (e) Since 31 March 2015 there has been no material adverse change in the business, assets or financial condition of the Group.

22.17 **[INTENTIONALLY OMITTED]**

No proceedings or breach of laws

22.18 **No proceedings pending or threatened***

Save for any frivolous or vexatious claims (which, in the case of any such proceedings commenced in any jurisdiction other than Macau SAR, have been vacated, discharged, stayed or bonded pending appeal within 60 days of commencement) or save as otherwise disclosed to and accepted by the Agent, to the best of its knowledge and belief and having made due and careful enquiry, no litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or other Governmental Authority which has or would reasonably be expected to have an Excluded Project Material Adverse Effect have been started or threatened against any Obligor.

22.19 **No breach of laws***

No Obligor has breached any law or regulation which breach has or would reasonably be expected to have a Material Adverse Effect.

22.20 **Environmental laws***

- (a) Each Obligor is in compliance with Clause 25.3 (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or would reasonably be expected to have a Material Adverse Effect.
- (b) To the best of its knowledge and belief (having made due and careful enquiry), the Relevant Properties do not contain any hazardous substances or antiquities or other obstructions whose presence affects or would reasonably be expected to affect any Obligor or the carrying out of any of the Projects in any material and adverse manner or otherwise has or would reasonably be expected to have a Material Adverse Effect.

Ownership of assets

22.21 **[INTENTIONALLY OMITTED]**

22.22 **Ranking***

Subject to the Legal Reservations, the Transaction Security has or (when granted) will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security.

22.23 **[INTENTIONALLY OMITTED]**

22.24 **Good title to assets***

Each Relevant Obligor has good, valid and marketable title to, or valid leases or licences of or is otherwise permitted to use the assets necessary to carry on its business as currently conducted.

22.25 **Legal and beneficial ownership***

(a) Each of the Obligors is or will be (as the case may be) the sole legal and beneficial owner of the respective assets over which it purports to grant Security in each case free from any claims, third party rights or competing interests other than Permitted Security permitted under Clause 25.16 (*Negative pledge*).

(b) The Subconcession is legally and beneficially owned by the Company.

22.26 **[INTENTIONALLY OMITTED]**

22.27 **Shares***

The shares of any Relevant Obligor which are or will be subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. Neither the Constitutional Documents of companies whose shares are subject to the Transaction Security nor any other Legal Requirement (save for, in respect of the Company and, in relation to any transfer, in respect of any direct or indirect shareholder therein, relevant Legal Requirements under the Subconcession) can or do restrict or inhibit any transfer or other disposal of those shares on creation or enforcement of the Transaction Security. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any Relevant Obligor (including any option or right of pre-emption or conversion), other than as permitted by the Finance Documents.

22.28 **[INTENTIONALLY OMITTED]**

22.29 **Insurance***

(a) Each Relevant Obligor is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses and in the jurisdiction in which it is or proposed to be engaged.

(b) To the best knowledge and belief of each Relevant Obligor (after having made due and careful enquiry), no event or circumstance has occurred (including any omission to disclose any fact) which could validly entitle the relevant insurers in respect of any such insurance to terminate, rescind or otherwise avoid or reduce its liability under such insurance to the extent such termination, rescission, avoidance or reduction has or would reasonably be expected to have a Material Adverse Effect.

Provision of information - Group

22.30 [INTENTIONALLY OMITTED]

22.31 [INTENTIONALLY OMITTED]

Miscellaneous

22.32 **Material Documents***

- (a) The Agent has received a true, complete and correct copy of each of the Material Documents in effect or required to be in effect as of the date of this representation is made (including all exhibits, schedules, disclosure letters, modifications and amendments referred to therein or delivered or made pursuant thereto, if any).
- (b) Each Material Document is in full force and effect and enforceable against the parties thereto in accordance with its terms, subject only to the Legal Reservations.

22.33 **Labour Disputes***

There are no strikes, lockouts, stoppages, slowdowns or other labour disputes against any Relevant Obligor pending or, to the best of the knowledge and belief (having made all due and proper enquiry) of each Obligor, threatened that (individually or in the aggregate) have or would be reasonably expected to have a Material Adverse Effect.

22.34 **Anti-Terrorism Laws***

- (a) To the best of the Obligors' knowledge, no Obligor nor any Affiliate thereof: (i) is, or is controlled by, a Restricted Party; (ii) has received funds or other property from a Restricted Party; or (iii) is in breach of or is the subject of any action or investigation under any Anti-Terrorism Law.
- (b) Each Obligor and, to the best of the Obligors' knowledge, each Affiliate thereof has taken reasonable measures to ensure compliance with the Anti-Terrorism Laws.

22.35 **Acting as Principal***

Save for the Company when acting in its capacity as Obligors' Agent, each Obligor is acting as principal for its own account and not as agent or trustee in any capacity on behalf of any person in relation to the Finance Documents.

23. INFORMATION UNDERTAKINGS

23.1 **Content**

The Relevant Obligors undertake to each Finance Party that they shall comply with the covenants set out in this Clause 23 (*Information Undertakings*).

23.2 **Duration**

The covenants in this Clause 23 (*Information Undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.3 **Definitions**

In this Agreement:

“**Annual Financial Statements**” means the financial statements for a Financial Year delivered pursuant to paragraph (a) of Clause 23.4 (*Financial statements*).

“**Quarterly Financial Statements**” means the financial statements delivered pursuant to paragraph (b) of Clause 23.4 (*Financial statements*).

23.4 **Financial statements**

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as they are available, but in any event within 120 days after the end of each of its Financial Years:
 - (i) the audited consolidated financial statements for that Financial Year of the Parent reported on without any “going concern” or like qualification or exception, or any other qualification arising out of the scope of each audit, by the Auditors; and
 - (ii) the unaudited consolidated financial statements for the Group (upon which the Auditors will perform certain agreed upon procedures to verify their correctness); and
- (b) as soon as they are available, but in any event within 60 days after the end of each Financial Quarter of each of its Financial Years, the unaudited consolidated financial statements for that Financial Quarter of the Parent (together with consolidating financial statements), prepared without taking into account any contribution from any Excluded Project Revenues, any Excluded Project, Excluded Subsidiary or any other entity outside the Group.

23.5 **Provision and contents of Compliance Certificate**

- (a) The Company shall supply a Compliance Certificate to the Agent with each set of Annual Financial Statements and Quarterly Financial Statements of the Parent.
- (b) Each Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations of Leverage, Total Leverage and Interest Cover for each Relevant Period, computations as to compliance with Clause 24.2 (*Financial condition*) and the Margin computations set out in the definition of “Margin” as at the date as at which those financial statements were drawn up.
- (c) Each Compliance Certificate shall be signed by the chief financial officer of the Company.

23.6 **Requirements as to financial statements**

- (a) The Parent shall procure that each set of Annual Financial Statements and Quarterly Financial Statements which provides for a consolidation of all members of the Parent includes a balance sheet, profit and loss account and cashflow statement. In addition the Parent shall procure that:
 - (i) each set of Annual Financial Statements of the Parent and MPEL (in the case of MPEL, which are delivered pursuant to paragraph (m) of Clause 23.9 (*Information: miscellaneous*) below) shall be audited by the Auditors;

- (ii) each set of Quarterly Financial Statements includes equivalent figures for the Financial Year to date and each set of Annual Financial Statements and Quarterly Financial Statements also sets forth in comparative form figures for the previous year; and
 - (iii) each set of Annual Financial Statements and Quarterly Financial Statements contains a supplement to the balance sheet and profit and loss account which summarises (in reasonable detail) the effect of not taking into account any contribution from, or any losses attributable to, any Excluded Project Revenues, any Excluded Project, Excluded Subsidiary or any other entity outside the Group on such Annual Financial Statements and Quarterly Financial Statements.
- (b) Each set of financial statements delivered pursuant to Clause 23.4 (*Financial statements*):
- (i) shall be certified by the chief financial officer of the Company as giving a true and fair view of (in the case of Annual Financial Statements for any Financial Year), or fairly representing (in other cases), its financial condition and operations as at the date as at which those financial statements were drawn up, and in the case of its audited Original Financial Statements, fairly representing (as at the time such financial statements are delivered) its consolidated financial condition and results of operations and give a true and fair view of its consolidated financial condition and results of operations; and
 - (ii) shall be prepared using GAAP, accounting practices and financial reference periods substantially consistent with those applied in the preparation of the Financial Model, the Original Financial Statements and the Projections unless the Company notifies the Agent that there has been a change in GAAP, or the accounting practices and its Auditors (or, if appropriate, the Auditors of the Relevant Obligor), in which case, it shall deliver to the Agent:
 - (1) a description of any change necessary for those financial statements to reflect GAAP, or accounting practices upon which the Financial Model, Projections or, as the case may be, any Original Financial Statements or subsequent financial statements were prepared;
 - (2) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether comparable computations to those referred to in Clause 23.5 (*Provision and contents of Compliance Certificate*) have been made, to determine whether Clause 24 (*Financial covenants*) has been complied with, to determine the Margin as set out in the definition of “Margin” and to make an accurate comparison between the financial position indicated in those financial statements and the Financial Model, the Projections, the Original Financial Statements or, as the case may be, any subsequent financial statements;
- (c) If the Company notifies the Agent of any change in accordance with paragraph (b)(ii) above, the Company and Agent shall enter into negotiations in good faith with a view to agreeing:
- (i) whether or not the change might result in any material alteration in the commercial effect of any of the terms of this Agreement; and
 - (ii) if so, any amendments to this Agreement which may be necessary to ensure that the change does not result in any material alteration in the commercial effect of those terms,

and, if any amendments are agreed they shall take effect and be binding on each of the Parties in accordance with their terms. If no such agreement is reached within 30 days of that notification of change, the Agent shall (if so requested by the Majority Lenders) instruct the Auditors or independent accountants (approved by the Company or, in the absence of such approval within 5 days of request by the Agent of such approval, a firm with recognised expertise) to determine any amendments to Clause 24 (*Financial Covenants*), the Margin computations set out in the definition of "Margin" and any other terms of this Agreement which the Auditors or, as the case may be, accountants (acting as experts and not arbitrators) consider appropriate to ensure the change does not result in any material alteration in the commercial effect of the terms of this Agreement. Those amendments shall take effect when so determined by the Auditors, or as the case may be, accountants. The cost and expense of the Auditors or accountants shall be for the account of the Company.

23.7 **[INTENTIONALLY OMITTED]**

23.8 **Year-end**

The Company shall not change its Financial Year-end or Financial Quarter-end and shall procure that each Financial Year-end of each member of the Group and each other Relevant Obligor falls on 31 December and each Financial Quarter-end of each member of the Group and each other Relevant Obligor falls on the relevant Quarter Date.

23.9 **Information: miscellaneous**

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) promptly, a copy of any letter, agreement, deed or other document or instrument which amends, varies, waives, novates, supplement, extends, replaces or restates any Material Document entered into after the Second Amendment and Restatement Effective Date and promptly, upon receiving any notice of default by any person under a Material Document which would or would reasonably be expected to give rise to a right to terminate a Material Document, or upon receiving any notice of the occurrence of any event under a Material Document which, with the expiry of any grace period, the giving of notice or the making of any determination provided thereunder, or any combination of the foregoing, would give rise to a right to terminate, a written statement describing such matters and an explanation of any actions being taken by the Company or other Relevant Obligor with respect thereto;
- (b) promptly, unless already notified pursuant to the foregoing, a copy of any notice of termination (save upon expiration in accordance with its terms) in respect of a Material Document or a Hedging Agreement, details of any default under a Material Document or a Hedging Agreement and details of any other of the events referred to in the preceding sub-paragraph which (in each case) may give rise to a right to terminate under a Material Document or Hedging Agreement;
- (c) promptly, details of any insurance claim or series of related insurance claims by any Relevant Obligor under any insurance policies required to be maintained under this Agreement which exceed, in aggregate, USD50,000,000 (or its equivalent), details of material changes in the insurance cover under any insurance policies required to be maintained under this Agreement in respect of the Group and, upon request by the Agent, copies of insurance policies or certificates of insurance in respect of the Group under any insurance policies required to be maintained under this Agreement or such other evidence of the existence of those policies as may be reasonably acceptable to the Agent;

- (d) a copy of each written notice which is delivered under or (if material to the interests of the Finance Parties) in connection with the Subconcession or any Land Concession promptly upon receipt of such notice;
- (e) at the same time as they are dispatched, copies of all documents dispatched by a Relevant Obligor to its shareholders generally (or any class of them) or dispatched by a Relevant Obligor to its creditors generally (or any class of them);
- (f) promptly upon becoming aware of them, the details of any litigation, arbitration or investigation by a Governmental Authority or other administrative proceedings which are current, threatened or pending against any Obligor which would involve a loss, liability, or a potential or alleged loss or liability, exceeding USD50,000,000 (or its equivalent) or which has or would reasonably be expected to have an Excluded Project Material Adverse Effect, or any material development in any such proceedings, in each case together with such other information concerning such proceedings as the Agent may reasonably require;
- (g) promptly, notice of any event, occurrence or circumstance which renders or which would reasonably be expected to render any Relevant Obligor incapable of meeting any material obligation under any Material Document as and when required thereunder which would or would reasonably be expected to give rise to a right to terminate a Material Document;
- (h) promptly upon becoming aware of them, the details of any claim, disposal or other facts and circumstances which may require a prepayment under paragraph (a) of Clause 10.2 (*Mandatory Prepayment*);
- (i) (at the same time, and to the extent permitted by any applicable law, regulation or any other restriction imposed by a stock exchange or regulatory authority and provided such notification is not prohibited by any confidentiality obligations owed by a Relevant Obligor to any Sponsor or any other person in connection with the acquisition of any Relevant Obligor or Bondco and its Subsidiaries) details of an issue, allocation or transfer of the legal or beneficial ownership of or change of control of any share of any Relevant Obligor, Bondco or any Subsidiary of any of the foregoing;
- (j) a copy of any filing made with any stock exchange or regulatory authority in respect of circumstances that could give rise to a change of control of any share of any Relevant Obligor at the same time as that filing is made;
- (k) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (l) promptly on request, such further information regarding the financial condition, assets and operations of any Relevant Obligor or an updated group structure chart as any Finance Party through the Agent may reasonably request; and
- (m) promptly on request (acting reasonably), the quarterly unaudited consolidated financial statements or audited annual financial statements of MPEL.

23.10 **Notification of default**

- (a) Each Relevant Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).
- (c) The Company shall notify the Agent of the occurrence promptly upon becoming aware thereof of an event of default (however described) under or in respect of the Bond.

23.11 **“Know your customer” checks**

- (a) If:
 - (i) any existing law or regulation or the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied with the results of all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (c) The Company shall, by not less than 10 Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 28 (*Changes to the Obligors*).
- (d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of such Additional Obligor obliges the Agent or any Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Obligor.

24. FINANCIAL COVENANTS

24.1 Financial definitions

In this Agreement:

"Borrowings" means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (and for the avoidance of doubt, any deposit paid to and retained by a member of the Group in connection with any lease of real property shall not fall within this paragraph (d));
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition (excluding (i) any given in respect of trade credit arising in the ordinary course of business and otherwise comprising Permitted Guarantees under paragraphs (a) or (b) of the definition thereof; (ii) any documentary credit which is or is to the extent of being, cash collateralised and (iii) any contingent liability of the Company under the Subconcession Bank Guarantee Facility);
- (g) any amount raised by the issue of redeemable shares (other than at the option of the issuer) which are redeemable (other than at the option of the issuer) before the Final Repayment Date;

- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above,

excluding in each case (but only to the extent otherwise included):

- (i) any guarantees or other payment undertakings given pursuant to paragraph (h) of the definition of Permitted Guarantee set out in Clause 1.1 (*Definitions*); and
- (ii) any current trade receivables and payables arising between members of the Group and members of the MPEL Group or Sponsor Group Shareholders arising in the ordinary course of business.

“Business Acquisition” means the acquisition of a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company.

“Capital Expenditure” means any expenditure or obligation in respect of expenditure which in accordance with GAAP is treated as capital expenditure and including the capital element of any expenditure or obligation incurred in connection with a finance or capital lease.

“Cash” means, at any time, cash at bank credited to an account in the name of an Obligor with an Acceptable Bank and to which an Obligor is alone beneficially entitled and for so long as:

- (a) that cash is repayable within 30 days of demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any Group member or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash except Transaction Security; and
- (d) such cash is freely and immediately available to be applied in repayment or prepayment of the Facilities.

“Consolidated EBITDA” means the consolidated profits of the Group from ordinary activities before taxation:

- (a) **before deducting** any income Tax expense (whether or not paid during that period) other than Tax on gross gaming revenue;
- (b) **before deducting** any Consolidated Net Finance Charges (which, for the purposes of this paragraph (b) only, shall include the aggregate amount of any accrued interest payable by MPEL Investments under the Bondco Loan);
- (c) **before taking into account** any accrued interest owing to any member of the Group;
- (d) **before taking into account** any gains, losses or charges associated with hedges, options or other derivative instruments

- (e) **before deducting** any amount attributable to the amortisation of goodwill or other intangible assets or the depreciation of tangible assets;
- (f) **before taking into account** any items treated as Exceptional Items or extraordinary items (including the amount of any gain or loss arising from the disposal of any interest in an Excluded Subsidiary);
- (g) **after deducting** the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (h) **after deducting** the amount of any profit of any investment or entity (which is not itself a member of the Group) in which any member of the Group has an ownership interest to the extent that the amount of such profit included in the financial statements of the Group exceeds the amount (net of applicable withholding tax) received in cash by members of the Group through distributions by such investment or entity;
- (i) **before taking into account** any realised and unrealised exchange gains and losses including those arising on translation of currency debt; and
- (j) **before taking into account** any gain or loss arising from an upward or downward revaluation of any asset,

in each case, (A) without double counting to the extent added, deducted or taken into account, as the case may be, for the purposes of determining profits of the Group from ordinary activities before taxation; and (B) without taking into account the amount of any profit or loss (but only, in each case, to the extent otherwise taken into account) of any member of the Group which is attributable to any Excluded Project, any Excluded Project Revenues or its interest in any Excluded Subsidiary.

“**Consolidated Net Finance Charges**” means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings whether paid, payable or capitalised by any member of the Group in respect of that Relevant Period:

- (a) **excluding** any such obligations owed to any other member of the Group;
- (b) **including** the interest element of leasing and hire purchase payments;
- (c) **including** any accrued commission, fees, discounts and other finance payments payable by any member of the Group to counterparties under any interest rate or other hedging arrangement;
- (d) **deducting** any accrued commission, fees, discounts and other finance payments owing to any member of the Group under any interest rate or other hedging arrangement;
- (e) **deducting** any accrued interest owing to any member of the Group on any Cash or Permitted Investments;
- (f) **excluding** any interest or other finance payments (capitalised or otherwise) in respect of any Sponsor Group Loans or Subordinated Debt;
- (g) **excluding** any such upfront fee and any accrued interest payable by MPEL Investments under the Bondco Loan; and
- (h) **excluding** any accrued commission and fees payable by the Obligors under any Fee Letters.

“**Consolidated Total Debt**” means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but:

- (a) **excluding** any such obligations to any other member of the Group and any Sponsor Group Loans or Subordinated Debt;
- (b) **including** any such obligations under or in respect of any Bond Guarantee (but excluding them to the extent they are subordinated on substantially the same terms as the Subordination Deed or otherwise on terms reasonably acceptable to the Agent); and
- (c) **including**, in the case of finance leases, only the capitalised value therefor,

and so that no amount shall be included or excluded more than once.

“**Consolidated Total Senior Secured Debt**” means, at any time, the aggregate amount of all obligations of the Group for or in respect of Borrowings but:

- (a) **excluding** any such obligations to any other member of the Group;
- (b) **excluding** any such obligations in respect of any Sponsor Group Loans, Bondco Loans and under or in respect of any Bond Guarantee to the extent such obligations remain unsecured on assets or Capital Stock of a member of the Group;
- (c) **excluding** any such obligations which are not secured on assets or Capital Stock of a member of the Group;
- (d) **including**, in the case of finance leases, only the capitalised value therefor,

and so that no amount shall be included or excluded more than once.

“**Exceptional Items**” means any material items of an unusual or non-recurring nature which represent gains or losses including those arising in connection with:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations or impairment of non-current assets;
- (c) disposals of assets associated with discontinued operations;
- (d) issuance or repayment of indebtedness, refinancing transactions or amendment or modifications; and
- (e) expenses related to costs incurred in connection with any acquisition, investment or recapitalization.

“**Financial Quarter**” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“**Financial Year**” means the annual accounting period of the Group ending on or about 31 December in each year.

“**First Test Date**” means 30 September 2015.

“**Interest Cover**” means the ratio of Consolidated EBITDA to Consolidated Net Finance Charges in respect of any Relevant Period;

“**Leverage**” means the ratio of Consolidated Total Senior Secured Debt on a specified date to Consolidated EBITDA in respect of any Relevant Period ending on such date.

“**Net Debt Service**” means, in respect of any Relevant Period, the aggregate of:

- (a) Consolidated Net Finance Charges;
- (b) the aggregate of all scheduled and mandatory payments of any Borrowings falling due and any made (but excluding any such obligations owed to any member of the Group or any person which is a creditor of a Sponsor Group Loan owed by a member of the Group and also excluding any repayments under the Revolving Credit Facility and any Incremental Revolving Credit Facility or any other revolving facilities available for simultaneous redrawing according to the terms of that facility); and
- (c) the amount of the capital element of any payments in respect of that Relevant Period payable under any finance lease or capital lease entered into by any member of the Group,

and so that no amount shall be included or excluded more than once.

“**New Shareholder Injections**” means the aggregate amount subscribed for by any person (other than a member of the Group) for ordinary shares in the Parent or any other Relevant Obligor or for Sponsor Group Loans or Subordinated Debt in the Parent or any other Relevant Obligor.

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Relevant Period**” means each period of twelve months ending on the last day of each Financial Quarter of the Company’s financial year.

“**Test Date**” means the First Test Date and each Quarter Date thereafter.

“**Total Leverage**” means the ratio of Consolidated Total Debt on a specified date to Consolidated EBITDA in respect of any Relevant Period ending on such date.

24.2 Financial condition

The Company shall ensure that:

- (a) *Interest Cover*: Interest Cover in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall be or shall exceed the ratio set out in column 2 below opposite that Test Date.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
First Test Date and each Test Date thereafter	2.5 : 1

- (b) *Leverage*: Leverage in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
First Test Date and each Test Date thereafter	3.5 : 1

- (c) *Total Leverage*: Total Leverage in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

Column 1
Relevant Period

First Test Date and each Test Date thereafter

Column 2
Ratio

4.5 : 1

24.3 **Financial testing**

The financial covenants set out in Clause 24.2 (*Financial condition*) shall be calculated and tested by reference to each of the financial statements and/or each Compliance Certificate delivered pursuant to Clause 23.5 (*Provision and contents of Compliance Certificate*).

25. **GENERAL UNDERTAKINGS**

Authorisations and compliance with laws

25.1 **Permits**

Each Relevant Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) upon request by the Agent supply certified copies to the Agent of,

any Authorisation (including any amendments, supplements or other modifications thereto) required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Transaction Documents;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document; and
- (iii) enable it to own its assets and carry on its business which are part of the Projects,

where failure to do so has or would be reasonably expected to have a Material Adverse Effect.

25.2 **Compliance with laws**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) comply with all Legal Requirements and its Constitutional Documents (in each case, where non-compliance has or would be reasonably expected to have a Material Adverse Effect) and will comply with all applicable anti-money laundering, counter-terrorism financing, economic or trade sanctions laws and regulations (including, without limitation, each Anti-Terrorism Law).

25.3 **Environmental compliance**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will):

- (a) comply with all Environmental Laws applicable to it;

- (b) obtain, maintain and ensure compliance in all respects with all requisite Environmental Permits;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, where failure to do so has or would reasonably be expected to have a Material Adverse Effect.

25.4 **Environmental claims**

Each Relevant Obligor shall inform the Agent as soon as reasonably practicable upon becoming aware of:

- (a) any Environmental Claim which has commenced or (to the best of such Obligor's knowledge and belief) is threatened against any member of the Group; or
- (b) any facts or circumstances which results in or would reasonably be expected to result in any Environmental Claim being commenced or threatened against any member of the Group,

in each case where such Environmental Claim has or would reasonably be expected, if determined against that member of the Group, to have a Material Adverse Effect.

25.5 **Taxation**

- (a) Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) duly and punctually pay and discharge all Taxes required to be paid by it when due within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes or other obligations and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under Clause 23.4 (*Financial statements*); and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes or other obligations does not have and would not reasonably be expected to have a Material Adverse Effect.
- (b) No Relevant Obligor may change its residence for Tax purposes.
- (c) Each Relevant Obligor shall inform the Agent as soon as practicable upon becoming aware of any claims or investigations made or conducted against such Relevant Obligor with respect to Taxes where a liability of, or a claim against, such Relevant Obligor of US\$50,000,000 (or its equivalent in any other currency) or more would reasonably be expected to arise, other than any claims or investigations that are being contested in good faith by appropriate measures and sufficient reserves in cash or other liquid assets have been retained in accordance with GAAP in respect of such claims or investigations.

25.6 **Anti-Money Laundering**

Each Relevant Obligor will use commercially reasonable efforts to ensure that no funds used to pay the obligations under the Finance Documents are derived from any unlawful activity.

Restrictions on business focus

25.7 Merger

No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than a Permitted Transaction or where the surviving entity following any such amalgamation, demerger, merger, consolidation or corporate reconstruction is a Relevant Obligor.

25.8 Conduct of business and maintenance of status

The Company shall procure that no substantial change is made to the general nature of the business of the Relevant Obligors or the Group (in each case, taken as a whole) from that carried on as at 31 December 2014.

25.9 Acquisitions

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will):
- (i) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or
 - (ii) incorporate a company.
- (b) Paragraph (a) above does not apply to an acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in any of them) or the incorporation of a company which is:
- (i) a Permitted Acquisition; or
 - (ii) a Permitted Transaction.

25.10 Joint ventures

- (a) No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture except for:
- (i) the transactions contemplated in paragraph (d) of the definition of “Permitted Transaction”;
 - (ii) a Joint Venture entered into or invested in by a member of the Group with:
 - (A) another member of the Group;
 - (B) a member of the MPEL Group which is not a member of the Group, provided that:
 - (1) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such entry or investment, if determined on a pro forma basis after giving effect to such Joint Venture would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*)) and no Default would result therefrom; or

- (2) where:
 - (I) such Joint Venture is entered into on arm's length terms (or better, for the relevant member of the Group);
 - (II) the value of such investment does not exceed the Annual Basket; and
 - (III) no Default would result therefrom;
- (C) a person who is not a member of the Group or the MPEL Group, provided that:
 - (1) Leverage, Total Leverage and Interest Cover for the Test Date immediately prior to such entry or investment, if determined on a pro forma basis after giving effect to Joint Venture would not exceed (or in the case of Interest Cover, would not be less than) the applicable ratio set forth opposite that Test Date in Clause 24 (*Financial Covenants*);
 - (2) such joint venture is entered into or invested in on arm's length terms (or better, for the relevant member of the Group); and
 - (3) no Default would result therefrom.
- (iii) any investment in any Joint Venture which is engaged in the business of the MPEL Group where the aggregate amount of investments in all such Joint Ventures by any member of the Group does not exceed USD10,000,000 (or its equivalent).
- (b) No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing) unless such transaction is a Permitted Acquisition, a Permitted Disposal, Permitted Guarantee, Permitted Security or a Permitted Loan.

25.11 [INTENTIONALLY OMITTED]

Restrictions on dealing with assets and Security

25.12 Preservation of assets and Security

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) preserve and protect the Security expressed to be created pursuant to the Transaction Security Documents and, if any Security (other than Permitted Security) is asserted against any of the Charged Property, promptly give the Agent written notice with reasonable detail of such Security and pay the underlying claim in full or take such other action so as to cause it to be released or bonded over in a manner reasonably satisfactory to the Agent.

25.13 **Pari passu ranking**

Each Relevant Obligor (and the Company shall ensure that each member of the Group) shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

25.14 **[INTENTIONALLY OMITTED]**

25.15 **Subconcession and Land Concessions**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will):

- (a) comply, duly and promptly, with its obligations and preserve and enforce all of its rights under the Subconcession and pursue any claims and remedies arising thereunder;
- (b) obtain and maintain definitive registration with the Macau Real Estate Registry of the horizontal property comprised in any area of each Project classified as a casino in accordance with article 42 of the Subconcession so that the casino area is registered as one unit separate and independent from the horizontal property contained in all the remaining areas of the Project upon obtaining all Permits required from the Macau SAR for such registration to be made and which Permits the Company shall ensure will be obtained as soon as possible;
- (c) obtain and maintain classification as a casino or gaming zone by the Macau SAR of any part of any Project in which any operation of casino games of chance or other forms of gaming is carried out in accordance with article 9 of the Subconcession;
- (d) obtain and maintain definitive registration with the Macau Real Estate Registry in respect of the land referred to in each Project Land Concession as soon as practicable;
- (e) notify the Agent promptly upon receiving:
 - (i) notice of any consultations with the Macau SAR (as contemplated by the Subconcession Direct Agreement or otherwise) in relation to any termination of the Subconcession;
 - (ii) notice of any consultations with the Macau SAR (as contemplated by the Land Concession Direct Agreement or otherwise) in relation to any termination or rescission of the Land Concession;
 - (iii) notice of any negotiations with the Macau SAR pursuant to article 83 of the Subconcession;
 - (iv) any notice from the Macau SAR pursuant to clause 3 of article 80 of the Subconcession; or
 - (v) any notice from the Macau SAR pursuant to clause 4 of article 80 of the Subconcession, and keep the Agent fully apprised thereof;

- (f) not designate or cause to be designated any area in the Projects (other than the horizontal property identified as comprising the casino in the plans and specifications delivered to the Agent prior to the Second Amendment and Restatement Effective Date) as a casino or gaming zone unless such designation would not cause the aggregate area which is classified as casino or gaming zones by the Macau SAR to exceed 650,000 square feet in respect of the City of Dreams Project and 250,000 square feet in respect of the Altira Project and the Agent has received evidence that, in the event of the reversion of such area to the Macau SAR upon termination of the Subconcession, such reversion would not materially affect the City of Dreams Project or the ongoing operation thereof;
- (g) not enter into or permit to subsist any arrangement with any gaming junket-tour promoters, directors or collaborators unless such persons and any such arrangement are in compliance with the requirements of the Subconcession and all other applicable Legal Requirements and the Company shall monitor the activities of such persons in regard to such arrangements and shall take all necessary or appropriate reasonable measures to ensure such compliance;
- (h) remain the subconcessionaire under the Subconcession and comply with the terms of the Subconcession; and
- (i) not grant any further subconcession under the Subconcession as long as it is prohibited by the laws of Macau SAR.

25.16 **Negative pledge**

In this Clause 25.16, “**Quasi-Security**” means a transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below:

- (a) No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) create or permit to subsist any Security over any of its assets.
- (b) No Relevant Obligor shall (and the Company shall ensure that no member of the Group will):
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Relevant Obligor or any other member of the Group;
 - (ii) sell, transfer factor or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:
 - (i) Permitted Security; or
 - (ii) a Permitted Transaction.

25.17 Disposals

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is:
 - (i) a Permitted Disposal; or
 - (ii) a Permitted Transaction.

25.18 Arm's length basis

- (a) Except as permitted by paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure no member of the Group will) enter into any transaction with any person except on arm's length terms (or better, for the relevant member of the Group) and for fair market value (or better, for the relevant member of the Group).
- (b) The following transactions shall not be a breach of paragraph (a):
 - (i) Sponsor Group Loans and other Subordinated Debt;
 - (ii) fees, costs and expenses and any other payments payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Agent under Clause 4 (*Conditions of Utilisation*) or agreed by the Agent;
 - (iii) the entry into by the Company of any Excluded Project Agreement or any transaction contemplated thereunder **provided that** (save in the case of the New Cotai Agreement) any claim, interest, liability or right of recourse of any kind of any counterparty to such Excluded Project Agreement in connection therewith against or in the Company or any of its assets (including, without limitation, the Projects) is limited to an aggregate amount equal to all Excluded Project Revenues derived in respect of that Excluded Project and any other assets of the Company comprised in, relating to or derived from that Excluded Project (and which do not form part of and (other than in the case of Excluded Project Revenues) which are not necessary to ensure to the Group the full benefit of any Project);
 - (iv) intra-Group loans and employee loans permitted under Clause 25.19 (*Loans or credit*);
 - (v) any Permitted Transactions (unless required by their terms to be on arm's length terms and/or for fair market value);

- (vi) the following Disposals referred to in the definition of Permitted Disposal set out in Clause 1.1 (Definitions):
 - (A) paragraphs (e), (f), (g), (h), (i) and (n);
 - (B) (to the extent that it relates to an Excluded Project Agreement) paragraphs (j) and (l); and
 - (C) (except to the extent expressly required in such paragraph), paragraphs (m);
- (vii) any acquisition referred to in paragraph (a) and (c) of the definition of “Permitted Acquisition” set out in Clause 1.1 (Definitions), except to the extent expressly required otherwise;
- (viii) any loan referred to in paragraph (c) of the definition of “Permitted Loan” set out in Clause 1.1 (Definitions), except to the extent expressly required otherwise;
- (ix) any guarantee referred to in paragraph (i) of the definition of “Permitted Guarantee” set out in Clause 1.1 (Definitions), except to the extent expressly required otherwise;
- (x) the entry into by any member of the Group of any agreement, deed or other instrument which is required for the granting of the Security contemplated in paragraph (q) of the definition of Permitted Security set out in Clause 1.1 (*Definitions*) or the giving of the guarantees or payment undertaking contemplated by paragraph (h) of the definition of Permitted Guarantee set out in Clause 1.1 (*Definitions*);
- (xi) any transaction entered into by a member of the Group with another member of the Group; and
- (xii) any transaction or series of related transactions, the aggregate consideration or value of which does not exceed US\$5,000,000 in any financial year.

Restrictions on movement of cash - cash out

25.19 Loans or credit

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) be a creditor in respect of any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Loan; or
 - (ii) a Permitted Transaction,

or (for the avoidance of doubt) the incurrence or settlement between members of the Group and members of the MPEL Group of any current account and advances, payables and receivables which would not otherwise be a loan arising between such persons.

25.20 **No Guarantees or indemnities**

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person.
- (b) Paragraph (a) does not apply to a guarantee which is:
 - (i) a Permitted Guarantee; or
 - (ii) a Permitted Transaction.

25.21 **Dividends and share redemption**

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company will ensure that no other member of the Group will):
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) repay or distribute any share premium reserve;
 - (iii) pay any management, advisory or other fee to or to the order of any Sponsor Group Shareholder or any Affiliate thereof which is not a member of the Group, except in the ordinary course of business; or
 - (iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so, (other than in the case of paragraph (iii) above, a **"Distribution"**);
- (b) Paragraph (a) above does not apply to:
 - (i) a Permitted Distribution; or
 - (ii) a Permitted Transaction.

25.22 **Subordinated Debt**

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will):
 - (i) repay or prepay any principal amount (or capitalised interest) outstanding under the Subconcession Bank Guarantee Facility, any Sponsor Group Loans or any other Subordinated Debt;
 - (ii) pay any interest, fees or other amounts payable in connection with the Subconcession Bank Guarantee Facility, any Sponsor Group Loans or any other Subordinated Debt; or
 - (iii) purchase, redeem, defease or discharge, exchange or enter into any sub-participation arrangements in respect of any amount outstanding with respect to the Subconcession Bank Guarantee Facility, any Sponsor Group Loans or any other Subordinated Debt.

- (b) Paragraph (a) does not apply to a payment, repayment, prepayment, purchase, redemption, defeasance or discharge which is:
 - (i) a Permitted Payment; or
 - (ii) a Permitted Transaction.

Restrictions on movement of cash - cash in

25.23 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is:
 - (i) Permitted Financial Indebtedness; or
 - (ii) a Permitted Transaction.

25.24 Share capital

No Relevant Obligor shall (and the Company shall ensure no member of the Group will) issue any shares except pursuant to:

- (a) a Permitted Share Issue; or
- (b) a Permitted Transaction.

Miscellaneous

25.25 Insurance

- (a) Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- (b) All such insurances and reinsurances must be with reputable independent insurance companies or underwriters.

25.26 Access

Each Relevant Obligor shall, and the Company shall ensure that each member of the Group will, subject to prior reasonable request and notice (but notice only where a Default is continuing), procure that the Agent, the Security Agent, accountants or other professional advisers or contractors of the Agent or the Security Agent be allowed reasonable rights of inspection and access during normal business hours to the Relevant Properties, the Projects and any other premises or assets of any member of the Group (other than premises or assets solely forming part of an Excluded Project and not in any way connected to any Project), to the Auditors and other senior officers of any member of the Group and to the books, accounts and records, and any other documents relating to the Projects or any Relevant Obligor or other member of the Group as they may reasonably require, and so as not unreasonably to interfere with their operations or those of any counterparty to a Material Document, and to take copies of any documents inspected.

25.27 **[INTENTIONALLY OMITTED]**

25.28 **Intellectual Property**

Each Relevant Obligor shall (and the Company shall ensure that each Group member will):

- (a) procure that it is the legal and beneficial owner of or has licensed to it or is otherwise permitted to use all Intellectual Property which is required by it for or in connection with the Projects;
- (b) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the Relevant Obligor or Group member for or in connection with the Projects; and
- (c) in carrying on its business, not knowingly infringe any Intellectual Property of any third party, and shall prevent any infringement of the Intellectual Property required by it in connection with the Projects;

where failure to do so has or would reasonably be expected to have a Material Adverse Effect.

25.29 **[INTENTIONALLY OMITTED]**

25.30 **Amendments**

No Relevant Obligor shall (and the Company shall ensure that no member of the Group will):

- (a) amend or modify, or permit the amendment or modification of its Constitutional Documents in any manner adverse to the interests of any of the Finance Parties under the Finance Documents;
- (b) agree to any termination of, or assign, transfer, cancel or waive or, without obtaining the prior written consent of the Agent (acting on the instructions of the Majority Lenders (acting reasonably)), agree to any amendment, modification or supplement to or any novation of any of its rights under a Land Concession except for any such action or things which would result in:
 - (i) an increase of the gross floor construction area of the land subject to that Land Concession which is as permitted under Macau SAR legal requirements;
 - (ii) any extension of the term;
 - (iii) the removal of development or other obligations or terms;
 - (iv) the imposition of less onerous developments or other obligations or terms in place of those comprised in that Land Concession;
 - (v) any extension of the date required for completion of development of the land subject to that Land Concession;

- (vi) amendments to enable definitive registration of that Land Concession (or part thereof) in line with the works actually executed provided that such amendments do not adversely affect the interests of the Finance Parties;
 - (vii) any amendments to the purpose of the Land Concession relating to the rating of a hotel;
 - (viii) any amendments to the Land Concession for the City of Dreams Site which are required in order to dispose of the hotel under development as of the date of the Second Amendment and Restatement Agreement (including such amendments required to permit separation of the said hotel in an autonomous plot or lot or to permit the registration of the said hotel as an autonomous unit or units under strata title, in each case for such purpose), provided that any such amendments do not adversely affect the interests of any of the Finance Parties under the Finance Documents and have received any necessary Authorisation from any relevant Macau SAR Governmental Authority;
 - (ix) any amendments to that Land Concession in order to permit registration of strata title in respect of a casino in the Projects;
 - (x) any amendment of a mechanical or administrative nature or any amendment required by any Macau SAR Governmental Authority for which reasonable notice has been given (which do not, in each case, adversely affect the interests of any of the Finance Parties under the Finance Documents);
 - (xi) any other amendments to a Land Concession that are not or would not reasonably be expected to be materially adverse to the interests of the Finance Parties under the Finance Documents;
- (c) agree to any termination of, or assign, transfer, cancel or waive or agree, in any manner materially adverse to the interests of any of the Finance Parties under the Finance Documents without obtaining the prior written consent of the Agent (acting on the instructions of the Majority Lenders) to any amendment, modification or supplement to or any novation of any of its rights under the Subconcession; or
- (d) agree to any amendment, modification or supplement to or any novation or termination of, or assign, transfer, cancel or waive any of its rights under the New Cotai Agreement, in any manner materially adverse to the interests of any of the Finance Parties under the Finance Documents, without obtaining the prior written consent of the Agent (acting on the instructions of the Majority Lenders), except for any amendment, modification or supplement to or any novation or termination of or assignment, transfer, cancellation or waiver which does not result in an increase in the level of recourse against the Company and which does not have or would not reasonably be expected to have a Material Adverse Effect.

25.31 **Hedging and Treasury Transactions**

No Relevant Obligor shall (and the Company will procure that no members of the Group will) enter into any Treasury Transaction, other than:

- (a) the hedging transactions contemplated by Schedule 9 (*Hedging Arrangements*) and documented by the Hedging Agreements;

- (b) other interest rate hedging arrangements entered into in the ordinary course of business and not for speculative purposes (including hedging in respect of actual or projected exposures in relation to the Facilities);
- (c) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and
- (d) any Treasury Transaction entered into for the hedging of actual or projected real exposures arising in the ordinary course of trading activities of a member of the Group for a period of not more than 12 months and not for speculative purposes,

provided that, in the case of sub-paragraphs (b), (c) and (d) above, the counterparties thereto have no Security nor any right to share in any Security over any of the Charged Property.

25.32 Further assurance

- (a) Each Relevant Obligor shall (and the Company shall procure that each member of the Group and each other person whom it is intended should provide such Security will) promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a first ranking mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security, including any assets acquired by any of the Relevant Obligors (other than, save to the extent they may comprise shares in the Company, the Managing Director) after the date of this Agreement) or for the exercise of any rights powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law;
 - (ii) to confer on the Security Agent and the Finance Parties Security over any property and assets of that Relevant Obligor or other person located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security after the Transaction Security has become enforceable under the terms hereof.
- (b) Each Relevant Obligor shall (and the Company shall procure that each member of the Group and such other persons shall) from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such other actions, as any of the Agent or the Security Agent may reasonably request, for the purposes of implementing or effectuating the provisions of the Finance Documents, or of more fully perfecting or renewing the rights of the Finance Parties with respect to the Transaction Security (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other assets acquired after the date of this Agreement by any Relevant Obligor, Group member or other person which may be deemed to be part of the Transaction Security) pursuant to the Finance Documents. Upon the exercise by the Agent, the Security Agent or any other Finance Party of any power, right, privilege or remedy pursuant to any of the Finance Documents which requires any consent, approval, notification, registration or Authorisation of any Governmental Authority, the Company shall execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Agent, the Security Agent or such Finance Party may reasonably be required to obtain from any Obligor or other Group member for such consent, approval, notification, registration or Authorisation.

25.33 **[INTENTIONALLY OMITTED]**

25.34 **Bondco Intercompany Note / Bond Guarantee**

- (a) No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) enter into or agree to any amendment, variation, novation, supplement, supersession, waiver or (other than in accordance with its terms) termination in any respect of the Bondco Intercompany Note or any Bond Guarantee without the prior written consent of the Agent, save for (i) any Bondco Intercompany Note or Bond Guarantee or (ii) any amendment, variation, novation, supplement, supersession, or waiver or termination which (in the case or (i) or (ii)) is not, when compared to the terms of any existing Bondco Intercompany Note or Bond Guarantee (in each case, assuming the principal amount thereof is USD1,000,000,000 (or its equivalent)), any more detrimental to the interests of the Finance Parties.
- (b) No Relevant Obligor shall (and the Company shall ensure that no other member of the Group will) make any payment under or in respect of the Bondco Loan save for any Permitted Payment in respect thereof and any payment of interest on, or other payments (including any additional amounts payable in connection with any withholding or deduction in respect of Taxes from payments of this kind in respect of the Bondco Loan) in the nature of interest under, the Bondco Loan (it being acknowledged that any payment of (or in respect of) premium, liquidated damages or swap termination payments under the Bondco Loan shall not be treated as a payment of interest on, or other payment in the nature of interest under, the Bondco Loan for the purposes of this paragraph (b)).

25.35 **[INTENTIONALLY OMITTED]**

25.36 **[INTENTIONALLY OMITTED]**

25.37 **Account Segregation**

No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) commingle any accounts (or cash or securities in such account) of such Relevant Obligor or other member of the Group comprised in any Excluded Project with any accounts (or cash or securities in such account) comprised in any Project.

25.38 **[INTENTIONALLY OMITTED]**

26. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 26 (*Events of Default*) is an Event of Default.

26.1 **Non-payment**

A Relevant Obligor does not pay on the due date any amount payable pursuant to a Finance Document to which it is a party at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error or a Disruption Event and payment is made within three Business Days of its due date.

26.2 **Financial covenants and other obligations**

Any requirement of Clause 24 (*Financial Covenants*) is not satisfied or an Obligor does not comply with the provisions of Clause 23.10 (*Notification of default*), **provided that** no Event of Default under this paragraph will occur in relation to any non-compliance with Clause 23.10 (*Notification of default*) if failure to comply is capable of remedy and is remedied within 7 days.

26.3 **Other obligations**

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 26.1 (*Non-payment*) and Clause 26.2 (*Financial covenants and other obligations*) above).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the Agent giving notice to the Company or relevant Obligor or the Company or an Obligor becoming aware of the failure to comply.

26.4 **Misrepresentation**

- (a) Any representation or statement made or deemed to be made by an Obligor or Grantor in the Finance Documents to which it is a party or any other document delivered by or on behalf of any Obligor or Grantor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above will occur if the misrepresentation is capable of remedy and is remedied within 30 days of the Agent giving notice to the relevant Obligor or Grantor or the relevant Obligor or Grantor becoming aware of the misrepresentation.

26.5 **Cross default**

- (a) Any Financial Indebtedness of any Relevant Obligor or other member of the Group is not paid when due nor within any applicable grace period.
- (b) Any Financial Indebtedness of any Relevant Obligor or other member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Relevant Obligor or other member of the Group is cancelled or suspended by a creditor of any Obligor or other member of the Group as a result of an event of default (however described).
- (d) Any creditor of any Relevant Obligor or other member of the Group becomes entitled to declare any Financial Indebtedness of any Relevant Obligor or other member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) Any event of default (however described) occurs under or in respect of the Bond.
- (f) No Event of Default will occur under this Clause 26.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (e) above is less than USD50,000,000 (or its equivalent).

26.6 **Insolvency**

- (a) A Grantor, Relevant Obligor or other member of the Group is unable or admits inability to pay its debts as they fall due or is deemed or declared to be unable to pay its debts under applicable law or, by reason of actual or anticipated financial difficulties, suspends or threatens to suspend making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Relevant Obligor, Grantor or other member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Grantor, Relevant Obligor or other member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.
- (d) The Managing Director commences or there is commenced against the Managing Director any case, proceeding or other action relating to his bankruptcy.
- (e) No Event of Default will occur under paragraph (b) above if (i) the difference in value between the assets and liabilities of any Holdco (on an unconsolidated basis) is USD50,000,000 or less and (ii) an Excluded Project Material Adverse Effect does not and would not reasonably be expected to occur.

26.7 **Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedure or formal step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Grantor, Relevant Obligor or other member of the Group;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of any Grantor, Relevant Obligor or other member of the Group;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Grantor, Relevant Obligor or other member of the Group or any of its assets (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project); or
 - (iv) enforcement of any Security over any assets (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project) of any Grantor, Relevant Obligor or other member of the Group,or any analogous procedure or step is taken in any jurisdiction.

- (b) Without limiting the generality of paragraph (a), any counter-party to a Material Document issues any notice to the Security Agent of its intention to take or commence any of the actions, proceedings, procedures or steps referred to in paragraph (a) pursuant to any direct agreement made in respect of such Material Document to which such counter-party and the Security Agent are party.
- (c) Paragraph (a) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised.

26.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Relevant Obligor or other member of the Group (other than assets that are in any way part of an Excluded Project and which do not form part of, and are not otherwise necessary for the operation of, any Project) having an aggregate value of at least USD50,000,000 (or its equivalent) and is not discharged within (in the case of any process in a jurisdiction other than Macau SAR) 30 days and (in the case of any process in Macau SAR) 60 days.

26.9 **Unlawfulness and invalidity**

- (a) It is or becomes unlawful for a Grantor, Obligor or any other member of the Group to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under the Subordination Deed or the Deed of Priority is or becomes unlawful.
- (b) Any obligation or obligations of any Grantor, Obligor or any other member of the Group under any of the Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created or expressed to be created under the Subordination Deed or the Deed of Priority (including the subordination of any Sponsor Group Loans and other Subordinated Debt and the Subconcession Bank Guarantee Facility) is not or ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

26.10 **[INTENTIONALLY OMITTED]**

26.11 **Subconcession and Land Concession**

- (a) Any call or drawing is made by the Macau SAR under the Subconcession Bank Guarantee unless the Subconcession Bank Guarantee is fully reinstated within 30 days thereof in accordance with the Subconcession and no other Event of Default has occurred or will result from such reinstatement.
- (b) Any temporary administrative intervention is made by the Macau SAR pursuant to article 79 of the Subconcession.
- (c) The Macau SAR takes any formal measure seeking the unilateral dissolution of the Subconcession pursuant to article 80 thereof or the Macau SAR gives notice pursuant to article 80(3) of the Subconcession and the Company fails to comply with the terms thereof within the grace period specified therein.

- (d) Any consultations are commenced between the Macau SAR and the Company under the Subconcession and/or the Subconcession Direct Agreement which would or would reasonably be expected to give rise to (i) the taking of any action to terminate the Subconcession or (ii) an agreement to terminate the Subconcession.
- (e) Any Land Concession or the Subconcession is terminated or rescinded or the Macau SAR takes any formal measure seeking any termination of a Land Concession or the Subconcession.
- (f) The Macau SAR gives any notice of its intention to terminate, suspend or rescind any Land Concession Direct Agreement or Subconcession Direct Agreement or take any formal step in connection therewith.

26.12 **Permits**

Any Permit required or necessary for the operation of any Project, or any provision thereof is suspended, revoked, cancelled, terminated or materially and adversely modified or fails to be in full force and effect or any Governmental Authority challenges or seeks to revoke any such Permit if such failure to perform, violation, breach, suspension, revocation, cancellation, termination or modification has or would reasonably be expected to have a Material Adverse Effect.

26.13 **[INTENTIONALLY OMITTED]**

26.14 **Cessation of business**

Any Relevant Obligor or other member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business and such event has or would reasonably be expected to have an Excluded Project Material Adverse Effect.

26.15 **[INTENTIONALLY OMITTED]**

26.16 **Expropriation**

The authority or ability of any Relevant Obligor or other member of the Group to (other than in respect of any business solely related to an Excluded Project or the Mocha Slot Business or assets that relate to or are in any way part of an Excluded Project or the Mocha Slot Business and which do not form part of, and are not otherwise necessary for the operation of, any Project) conduct its business, pursue any Project or enjoy the use of all or any material part of its assets is wholly or substantially limited or curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action (including as a result of any change in (or in the interpretation, administration or application of), or the introduction of, any Legal Requirement) by or on behalf of any Governmental Authority or other person in relation to any member of the Group or any of its assets.

26.17 **Repudiation and rescission of agreements**

- (a) A Grantor, Obligor or other member of the Group (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.
- (b) Any party to any of the other Transaction Documents rescinds or purports to rescind or repudiates or purports to repudiate any of those Transaction Documents in whole or in part where (other than in the case of the Subconcession or any Land Concession) to do so has or would, in the reasonable opinion of the Majority Lenders, have a Material Adverse Effect.

26.18 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations or proceedings are commenced or threatened in relation to a Transaction Document or the transactions contemplated in a Transaction Document or against any Relevant Obligor or other member of the Group or its assets which has or would reasonably be expected to have a Material Adverse Effect, other than such litigation, arbitration, administrative, governmental, regulatory or other investigations or proceedings which are frivolous or vexatious (and, in the case of any such proceedings commenced in any jurisdiction other than Macau SAR, which are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised).

26.19 **Material adverse change**

Any event or circumstance occurs which has or would reasonably be expected to have an Excluded Project Material Adverse Effect.

26.20 **[INTENTIONALLY OMITTED]**

26.21 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

- (a) cancel the Total Commitments and Incremental Facility Commitments, whereupon they shall immediately be cancelled;
- (b) declare that all or part of the Utilisations and Incremental Facility Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations and Incremental Facility Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) notify the Security Agent that an Event of Default has occurred and continuing and instruct the Security Agent to issue one or more Enforcement Notices; and/or
- (e) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under any of the Finance Documents (including, following the issue of an Enforcement Notice, any such rights, remedies, powers or discretions which first require the issue of such a notice).

**SECTION 9
CHANGES TO PARTIES**

27. CHANGES TO THE LENDERS

27.1 Assignments and transfers by the Lenders

Subject to this Clause 27, a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (in each case, the “**New Lender**”).

27.2 Conditions of assignment or transfer

- (a) Any assignment or transfer by an Existing Lender of all or any part of its Commitment must, if the assignment or transfer is only of part, be in a minimum aggregate amount of HKD40,000,000 or, if less, the entire amount of the Existing Lender’s Commitment in the relevant Facility.
- (b) Any assignment or transfer in accordance with Clause 27.1 (*Assignments and transfers by the Lenders*), or sub-participation entered into in respect of any Commitment or amount outstanding under this Agreement after the Syndication Date shall not be made or entered into without the prior written consent of the Company (such consent not to be unreasonably delayed or withheld), unless:
 - (i) the assignment or transfer is to, or the sub-participation is with, another Lender or an Affiliate of a Lender;
 - (ii) if the Existing Lender is a fund, the assignment or transfer is to, or the sub-participation is with, a fund which is a Related Fund of that Existing Lender;
 - (iii) an Event of Default has occurred and is continuing;
 - (iv) any event or circumstance referred to in paragraph (c) of the definition of “Change of Control” as set out in Clause 1.1 (*Definitions*) of this Agreement has occurred; or
 - (v) the Agent has received any of the information referred to in paragraphs (i) or (j) of Clause 23.9 (*Information: miscellaneous*), and provided that the Company shall be deemed to have provided its written consent if it has not responded to the relevant Existing Lender’s request for such assignment, transfer or sub-participation within 10 Business Days of such request having been made.
- (c) An assignment will only be effective on:
 - (i) receipt by the Agent (whether in the Assignment Agreement and Lender Accession Undertaking or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;

- (ii) the New Lender entering into the documentation required for it to accede as a party to the Deed of Appointment; and
 - (iii) performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (d) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Deed of Appointment and if the procedure set out in Clause 27.5 (*Procedure for transfer*) is complied with.
- (e) If, after the Syndication Date:
- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 16 (*Tax Gross-Up and Indemnities*) or Clause 17 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

27.3 Assignment or transfer fee

Unless the Agent otherwise agrees and excluding an assignment or transfer (i) to an Affiliate of a Lender, (ii) to a Related Fund or (iii) made in connection with primary syndication of the Facilities, the New Lender shall, on the date upon which an assignment, transfer or accession takes effect, pay to the Agent (for its own account) a fee of HKD27,500 in respect of any New Lender.

27.4 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;
 - (ii) the financial condition or other circumstances of the Project, any Obligor or any other person;
 - (iii) the performance and observance by any Obligor or any other person of its obligations under the Transaction Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial and other condition, circumstances and affairs of each Project, each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

27.5 **Procedure for transfer**

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate and Lender Accession Undertaking appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and Lender Accession Undertaking.
- (b) The Agent shall only be obliged to execute a Transfer Certificate and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar other checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate and Lender Accession Undertaking the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

- (iii) the Agent, the Arrangers, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a “Lender”.

27.6 **Procedure for assignment**

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (d) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement and Lender Accession Undertaking appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement and Lender Accession Undertaking.
- (b) The Agent shall only be obliged to execute an Assignment Agreement and Lender Accession Undertaking delivered to it by the Existing Lender and the New Lender upon its completion of all “know your customer” or other checks relating to any person that it is required to carry out in relation to the assignment to such New Lender.
- (c) On the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement and Lender Accession Undertaking;
 - (ii) the Existing Lender will be released from the obligations (the “**Relevant Obligations**”) expressed to be the subject of the release in the Assignment Agreement and Lender Accession Undertaking (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 27.6 to assign their rights under the Finance Documents **provided that** they comply with the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*).
- (e) The procedure set out in this Clause 27.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

27.7 **Copy of Assignments, Transfer and Accession Documents to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate and Lender Accession Undertaking, an Assignment Agreement and Lender Accession Undertaking or a Hedge Counterparty Accession Undertaking, send to the Company a copy of that Transfer Certificate and Lender Accession Undertaking or Assignment Agreement and Lender Accession Undertaking.

27.8 **Hedge Counterparties**

- (a) A counterparty to a Hedging Agreement may become a Party to this Agreement by executing and delivering to the Agent a Hedge Counterparty Accession Undertaking.
- (b) A Hedge Counterparty may, at any time, assign all or any of its rights and benefits or transfer all or any of its rights, benefits and obligations under and in accordance with the Finance Documents subject to delivery to the Agent of a duly completed Hedge Counterparty Accession Undertaking executed by the assignee or transferee.
- (c) With effect from the date of acceptance by the Agent and the Security Agent of a Hedge Counterparty Accession Undertaking or, if later, the date specified in that Hedge Counterparty Accession Undertaking:
 - (i) any Party ceasing entirely to be a Hedge Counterparty shall be discharged from further obligations towards the other Parties under this Agreement and their respective rights against one another shall be cancelled (except in each case for those rights which arose prior to that date); and
 - (ii) as from that date, the replacement or new Hedge Counterparty shall assume the same obligations, and become entitled to the same rights, as if it had been an original Party to this Agreement.
- (d) The obligations of the Obligors owed to each Hedge Counterparty shall be secured by the Transaction Security and each Hedge Counterparty shall be entitled to share in any proceeds arising from the enforcement thereof in accordance with the Deed of Appointment and this Agreement.
- (e) Nothing in this Clause 27.8 nor any other provisions of any Finance Document shall be deemed to entitle any Hedge Counterparty in its capacity as such under any Hedging Agreement to exercise any voting, consent, approval or similar right under the Finance Documents (other than the Hedging Agreements) **provided that:**
 - (i) each Hedge Counterparty shall have the right to participate in all decisions after the occurrence of a Hedge Voting Right Event in relation to such Hedge Counterparty that is continuing; and
 - (ii) the consent of all Hedge Counterparties shall be required in respect of each of the matters referred to in Clause 38.2 (*Exceptions*) and for any amendment to this Clause 27.8.
- (f) Each Hedge Counterparty agrees that, except with the prior written consent of the Agent or as otherwise provided in Schedule 9 (*Hedging Arrangements*), no amendment may be made to a Hedging Agreement to an extent which would result in:
 - (i) any payment under that Hedging Agreement being required to be made by the Company on any date other than the dates originally provided for in that Hedging Agreement; or

- (ii) the Company becoming liable to make an additional payment under any Hedging Agreement which liability does not arise from the original provisions of that Hedging Agreement; or
 - (iii) the Company becoming liable to make any payment under that Hedging Agreement in any currency other than in the currency provided for under the original provisions of that Hedging Agreement.
- (g) No Hedge Counterparty may terminate a hedging facility or close out any hedging transaction under a Hedging Agreement prior to its stated maturity except in accordance with the terms thereof and Schedule 9 (*Hedging Arrangements*).
- (h) After a notice has been given by the Agent pursuant to Clause 26.21 (*Acceleration*) (which notice shall be copied by the Agent to each Hedge Counterparty), a Hedge Counterparty shall, at the written request of the Agent, terminate the hedging facility or close out any hedging transaction under the Hedging Agreement to which it is party in accordance with the terms of such Hedging Agreement.
- (i) The Agent shall only be obliged to execute a Hedge Counterparty Accession Undertaking upon its completion of all “know your customer” or other checks relating to any person that it is required to carry out in relation to such Hedge Counterparty Accession Undertaking.

27.9 Security Interests over Lenders’ rights

In addition to the other rights provided to Lenders under this Clause 27, each Lender may without consulting with or obtaining consent from any Obligor, at any time create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

27.10 The Register

[INTENTIONALLY OMITTED]

27.11 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

27.12 Exclusion of Agent’s liability

In relation to any assignment or transfer pursuant to this Clause 27, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

28. CHANGES TO THE OBLIGORS

28.1 Assignment and transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

28.2 Additional Borrower

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 23.11 (“*Know your customer*” checks), the Company may request that any of its wholly owned or controlled Subsidiaries becomes an Additional Borrower. The relevant Subsidiary shall become an Additional Borrower if:
- (i) it is (and has been since incorporation) a wholly owned Subsidiary of the Company;
 - (ii) it is not an Excluded Subsidiary;
 - (iii) it has not traded nor carried on any kind of business whatsoever (other than any such activities as may be required to maintain its corporate status and existence);
 - (iv) the Company and the relevant Subsidiary deliver to the Agent a duly completed and executed Accession Letter;
 - (v) the relevant Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;
 - (vi) the Company confirms that no Default is continuing or would occur as a result of the relevant Subsidiary becoming an Additional Borrower; and
 - (vii) the Agent has received all of the relevant documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*).

28.3 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (c) and (d) of Clause 23.11 (“*Know your customer*” checks), the Company may request that any of its wholly owned Subsidiaries become an Additional Guarantor.
- (b) The Company shall procure that any other member of the Group shall, as soon as possible after becoming a member of the Group, become an Additional Guarantor and grant such Security as the Agent may require and shall accede to the Deed of Appointment.

- (c) A member of the Group shall become an Additional Guarantor if:
 - (i) the Company and the proposed Additional Guarantor deliver to the Agent a duly completed and executed Accession Letter; and
 - (ii) the Agent has received all of the documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.
- (d) The Agent shall notify the Company, the Lenders and the Hedge Counterparties promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*).
- (e) No Excluded Subsidiary shall be required to become an Additional Guarantor.

28.4 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (d) of Clause 22.2 (*Times when representations made*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10
THE FINANCE PARTIES

29. ROLE OF THE AGENT, THE ARRANGERS AND OTHERS

29.1 Appointment of the Agent

- (a) Each of the Arrangers, the Lenders and the Hedge Counterparties appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arrangers, the Lenders and the Hedge Counterparties authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

29.2 Duties of the Agent

- (a) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (d) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Arrangers or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature. The Agent shall have no duties save as expressly provided under or in connection with any Finance Document.
- (f) Prior to the occurrence of an Event of Default which is continuing, to the extent that (and, in each case, as permitted by this Agreement):
 - (i) any amendment, variation, waiver or termination of a Major Project Document (as defined in Clause 1.4 (*Other Definitions*) of this Agreement) or any other document assigned to the Secured Parties (or over which Security is granted) pursuant to the terms of any Transaction Security Document and/or the application of any amounts payable by any person under such Major Project Document or such other document is permitted without the prior consent of the Agent or the Security Agent;
 - (ii) this Agreement permits amounts to be credited, applied or paid to, or withdrawn or transferred from, any Account without the prior consent of the Agent or the Security Agent; or
 - (iii) this Agreement permits any insurances to be amended, varied, waived, renewed, extended or replaced and/or the application of the proceeds of any claim under the insurances without the prior consent of the Agent or the Security Agent,

the Agent shall, notwithstanding any notices or acknowledgments given by or to any person under any Transaction Security Document, when requested to do so by a member of the Group (acting reasonably), direct the Security Agent to provide any consent, approval or notification and take such other action as the Company or other Relevant Obligor may reasonably require (at the Company's cost and expense) in respect thereof which may be required of it in respect of the matters set out in paragraphs (i) to (iii) above.

29.3 **Role of the Arrangers**

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

29.4 **No fiduciary duties**

- (a) Nothing in this Agreement constitutes the Agent or any Arranger as a trustee or fiduciary of any other person.
- (b) None of the Agent, the Security Agent or the Arrangers shall be bound to account to any Lender or Hedge Counterparty for any sum or the profit element of any sum received by it for its own account.

29.5 **Business with the Group**

The Agent, the Security Agent and the Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

29.6 **Rights and discretions**

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document; and
 - (ii) any statement made or purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders and Hedge Counterparties) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent may act in relation to the Finance Documents through its personnel and agents.

- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Without prejudice to the generality of paragraph (e) above, the Agent may disclose the identity of a Defaulting Lender to the other Finance Parties and the Company and shall disclose the same upon the written request of the Company or the Majority Lenders.
- (g) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Arrangers is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

29.7 **Majority Lenders' instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders. Without prejudice to any other provision hereof, it may also exercise on behalf of the Finance Parties any right, power, authority or discretion in respect of such matters as it determines to be of a minor technical or administrative or of a non-credit related nature without any instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties other than the Security Agent.
- (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders and Hedge Counterparties) until it has received such security as it may require for any cost, loss or liability (together with any associated Indirect Tax) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders and Hedge Counterparties) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent is not authorised to act on behalf of a Lender or Hedge Counterparty (without first obtaining that Lender or Hedge Counterparty's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (e) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

29.8 **Responsibility for documentation**

None of the Agent or the Arrangers:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, any Arranger, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents;

- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document or the Transaction Security; or
- (c) is responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.9 Exclusion of liability

- (a) Without limiting paragraph (b) below, the Agent will not be liable for any action taken by it under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.3 (*Third Party Rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or any Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender or Hedge Counterparty and each Lender and Hedge Counterparty confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

29.10 Lenders’ indemnity to the Agent and the Security Agent

- (a) Each Lender and Hedge Counterparty shall rateably in accordance with the proportion that the Base Currency Amount of the sum of its Available Commitments and its participations in any outstanding Loans bear to the Base Currency Amount of the aggregate of the Available Commitments and such participations of all the Secured Parties (or, if all such amounts have been reduced to zero, such proportion determined immediately prior to such reduction) for the time being, indemnify each of the Agent and Security Agent, within three Business Days of demand (accompanied by reasonable written certification), against any cost, loss or liability incurred by the Agent or the Security Agent (other than by reason of the fraud, negligence or wilful misconduct of the Agent or the Security Agent) in acting as Agent and Security Agent under the Finance Documents (unless the Agent or the Security Agent has been reimbursed by, or indemnified to its satisfaction by, an Obligor pursuant to a Finance Document or otherwise in writing). For the purposes of this Clause 29.10, each Hedge Counterparty shall, in respect of each Hedging Agreement entered into by it, be deemed to have made a Loan to the Company in an amount equal to the equivalent amount in the Base Currency of any amount due but unpaid (other than default interest) under the Hedging Agreement to which such Hedge Counterparty is party following its early termination.

- (b) This Clause 29.10 shall not apply to the extent that the Agent is otherwise actually indemnified or reimbursed by any Party under any other provision of the Finance Documents.
- (c) **Provided that** if an Obligor is required to reimburse or indemnify any Secured Party for such cost, loss or liability in accordance with the terms of the Finance Documents, the Company shall, within ten Business Days of demand in writing by the relevant Secured Party, indemnify such Secured Party in relation to any payment actually made by such Secured Party pursuant to paragraph (a) of Clause 29.10 above.

29.11 **Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in Hong Kong as successor by giving notice to the Lenders, the Hedge Counterparties and the Company.
- (b) Alternatively the Agent may resign by giving notice to the Lenders, the Hedge Counterparties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in Hong Kong).
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) The Agent shall (at the cost of the Company or (as the case may be) such Lender requiring the Agent to resign pursuant to this paragraph (g)) resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (b) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 16.8 (*FATCA Information*) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 16.8 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.

29.12 **Replacement of the Agent**

- (a) After consultation with the Company, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in Hong Kong).
- (b) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 29 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

29.13 **Confidentiality**

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent and the Arrangers are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.
- (d) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Company or any Affiliates of the Company on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

29.14 Relationship with the Lenders and the Hedge Counterparties

- (a) The Agent may treat each Lender and Hedge Counterparty as a Lender or Hedge Counterparty, entitled to payments under the Finance Documents and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender or Hedge Counterparty to the contrary in accordance with the terms of this Agreement.
- (b) Each Lender and Hedge Counterparty shall supply the Agent with any information that the Security Agent may reasonably specify (through the Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Lender and Hedge Counterparty shall deal with the Security Agent exclusively through the Agent and shall not deal directly with the Security Agent.

29.15 Credit appraisal by the Lenders and Hedge Counterparties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and Hedge Counterparty confirms to the Agent and the Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security or the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (d) the adequacy, accuracy and/or completeness any information provided by the Agent to any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

29.16 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

29.17 Agent's management time

Any amount payable to the Agent under Clause 18.3 (*Indemnity to the Agent*), Clause 20 (*Costs And Expenses*) and Clause 29.10 (*Lenders' indemnity to the Agent and the Security Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 15 (*Fees*).

29.18 **Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

29.19 **Reliance and engagement letters**

Each Finance Party and Secured Party confirms that each of the Arrangers and the Agent has authority to accept on its behalf and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arrangers or Agent, the terms of any reliance letter or engagement letters relating to any reports or letters provided by any advisers in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

29.20 **Release of Security**

- (a) If any member of the Group disposes of any asset which is subject to security created by a Transaction Security Document to a person which is not a Relevant Obligor and the disposal is determined by the Agent (acting on the instructions of the Majority Lenders) to be expressly permitted by the terms of the Finance Documents (the “**Relevant Asset**”), the Lenders hereby authorise and instruct the Security Agent to execute and deliver, promptly following a request in writing by the Company, and in any case no later than 20 Business Days after receipt of such written request, such releases, additional instruments, certificates or other documents requested (and at the cost of the Company) by the Company (acting reasonably) in order to release the Relevant Asset from the Transaction Security, including:
- (i) in the case of any Relevant Asset subject to Transaction Security under a Transaction Security Document governed by English law, a deed of partial release substantially in the form set out in Schedule 12 (*Form of Deed of Partial Release*); and
 - (ii) in the case of the release of any Relevant Asset which is subject to Transaction Security governed by Macau law, a security release declaration substantially in the form set out in Schedule 13 (*Form of Security Release Declaration*) (a “**Security Release Declaration**”).
- (b) If a member of the Group ceases to carry out or operate any business, undertaking or establishment which may be registered as an enterprise at the Commercial and Movable Property Registry of the Macau SAR and such cessation would not cause a Default, the Lenders authorise and instruct the Security Agent to, promptly following a written request by the Company, and in any case no later than 20 Business Days after receipt of such written request, issue a Security Release Declaration substantially in the form set out in Schedule 13 (*Form of Security Release Declaration*) in respect of the relevant Pledge of Enterprises and/or the relevant Floating Charge(s) and/or the Pledge over Gaming Equipment and Utensils which relates to such business, undertaking or establishment, in order to release such relevant business, undertaking or establishment from the applicable Pledge of Enterprises, Floating Charge and/or Pledge over Gaming Equipment and Utensils.

30. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim;
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax; or
- (d) oblige any Finance Party to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any applicable anti-money laundering, economic or trade sanctions laws or regulations.

31. SHARING AMONG THE FINANCE PARTIES

31.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with Clause 32 (*Payment Mechanics*) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 32 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 32.6 (*Partial payments*).

31.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 32.6 (*Partial payments*).

31.3 Recovering Finance Party’s rights

- (a) On a distribution by the Agent under Clause 31.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

31.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 31.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

31.5 **Exceptions**

- (a) This Clause 31 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**SECTION 11
ADMINISTRATION**

32. PAYMENT MECHANICS

32.1 Payments to the Agent

- (a) On each date (or such other date) on which an Obligor or a Lender is required to make a payment under a Finance Document that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date or such other date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Agent specifies.

32.2 Distributions by the Agent

- (a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 32.3 (*Distributions to an Obligor*) and Clause 32.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency.
- (b) The Agent shall distribute payments received by it in relation to all or any part of a Loan to the Lender indicated in the records of the Agent as being so entitled on that date provided that the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 27 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

32.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 33 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

32.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

32.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 32.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 32.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 29.12 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this Clause 32.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with Clause 32.2 (*Distributions by the Agent*)

32.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) *firstly*, following the delivery of an Enforcement Notice, in payment of all costs and expenses incurred by or on behalf of the Agent or Security Agent in connection with such enforcement or recovery and which have been certified, in writing, as having been incurred by the Agent or Security Agent;
 - (ii) *secondly*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Agent, the Arrangers and the Security Agent under those Finance Documents;
 - (iii) *thirdly*, in payment *pro rata* of all amounts paid by any Secured Party under Clause 29.10 (*Lenders' indemnity to the Agent and the Security Agent*) but which have not been reimbursed by the Company;
 - (iv) *fourthly*, in or towards payment *pro rata* of:
 - (A) all accrued interest, costs, fees and expenses due and payable to the Lenders under the Finance Documents; and
 - (B) all amounts (not being any amount payable as a result of termination or closing out of all or any part of any Hedging Agreement) due and payable to the Hedge Counterparties under the Finance Documents;

- (v) *fifthly*, payment *pro rata* of:
 - (C) any principal due and payable under the Term Loan Facility and any Incremental Term Loan Facility to the extent due and payable to the Lenders;
 - (D) any principal due but unpaid under the Revolving Credit Facility and any Incremental Revolving Credit Facility; and
 - (E) all amounts payable to the Hedge Counterparties as a result of the termination or closing out of all or any part of any Hedging Agreement; and
 - (vi) *sixthly*, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (a)(iii) to (vi) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

32.7 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

32.8 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

32.9 Currency of account

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

32.10 **Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

33. **SET-OFF**

Subject to the terms of Clause 31 (*Sharing Among The Finance Parties*), a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

34. **NOTICES**

34.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

34.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Company and each other Obligor, that identified with its name in the signing pages below;
 - (b) in the case of each Lender, Hedge Counterparty or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
 - (c) in the case of the Agent or the Security Agent, that identified with its name in the signing pages below,
- or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than ten Business Days' notice.

34.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,
- and, if a particular department or officer is specified as part of its address details provided under Clause 34.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Company in accordance with this Clause 34.3 will be deemed to have been made or delivered to each of the Obligors.

34.4 **Notification of address and fax number**

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

34.5 **Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

34.6 **Electronic communication**

- (a) Any communication to be made between the Agent or the Security Agent and a Lender or Hedge Counterparty under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent, the Security Agent and the relevant Lender or Hedge Counterparty:
- (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.

- (b) Any electronic communication made between the Agent and a Lender, a Hedge Counterparty or the Security Agent will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender or a Hedge Counterparty to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.
- (c) Notwithstanding the foregoing, each Party hereto agrees that the Agent may make information, documents and other materials that any Obligor is obligated to furnish to the Agent pursuant to the Finance Documents (together, “**Communications**”) available to any Finance Party by posting the Communications on IntraLinks or another relevant website, if any, to which such Finance Party has access (whether a commercial, third-party website or whether sponsored by the Agent) (the “**Platform**”). Nothing in this Clause 34.6 shall prejudice the right of the Agent to make the Communications available to any Finance Party in any other manner specified in this Agreement or any other Finance Documents.
- (d) Each Finance Party agrees that e-mail notice to it (at the address provided pursuant to the next sentence and deemed delivered as provided in the next paragraph) specifying that Communications have been posted to the Platform shall constitute effective delivery of such Communications to such Finance Party for purposes of this Agreement and the other Finance Documents. Each Finance Party agrees:
- (i) to notify the Agent in writing (including by electronic communication) from time to time to ensure that the Agent has on record an effective e-mail address for such Finance Party to which the foregoing notice may be sent by electronic transmission; and
 - (ii) that the foregoing notice may be sent to such e-mail address.
- (e) Notwithstanding paragraph (f) below, each Party hereto agrees that any electronic communication referred to in this Clause 34.6 shall be deemed delivered upon the posting of a record of such communication (properly addressed to such party at the e-mail address provided to the Agent) as “sent” in the e-mail system of the sending party or, in the case of any such communication to the Agent, upon the posting of a record of such communication as “received” in the e-mail system of the Agent; **provided that** if such communication is not so received by the Agent during the normal business hours of the Agent, such communication shall be deemed delivered at the opening of business on the next Business Day for the Agent.
- (f) Each Party hereto acknowledges that:
- (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution;
 - (ii) the Communications and the Platform are provided “as is” and “as available”;
 - (iii) none of the Agent, its affiliates nor any of their respective officers, directors, employees, agents, advisors or representatives (collectively, the “**Agency Parties**”) warrants the adequacy, accuracy or completeness of the Communications or the Platform, and each Agency Party expressly disclaims liability for errors or omissions in any Communications or the Platform; and
 - (iv) no representation or warranty of any kind, express, implied or statutory, including any representation or warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agency Party in connection with any Communications or the Platform.

- (g) Each Relevant Obligor hereby acknowledges that certain of the Lenders may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to MPEL, any of its Subsidiaries or their respective securities) (each, a “**Public Lender**”). Each Relevant Obligor hereby agrees that:
- (i) Communications that are to be made available on the Platform to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof;
 - (ii) by marking Communications “PUBLIC,” each Obligor shall be deemed to have authorized the Agent and the Lenders to treat such Communications as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to MPEL, any of its Subsidiaries or their respective securities for purposes of US federal and state securities laws;
 - (iii) all Communications marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Lender”; and
 - (iv) the Agent shall be entitled to treat any Communications that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Lender”.

34.7 **English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34.8 **Hedging Agreement**

Clauses 34.1 (*Communications in writing*) to 34.6 (*Electronic communication*) shall not apply to any Hedging Agreement.

35. **CALCULATIONS AND CERTIFICATES**

35.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

35.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

35.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (where due in an Optional Currency) and 365 days (where due in the Base Currency).

36. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

37. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

38. AMENDMENTS AND WAIVERS

38.1 Required consents

- (a) Subject to Clause 27.8 (*Hedge Counterparties*), Clause 38.2 (*Exceptions*) and paragraphs (b) and (c) below, any term of the Finance Documents (other than the Mandate Documents) may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party:
 - (i) any amendment or waiver or enter into any document or do any other act or thing permitted by this Clause 38 and any other provision of the Finance Documents; and
 - (ii) pursuant to paragraph (a) of Clause 29.7 (*Majority Lenders' instructions*), any amendment or waiver of, or in respect of, such matters as it determines to be of a minor technical or administrative matters or of a non-credit related nature.
- (c) Upon the mandatory prepayment contemplated by paragraph (a)(iii) of Clause 10.2 (*Mandatory Prepayment*) of this Agreement being made (and provided that such release neither involves nor permits any claim, interest, liability, right of recourse of any kind in connection therewith against or in any member of the Group or its assets, including the City of Dreams Project and that no Event of Default or Default is continuing or is likely to occur as a result of such release), the Agent shall (and is authorised to) instruct the Security Agent (at the cost of the Relevant Obligors and at the written request of the Company) to release the Altira Site and any other Altira Assets from the Transaction Security and the Agent and Security Agent are authorised to execute (and the Agent is authorised to instruct the Security Agent to execute), without the need for any further authorisation from the Secured Parties, any releases required in relation thereto and to issue any certificates of non-crystallisation of floating charges that may be necessary or desirable.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 38 which is agreed to by the Company, including any amendment or waiver which would, but for this paragraph (d), require the consent of all of the Guarantors.

38.2 **Exceptions**

- (a) An amendment, waiver or other exercise of any right, power or discretion that has the effect of changing or which relates to:
- (i) the definition of “**Majority Lenders**” or “**Super Majority Lenders**” or paragraph (e) of the definition of “**Permitted Financial Indebtedness**” in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) a change in currency of payment of any amount under the Finance Documents;
 - (v) an increase in or an extension of any Commitment, Incremental Facility Commitment or the Total Commitments;
 - (vi) a change to the Borrowers or Guarantors other than in accordance with Clause 28 (*Changes to the Obligors*);
 - (vii) any provision which expressly requires the consent of all the Lenders or Hedge Counterparties or Super Majority Lenders;
 - (viii) Clause 2.2 (*Finance Parties’ rights and obligations*), Clause 10 (*Mandatory Prepayment*), (save for an amendment, waiver or other exercise of any right, power or discretion that solely relates to paragraph 2(a)(ii) or 2(a)(iv) of Clause 10 (*Mandatory Prepayment*) (or any of the defined terms referred to in such paragraphs (or any defined terms referred to in those defined terms) only insofar as such definitions apply to that paragraph 2(a)(ii) or 2(a)(iv), as the case may be) and provided that such amendment, waiver or other exercise of any right, power or discretion does not have the effect of reducing any amount which is payable pursuant to any such paragraph), Clause 27 (*Changes To The Lenders*) (other than paragraphs (f) and (g) of Clause 27.8 (*Hedge Counterparties*)) or this Clause 38;
 - (ix) the nature or scope of the guarantee and indemnity granted under Clause 21 (*Guarantee and Indemnity*);
 - (x) the nature or scope of the Charged Property or the manner in which the proceeds of enforcement of the Transaction Security are distributed (except insofar as it relates to (1) a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document or (2) any sharing in the Transaction Security or the granting, creating or sharing in any other Security over the Charged Property and that sharing or granting, creating or sharing is required for the purposes of incurring the Financial Indebtedness referred to in paragraph (e)(i) of the definition of “**Permitted Financial Indebtedness**” in Clause 1.1 (*Definitions*));

- (xi) the release of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document;
- (xii) any amendment to the order of priority or subordination under the Subordination Deed or the Deed of Priority; or
- (xiii) any amendment to the provisions of Clause 7 (*Incremental Facilities*), or any amendment or waiver of a term of any Incremental Facility which would (had such relevant term after giving effect to such amendment or waiver constituted a term of such Incremental Facility at the time it was made available pursuant to Clause 7 (*Incremental Facilities*)) be a breach of Clause 7 (*Incremental Facilities*),

shall not be made without the prior consent of all the Lenders and, where required under Clause 27.8 (*Hedge Counterparties*), the Hedge Counterparties.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Arrangers, or the Security Agent may not be effected without the consent of the Agent, the Arrangers, or the Security Agent.
- (c) If any amendment, waiver or other exercise of any right, power or discretion of or in relation to any term of any of the Finance Documents is required in respect of the entry into of an Excluded Project Operation Agreement and that amendment, waiver or other exercise would, but for this paragraph (c), require the prior consent of all of the Lenders pursuant to paragraph (a) above, then notwithstanding this such Excluded Project Operation Agreement may be entered into by the Agent with the prior consent of the Super-Majority Lenders.
- (d) If any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any of the terms of any Finance Document (other than an amendment or waiver relating to those matters referred to in paragraph (a) above or which requires the consent of the Super-Majority Lenders under paragraph (c) above) or other vote of Lenders under the terms of this Agreement within 10 Business Days (unless the Company agrees to a longer time period in relation to any request) of that request being made, its Commitment and/or participation shall not be included for the purpose of calculating the aggregate Total Commitments and Incremental Facility Commitments or participations under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and Incremental Facility Commitments and/or participations has been obtained to approve that request **provided that** the Company has noted in its request for a consent, waiver, amendment or vote that such action is subject to the provisions of this paragraph (d) and sets out the date that is 10 Business Days after the date of such request.
- (e) If any Lender fails to respond to a request for a consent, waiver, amendment or other vote of Lenders under the terms of this Agreement, of or in relation to any of the terms of any Finance Document relating to those matters referred to in paragraph (a) above or which requires the consent of the Super-Majority Lenders under paragraph (c) above, within 20 Business Days of receipt by such Lender of the relevant request (unless the Company agrees to a longer time period in relation to any request) of that request being made, if the consent of the Majority Lenders has already been obtained in relation to such request, its Commitment and/or participation shall not be included for the purpose of calculating the aggregate Total Commitments and Incremental Facility Commitments or participations under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and Incremental Facility Commitments and/or participations has been obtained to approve that request **provided that** the Company has noted in its request for a consent, waiver, amendment or vote that such action is subject to the provisions of this paragraph (d) and sets out the date that is 20 Business Days after the date of such request.

38.3 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Incremental Facility Commitments, Total Commitments or Total Revolving Credit Facility Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments.
- (b) For the purposes of this Clause 38.3, the Agent may assume that the following Lenders are Defaulting Lenders:
 - (ii) any Lender which has notified the Agent that it has become a Defaulting Lender;
 - (iii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

38.4 Replacement of a Defaulting Lender

- (a) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 5 Business Days' prior written notice to the Agent and such Lender:
 - (i) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
 - (ii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of the undrawn Revolving Credit Facility Commitment and any Incremental Revolving Credit Facility Commitment of the Lender;
or
 - (iii) require such Lender to (and such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Revolving Credit Facility and any Incremental Revolving Credit Facility,

to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Company, and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause shall be subject to the following conditions:
 - (i) the Company shall have no right to replace the Agent or Security Agent;
 - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
 - (iii) the transfer must take place no later than 10 days after the notice referred to in paragraph (a) above; and
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

39. DISCLOSURE OF INFORMATION

39.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 39.2 (*Disclosure of information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

39.2 Disclosure of information

- (a) Any Finance Party may disclose to any of its Affiliates, related corporations, head office, branch and representative office (each a “**Finance Party Related Party**”), any Obligor (or any person permitted by any Obligor), any other Finance Party, any of its professional advisers and other persons providing services to it (provided such person is under a duty of confidentiality (contractual or otherwise) to the Finance Party disclosing the information) and any other person:
 - (i) to (or through) whom that Finance Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;
 - (ii) with (or through) whom that Finance Party enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which all or any of the obligations, economic interest or other interest under the Finance Documents of that Finance Party is to be transferred or payments are to be made by reference to the Finance Documents or any Obligor; or
 - (iii) to any of its agents, contractors, or third party service providers who are under a duty of confidentiality to that Finance Party and who provide services or facilities to that Finance Party in connection with that Finance Party’s business or operations and to that Finance Party’s host server and storage provider for the purpose of processing transactions and storing statements of account, advices, transaction records and other documents, data or records; or

- (iv) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation, to any governmental, banking, taxation or other regulatory authority or in connection with any litigation, arbitration, legal, administrative or regulatory proceedings;
- (v) for whose benefit that Finance Party creates Security (or may do so) pursuant to Clause 27.9 (*Security Interests over Lenders' rights*);
- (vi) to the International Swaps and Derivatives Association, Inc. ("**ISDA**") or any Credit Derivatives Determination Committee or sub-committee of ISDA where such disclosure is required by them in order to determine whether the obligations under the Finance Documents will be, or in order for the obligations under the Finance Documents to become, deliverable under a credit derivative transaction or other credit linked transaction which incorporates the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement or other provisions substantially equivalent thereto; and

(b) any Finance Party may disclose to a rating agency or its professional advisers, or (with the consent of the Company) any other person, any information about any Obligor, the Group, the Project, the business of the MPEL Group and the Finance Documents as that Lender or other Finance Party shall consider appropriate if, in relation to paragraphs (a)(i) and (ii) above, the person to whom the information is to be given has entered into a Confidentiality Undertaking.

Any Confidentiality Undertaking signed by a Finance Party pursuant to this Clause 39.1 shall supersede any prior confidentiality undertaking signed by such Finance Party for the benefit of any member of the Group.

Nothing in this Clause 39.1 shall prohibit the disclosure of any information which is publicly available other than as a result of a breach by a Finance Party of this Clause 39.1.

Notwithstanding any of the provisions of the Finance Documents, the Obligors and the Finance Parties hereby agree that each Party and each employee, representative or other agent of each Party may disclose to any and all persons, without limitation of any kind:

- (i) any information with respect to the US federal and state income tax treatment of the Facilities and any facts that may be relevant to understanding such tax treatment, which facts shall not include for this purpose the names of any Party or any other person named herein, or information that would permit identification of any Party or such other persons, or any pricing terms or other non-public business or financial information that is unrelated to such tax treatment or facts; and
- (ii) all materials of any kind (including opinions or other tax analysis) that are provided to any of the foregoing relating to such tax treatment,

in so far as such disclosure relates to US federal income tax.

Each Finance Party Related Party shall be permitted to disclose information in accordance with this Clause 39.1 as if it were a Finance Party.

40. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

41. USA PATRIOT ACT

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, such Lender is required to obtain, verify and record information that identifies such Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the USA Patriot Act.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

42. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

43. ENFORCEMENT

43.1 Jurisdiction of English courts

- (a) The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 43.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

43.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Relevant Obligor:
 - (i) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (ii) agrees that failure by an agent for service of process to notify the Relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within three Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1
ORIGINAL PARTIES**

**PART A
ORIGINAL TERM LOAN FACILITY LENDERS**

<u>Name of Original Term Loan Facility Lender/Term Loan Facility Lender</u>	<u>Total Term Loan Facility Commitment (HKD)</u>
Australia and New Zealand Banking Group Limited	780,000,000
Bank of America, N.A.	780,000,000
Bank of China Limited, Macau Branch	1,560,000,000
Deutsche Bank AG, Singapore Branch	780,000,000
Total	3,900,000,000

PART B
ORIGINAL REVOLVING CREDIT FACILITY LENDERS

<u>Name of Original Revolving Credit Facility Lender / Revolving Credit Facility Lender</u>	<u>Total Revolving Credit Facility Commitment (HKD)</u>
Australia and New Zealand Banking Group Limited	1,950,000,000
Bank of America, N.A.	1,950,000,000
Bank of China Limited, Macau Branch	3,900,000,000
Deutsche Bank AG, Singapore Branch	1,950,000,000
Total	9,750,000,000

PART C
ORIGINAL HEDGE COUNTERPARTIES

[INTENTIONALLY OMITTED]

**PART D
GUARANTORS**

<u>Guarantor</u>	<u>Jurisdiction of Incorporation</u>	<u>Registration Number (or equivalent)</u>
MPEL Nominee One Limited	Cayman Islands	187717
MPEL Nominee Two Limited	Cayman Islands	187718
MPEL Nominee Three Limited	Cayman Islands	187898
MPEL Investments Limited	Cayman Islands	168835
Melco Crown (COD) Hotels Limited	Macau SAR	27812
Melco Crown (COD) Developments Limited	Macau SAR	19157
Golden Future (Management Services) Limited	Macau SAR	27808
Altira Hotel Limited	Macau SAR	24789
Altira Developments Limited	Macau SAR	19596
Melco Crown Hospitality and Services Limited	Macau SAR	29549
Melco Crown (Cafe) Limited	Macau SAR	27811
Melco Crown (COD) Retail Services Limited	Macau SAR	29561
Melco Crown (COD) Ventures Limited	Macau SAR	29562
COD Theatre Limited	Macau SAR	31483
Melco Crown COD (CT) Hotel Limited	Macau SAR	31451
Melco Crown COD (GH) Hotel Limited	Macau SAR	31453
Melco Crown COD (HR) Hotel Limited	Macau SAR	31452

**SCHEDULE 2
CONDITIONS PRECEDENT**

**PART A
CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER ALTIRA TRANCHE**

[INTENTIONALLY OMITTED]

PART B
CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER CITY OF DREAMS TRANCHE

[INTENTIONALLY OMITTED]

PART C
CONDITIONS PRECEDENT TO ALL UTILISATIONS (OTHER THAN ALTIRA TRANCHE)

[INTENTIONALLY OMITTED]

PART D
CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR

1. An Accession Letter executed by the Additional Obligor and the Company.
2. A copy of the Constitutional Documents of the Additional Obligor.
3. In the case of any Additional Obligor who is a US Person, a copy of a good standing certificate (including verification of tax status) or equivalent with respect to the Additional Obligor, issued as of a recent date by the Secretary of State or other relevant State or other Governmental Authority.
4. A copy of a resolution of the board of directors of the Additional Obligor:
 - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Accession Letter and any other Transaction Documents to which it is a party;
 - (b) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf;
 - (c) authorising the Company to act as its agent in connection with the Finance Documents.
5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 4 above.
6. A copy of a resolution signed by all the holders of the issued shares in each Additional Obligor, approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party.
7. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments and any Incremental Facility Commitments or the entry into or performance under any of the Transaction documents to which it is a party would not cause any borrowing, guarantee, security or similar limit or any other Legal Requirement binding on it to be exceeded.
8. A certificate of an authorised signatory of the Additional Obligor certifying that each document, copy document and other evidence listed in this Part D is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Letter.
9. The following legal opinions:
 - (a) A legal opinion of the legal advisers to the Agent and the Security Agent, as to English law.
 - (b) If the Additional Obligor is incorporated in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent and the Security Agent in each of those jurisdictions.
10. Evidence that the agent for service of process specified in Clause 43.2 (*Service of process*) has accepted its appointment in relation to the proposed Additional Obligor.

11. Any Transaction Security Documents which are required by the Agent to be executed by the proposed Additional Obligor.
12. Any notices, requests for undertakings or other documents required to be given or executed under the terms of those Transaction Security Documents, together with, where relevant, their due acknowledgement and agreement by the addressee or any other person expressed to be a party thereto.
13. An undertaking, in such form as may be required by the Deed of Appointment or as may otherwise be reasonably required by the Agent or the Security Agent providing for the accession of the Additional Obligor to the Deed of Appointment executed by the Additional Obligor.

**SCHEDULE 3
REQUESTS**

**PART A
UTILISATION REQUEST
TERM LOAN FACILITY/REVOLVING CREDIT FACILITY**

From: [Company]

To: [Agent]

Date:

Dear Sirs

**Melco Crown (Macau) Limited and Others – Senior Facilities Agreement ORIGINALLY dated 5
SEPTEMBER 2007 (as AMENDED AND RESTATED PURSUANT TO THE SECOND
AMENDMENT AND RESTATEMENT AGREEMENT DATED [●]) (the “Senior Facilities
Agreement”)**

[Term Loan Facility Utilisation Request] [Revolving Credit Facility Utilisation Request]

1. We refer to the Senior Facilities Agreement. This is a Utilisation Request. Terms defined in the Senior Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:
 - (a) Borrower: [Company] [insert details of other Borrower]
 - (b) Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)
 - (c) Facility to be utilised: [Term Loan Facility] [Revolving Credit Facility] [insert details of relevant Incremental Facility]
 - (d) Currency of Loan: [●]
 - (e) Amount: [●] or, if less, the Available Facility
 - (f) Interest Period: [●]
 - (g) Purpose: [●]
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully

Name:
authorised signatory
for and on behalf of
[Company]

- ¹ Delete if no Rollover Loan being utilised.
- ² Delete if only a Rollover Loan is being utilised.

**PART C
SELECTION NOTICE**

From: [Company]

To: [Agent]

Date:

Dear Sirs

**Melco Crown (Macau) Limited and Others – Senior Facilities Agreement ORIGINALLY dated 5
SEPTEMBER 2007 (as AMENDED AND RESTATED PURSUANT TO THE SECOND
AMENDMENT AND RESTATEMENT AGREEMENT DATED [●]) (the “Senior Facilities
Agreement”)**

Selection Notice No [●]

1. We refer to the Senior Facilities Agreement. This is a Selection Notice. Terms defined in the Senior Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following Term Loan Facility Loan[s] with an Interest Period ending on [●].¹
3. We request that the next Interest Period for the above Term Loan Facility Loan[s] is [●].²
4. This Selection Notice is irrevocable.

Yours faithfully

Name:
authorised signatory
for and on behalf of
[Borrower]/[Company]

-
- ¹ Repeat and insert details of all Loans for the relevant Facility which have an Interest Period ending on the same date.
 - ² Complete as required.

SCHEDULE 4
FORM OF TRANSFER CERTIFICATE AND LENDER ACCESSION UNDERTAKING

To: [●] as Agent and [●] as Security Agent

From: [*The Existing Lender*] (the “**Existing Lender**”) and [*The New Lender*] (the “**New Lender**”)

Dated:

Melco Crown (Macau) Limited and Others – Senior Facilities Agreement
originally dated 5 September 2007, as amended and restated pursuant to a second amendment
and restatement agreement dated [●] 2015 (the “Senior Facilities Agreement”)

1. We refer to the Senior Facilities Agreement and to the Deed of Appointment and the Deed of Priority (as defined in the Senior Facilities Agreement). This agreement (the “**Agreement**”) shall take effect as a Transfer Certificate for the purpose of the Senior Facilities Agreement and as a Lender Accession Undertaking for the purposes of the [[Deed of Appointment] and [the Deed of Priority]]³ (and as defined therein). Terms defined in the Senior Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 27.5 (*Procedure for transfer*) of the Senior Facilities Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment(s) and/or all or part of the Existing Lender’s participation(s) in Loan(s), rights and obligations referred to in the Schedule in accordance with Clause 27.5 (*Procedure for transfer*).
 - (b) The Existing Lender transfers by novation to the New Lender all the rights of the Existing Lender under the Onshore Security Documents and in respect of the Transaction Security created or expressed to be created thereunder which correspond to that portion of the Existing Lender’s Commitment, rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.
 - (c) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment, rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.
 - (d) The proposed Transfer Date is [●].
 - (e) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges:
 - 3.1 the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 27.4 (*Limitation of responsibility of Existing Lenders*); and
 - 3.2 that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate and Lender Accession Undertaking or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.

³ Delete as appropriate.

4. The New Lender confirms that it is a “New Lender” within the meaning of Clause 27.1 (*Assignment and transfers by the Lenders*).
5. The Existing Lender and the New Lender confirm that the New Lender is not an Obligor or an Affiliate of an Obligor
6. We refer to the [[Deed of Appointment] and the [Deed of Priority]]:
 - (a) In consideration of the New Lender being accepted as a Lender for the purposes of the [[Deed of Appointment] and [the Deed of Priority]] (and as defined therein), the New Lender confirms that, as from the proposed Transfer Date, it intends to be party to the [[Deed of Appointment] and [the Deed of Priority]] as a Lender, and undertakes to perform all the obligations expressed in the [[Deed of Appointment] and [the Deed of Priority]] to be assumed by a Lender and agrees that it shall be bound by all the provisions of the [[Deed of Appointment] and [the Deed of Priority]], as if it had been an original party to the [[Deed of Appointment] and [the Deed of Priority]].
 - (b) The undertakings contained in this Agreement have been entered into on the date stated above.
7. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
8. This Agreement is governed by and construed in accordance with English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate and Lender Accession Undertaking for the purposes of the Senior Facilities Agreement by the Agent, and as a Lender Accession Undertaking for the purposes of the Deed of Appointment by the Agent and the Security Agent, and the Transfer Date is confirmed as [•].

[Agent]

By:

[Security Agent]

By:

Note: *It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate and Lender Accession Undertaking or to give the New Lender full enjoyment of all the Finance Documents.*

SCHEDULE 5
FORM OF ASSIGNMENT AGREEMENT AND LENDER ACCESSION UNDERTAKING

To: [●] as Agent and [●] as Security Agent

From: [the Existing Lender] (the “Existing Lender”) and [the New Lender] (the “New Lender”)

Dated:

Melco Crown (Macau) Limited and Others – Senior Facilities Agreement
originally dated 5 September 2007, as amended and restated pursuant to a second amendment
and restatement agreement dated [●] 2015 (the “Senior Facilities Agreement”)

1. We refer to the Senior Facilities Agreement and to the Deed of Appointment (as defined in the Senior Facilities Agreement). This is an Assignment Agreement and Lender Accession Undertaking. This agreement (the “**Agreement**”) shall take effect as an Assignment Agreement and Lender Accession Undertaking for the purpose of the Senior Facilities Agreement and as a Lender Accession Undertaking for the purposes of the Deed of Appointment (as defined therein).
 - (a) We refer to Clause 27.6 (*Procedure for assignment*) of the Senior Facilities Agreement.
 - (b) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Senior Facilities Agreement, the other Finance Documents (excluding the Onshore Security Documents) and under the Onshore Security Documents and in respect of the Transaction Security created or expressed to be created thereunder which correspond to that portion of the Existing Lender’s Commitment(s) and/or all or part of the Existing Lender’s participation(s) in Loan(s) under the Senior Facilities Agreement and its rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.
 - (c) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment(s) and/or all or part of the Existing Lender’s participation(s) in Loan(s) under the Senior Facilities Agreement and its rights and obligations referred to (if any) under the Onshore Security Documents in the Schedule.
2. The proposed Transfer Date is [●].
3. On the Transfer Date the New Lender becomes:
 - (a) Party to the Finance Documents as a Lender; and
 - (b) Party to the Deed of Appointment as a Lender [*other relevant agreements in other relevant capacity*].
4. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (c) of Clause 27.4 (*Limitation of responsibility of Existing Lenders*).
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 34.2 (*Addresses*) are set out in the Schedule.

6. We refer to the Deed of Appointment.
 - (a) In consideration of the New Lender being accepted as a Lender for the purposes of the Deed of Appointment (as defined therein), the New Lender confirms that, as from [date], it intends to be party to the Deed of Appointment as a Lender, and undertakes to perform all the obligations expressed in the Deed of Appointment to be assumed by a Lender and agrees that it shall be bound by all the provisions of the Deed of Appointment, as if it had been an original party to the Deed of Appointment.
 - (b) The undertakings contained in this Agreement have been entered into on the date stated above.
7. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery to the Company in accordance with Clause 27.7 (*Copy of Assignments, Transfer and Accession Documents to Company*), to the Company (for itself and for and on behalf of each other Obligor) of the assignment referred to in this Agreement.
8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
9. This Agreement is governed by and construed in accordance with English law.
10. This Agreement has been [executed and delivered as a deed] [entered into] on the date stated at the beginning of this Agreement.

[Please note that the following steps should be taken in order for the New Lender to obtain the benefit of the Transaction Security: [●]]

THE SCHEDULE

Commitment/rights and obligations to be transferred by assignment, release and accession

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement and Lender Accession Undertaking for the purposes of the Senior Facilities Agreement by the Agent, and as a Lender Accession Undertaking for the purposes of the Deed of Appointment by the Agent and the Security Agent, and the Transfer Date is confirmed as [●].

[Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.]

[Agent]

By:

[Security Agent]

By:

**SCHEDULE 6
FORM OF ACCESSION LETTER**

To: [●] as Agent

From: [Subsidiary] and [Company]

Dated:

Dear Sirs

**Melco Crown (Macau) Limited and Others – Senior Facilities Agreement
originally dated 5 September 2007, as amended and restated pursuant to a second amendment
and restatement agreement dated [●] 2015 (the “Senior Facilities Agreement”)**

1. We refer to the Senior Facilities Agreement. This is an Accession Letter. Terms defined in the Senior Facilities Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [Subsidiary] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Senior Facilities Agreement, the Deed of Appointment and the other Finance Documents as an Additional [Borrower]/[Guarantor] pursuant to Clause [28.2 (*Additional Borrowers*)]/[Clause 28.3 (*Additional Guarantors*)] of the Senior Facilities Agreement [and as an [Obligor] pursuant to the Deed of Appointment]. [Subsidiary] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company with registered number [●].
3. [Subsidiary's] administrative details are as follows:
Address:
Fax No.:
Attention:
4. This Accession Letter is governed by English law.
[This Accession Letter is entered into by deed.]**

[Company]

[Subsidiary]

NOTES:

* Insert if Accession Letter is for an Additional Borrower.

** If the Facilities are fully drawn there may be an issue in relation to past consideration for a proposed Additional Guarantor. This can be overcome by acceding by way of deed.

SCHEDULE 7
FORM OF COMPLIANCE CERTIFICATE

From: Melco Crown (Macau) Limited

To: [Agent]

Dated:

Dear Sirs

Melco Crown (Macau) Limited and others – Senior Facilities Agreement
originally dated 5 September 2007, as amended and restated pursuant to a second amendment
and restatement agreement dated [●] 2015 (the “Senior Facilities Agreement”)

1. We refer to the Senior Facilities Agreement. This is a Compliance Certificate. Terms defined in the Senior Facilities Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that:
 - (a) in respect of the Relevant Period ending on [●] Consolidated EBITDA for such Relevant Period was [●] and Consolidated Net Finance Charges for such Relevant Period were [●]. Therefore Consolidated EBITDA for such Relevant Period was [●] times Consolidated Net Finance Charges for such Relevant Period and the covenant contained in sub-paragraph (a) (*Interest Cover*) Clause 24.2 (*Financial condition*) [has/has not] been complied with;
 - (b) on the last day of the Relevant Period ending on [●] Consolidated Total Senior Secured Debt was [●] and Consolidated EBITDA for such Relevant Period was [●]. Therefore Consolidated Total Senior Secured Debt at such time [did/did not] exceed [●] times Consolidated EBITDA for such Relevant Period and the covenant contained in sub-paragraph (b) (*Leverage*) of Clause 24.2 (*Financial condition*) [has/has not] been complied with;
 - (c) on the last day of the Relevant Period ending on [●] Consolidated Total Debt was [●] and Consolidated EBITDA for such Relevant Period was [●]. Therefore Consolidated Total Debt at such time [did/did not] exceed [●] times Consolidated EBITDA for such Relevant Period and the covenant contained in sub-paragraph (c) (*Total Leverage*) of Clause 24.2 (*Financial condition*) [has/has not] been complied with;
 - (d) Leverage is [●]:1 and that, therefore, the Margin should be [●]% p.a.; and
 - (e) on the date of this Compliance Certificate, the aggregate amount of Permitted Financial Indebtedness under paragraph (f) of the definition thereof is USD[] (or its equivalent).

3. [We confirm that no Default is continuing.]*

Signed

Chief Financial Officer
of
Melco Crown (Macau) Limited

NOTES:

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

SCHEDULE 8
TRANSACTION SECURITY DOCUMENTS

1. Debenture dated 13 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited), MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited), MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited), MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited), MPEL Investments Limited (formerly known as Melco PBL Investments Limited), Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited), Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited), Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) and Golden Future (Management Services) Limited as chargors (the “**Debenture 1 Chargors**”) and the Security Agent (as amended pursuant to a debenture amendment deed dated 19 November 2007 and a debenture amendment deed dated 10 May 2010, in each case, between the Debenture 1 Chargors and the Security Agent, and further amended pursuant to a composite debenture amendment deed dated 22 June 2011 between, amongst others, the Debenture 1 Chargors and the Security Agent).
2. Debenture dated 17 December 2007 between Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited), Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) and Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as chargors (the “**Debenture 2 Chargors**”) and the Security Agent (as amended pursuant to a debenture amendment deed dated 10 May 2010 between the Debenture 2 Chargors and the Security Agent, and further amended pursuant to a composite debenture amendment deed dated 22 June 2011 between, amongst others, the Debenture 2 Chargors and the Security Agent).
3. Debenture dated 12 August 2008 between COD Theatre Limited, Melco Crown COD (CT) Hotel Limited and Melco Crown (COD) Hotels Limited as chargors (the “**Debenture 3 Chargors**”) and the Security Agent (as amended pursuant to a debenture amendment deed dated 10 May 2010 between the Debenture 3 Chargors and the Security Agent, and further amended pursuant to a composite debenture amendment deed dated 22 June 2011 between, amongst others, the Debenture 3 Chargors and the Security Agent).
4. Debenture dated 30 August 2008 between Melco Crown (COD) Developments Limited, Melco Crown COD (GH) Hotel Limited and Melco Crown COD (HR) Hotel Limited as chargors (the “**Debenture 4 Chargors**”) and the Security Agent (as amended pursuant to a debenture amendment deed dated 10 May 2010 between the Debenture 4 Chargors and the Security Agent, and further amended pursuant to a composite debenture amendment deed dated 22 June 2011 between, amongst others, the Debenture 4 Chargors and the Security Agent).
5. Pledge and assignment over intellectual property rights dated 30 August 2008 between Melco Crown (Macau) Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (Macau) Limited and the Security Agent, and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).

6. Pledge and assignment over intellectual property rights dated 8 April 2008 between Altira Developments Limited (formerly known as Melco Crown (CM) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Altira Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
7. Pledge and assignment over intellectual property rights dated 8 April 2008 between Altira Hotel Limited (formerly known as Melco Crown (CM) Hotel Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Altira Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
8. Pledge and assignment over intellectual property rights dated 8 April 2008 between Melco Crown (COD) Hotels Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (COD) Hotels Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).
9. Pledge and assignment over intellectual property rights dated 8 April 2008 between Melco Crown (Cafe) Limited (formerly known as Melco Crown (Mocha) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (Cafe) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (Cafe) Limited and the Security Agent).
10. Pledge and assignment over intellectual property rights dated 8 April 2008 between Golden Future (Management Services) Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Golden Future (Management Services) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited and the Security Agent).
11. Pledge and assignment over intellectual property rights dated 8 April 2008 between Melco Crown Hospitality and Services Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown Hospitality and Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown Hospitality and Services Limited).
12. Pledge and assignment over intellectual property rights dated 8 April 2008 between Melco Crown (COD) Retail Services Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (COD) Retail Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (COD) Retail Services Limited and the Security Agent).

13. Pledge and assignment over intellectual property rights dated 8 April 2008 between Melco Crown (COD) Ventures Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (COD) Ventures Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (COD) Ventures Limited and the Security Agent).
14. Pledge and assignment over intellectual property rights dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between COD Theatre Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, COD Theatre Limited and the Security Agent).
15. Pledge and assignment over intellectual property rights dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown COD (CT) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown COD (CT) Hotel Limited and the Security Agent).
16. Pledge and assignment over intellectual property rights dated 30 August 2008 between Melco Crown (COD) Developments Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown (COD) Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
17. Pledge and assignment over intellectual property rights dated 30 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown COD (GH) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown COD (GH) Hotel Limited and the Security Agent).
18. Pledge and assignment over intellectual property rights dated 30 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 between Melco Crown COD (HR) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges and assignments over intellectual property rights dated 22 June 2011 between, amongst others, Melco Crown COD (HR) Hotel Limited and the Security Agent).
19. Pledge and assignment over intellectual property rights dated 8 April 2008 between MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited), MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited), MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited), MPEL Investments Limited (formerly known as Melco PBL Investments Limited) and MPEL (Delaware) LLC (formerly known as Melco PBL (Delaware) LLC) as companies and the Security Agent (as amended pursuant to an amendment agreement to the pledge and assignment over intellectual property rights dated 10 May 2010 and further amended pursuant to the amendment agreement to the pledge and assignment over intellectual property rights dated 22 June 2011, in each case, between MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited, MPEL Investments Limited, MPEL (Delaware) LLC and the Security Agent).

20. Assignment of onshore contracts dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (Macau) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
21. Assignment of onshore contracts dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Altira Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
22. Assignment of onshore contracts dated 5 September 2007 between Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Altira Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
23. Assignment of onshore contracts dated 5 September 2007 between Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (Cafe) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (Cafe) Limited and the Security Agent).
24. Assignment of onshore contracts dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Golden Future (Management Services) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited and the Security Agent).
25. Assignment of onshore contracts dated 17 December 2007 between Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown Hospitality and Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown Hospitality and Services Limited and the Security Agent).

26. Assignment of onshore contracts dated 17 December 2007 between Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (COD) Retail Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (COD) Retail Services Limited and the Security Agent).
27. Assignment of onshore contracts dated 17 December 2007 between Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (COD) Ventures Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (COD) Ventures Services Limited and the Security Agent).
28. Assignment of onshore contracts dated 12 August 2008 between Melco Crown (COD) Hotels Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (COD) Hotels Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).
29. Assignment of onshore contracts dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between COD Theatre Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, COD Theatre Limited and the Security Agent).
30. Assignment of onshore contracts dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown COD (CT) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown COD (CT) Hotel Limited and the Security Agent).
31. Assignment of onshore contracts dated 30 August 2008 between Melco Crown (COD) Developments Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown (COD) Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
32. Assignment of onshore contracts dated 30 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown COD (GH) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown COD (GH) Hotel Limited and the Security Agent).

33. Assignment of onshore contracts dated 30 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of onshore contracts dated 10 May 2010 between Melco Crown COD (HR) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of onshore contracts dated 22 June 2011 between, amongst others, Melco Crown COD (HR) Hotel Limited and the Security Agent).
34. Pledge of enterprises dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
35. Pledge of enterprises dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
36. Pledge of enterprises dated 5 September 2007 between Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
37. Pledge of enterprises dated 5 September 2007 between Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Cafe) Limited and the Security Agent).
38. Pledge of enterprises dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited and the Security Agent).
39. Pledge of enterprises dated 17 December 2007 between Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown Hospitality and Services Limited and the Security Agent).
40. Pledge of enterprises dated 17 December 2007 between Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Retail Services Limited and the Security Agent).
41. Pledge of enterprises dated 17 December 2007 between Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Ventures Limited and the Security Agent).
42. Pledge of enterprises dated 1 February 2008 between Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).

43. Pledge of enterprises dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, COD Theatre Limited and the Security Agent).
44. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown COD (CT) Hotel Limited and the Security Agent).
45. Pledge of enterprises dated 1 February 2008 between Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
46. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown COD (GH) Hotel Limited and the Security Agent).
47. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown COD (HR) Hotel Limited and the Security Agent).
48. Pledge over onshore accounts dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (Macau) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
49. Pledge over onshore accounts dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Altira Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
50. Pledge over onshore accounts dated 5 September 2007 between Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Altira Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
51. Pledge over onshore accounts dated 5 September 2007 between Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (Cafe) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (Cafe) Limited and the Security Agent).

52. Pledge over onshore accounts dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Golden Future (Management Services) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited and the Security Agent).
53. Pledge over onshore accounts dated 17 December 2007 between Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown Hospitality and Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown Hospitality and Services Limited and the Security Agent).
54. Pledge over onshore accounts dated 17 December 2007 between Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (COD) Retail Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (COD) Retail Services Limited and the Security Agent).
55. Pledge over onshore accounts dated 17 December 2007 between Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (COD) Ventures Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (COD) Ventures Services Limited and the Security Agent).
56. Pledge over onshore accounts dated 1 February 2008 between Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (COD) Hotels Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).
57. Pledge over onshore accounts dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between COD Theatre Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, COD Theatre Limited and the Security Agent).
58. Pledge over onshore accounts dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown COD (CT) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown COD (CT) Hotel Limited and the Security Agent).

59. Pledge over onshore accounts dated 1 February 2008 between Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown (COD) Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
60. Pledge over onshore accounts dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown COD (GH) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown COD (GH) Hotel Limited and the Security Agent).
61. Pledge over onshore accounts dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the pledge over onshore accounts dated 10 May 2010 between Melco Crown COD (HR) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the pledges over onshore accounts dated 22 June 2011 between, amongst others, Melco Crown COD (HR) Hotel Limited and the Security Agent).
62. Charge over accounts dated 27 November 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
63. Charge over accounts dated 27 November 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
64. Charge over accounts dated 27 November 2007 between Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
65. Charge over accounts dated 27 November 2007 between Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
66. Charge over accounts dated 17 December 2007 between Golden Future (Management Services) Limited as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited and the Security Agent).
67. Charge over accounts dated 25 July 2008 between Melco Crown (COD) Hotels Limited as the company and the Security Agent (as amended pursuant to a composite account charge amendment deed dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).

68. Floating charge dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (Macau) Limited and the Security Agent).
69. Floating charge dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Altira Developments Limited and the Security Agent).
70. Floating charge dated 5 September 2007 between Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Altira Hotel Limited and the Security Agent).
71. Floating charge dated 5 September 2007 between Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (Cafe) Limited and the Security Agent).
72. Floating charge dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Golden Future (Management Services) Limited and the Security Agent).
73. Floating charge dated 17 December 2007 between Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown Hospitality and Services Limited and the Security Agent).
74. Floating charge dated 17 December 2007 between Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (COD) Retail Services Limited and the Security Agent).
75. Floating charge dated 17 December 2007 between Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (COD) Ventures Limited and the Security Agent).
76. Floating charge dated 1 February 2008 between Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (COD) Hotels Limited and the Security Agent).
77. Floating charge dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between COD Theatre Limited and the Security Agent).
78. Floating charge dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown COD (CT) Hotel Limited and the Security Agent).

79. Floating charge dated 1 February 2008 between Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown (COD) Developments Limited and the Security Agent).
80. Floating charge dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown COD (GH) Hotel Limited and the Security Agent).
81. Floating charge dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the floating charge dated 22 June 2011 between Melco Crown COD (HR) Hotel Limited and the Security Agent).
82. Land security assignment dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
83. Land security assignment dated 21 August 2008 between Melco Crown (COD) Developments Limited as company and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
84. Assignment of leases and rights to use agreements dated 16 May 2008 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown (Macau) Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
85. Assignment of leases and rights to use agreements dated 12 August 2008 between Altira Developments Limited (formerly known as Melco Crown (CM) Developments Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Altira Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
86. Assignment of leases and rights to use agreements dated 12 August 2008 between Altira Hotel Limited (formerly known as Melco Crown (CM) Hotel Limited) as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Altira Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Altira Hotel Limited and the Security Agent).
87. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown (COD) Retail Services Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown (COD) Retail Services Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown (COD) Retail Services Limited and the Security Agent).

88. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown (COD) Hotels Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown (COD) Hotels Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited and the Security Agent).
89. Assignment of leases and rights to use agreements dated 12 August 2008 between COD Theatre Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between COD Theatre Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, COD Theatre Limited and the Security Agent).
90. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown COD (CT) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown COD (CT) Hotel Limited and the Security Agent).
91. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown (COD) Developments Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown (COD) Developments Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
92. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown COD (GH) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown COD (GH) Hotel Limited and the Security Agent).
93. Assignment of leases and rights to use agreements dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent (as amended pursuant to an amendment agreement to the assignment of leases and rights to use agreements dated 10 May 2010 between Melco Crown COD (HR) Hotel Limited and the Security Agent and further amended pursuant to a composite amendment agreement to the assignments of leases and rights to use agreements dated 22 June 2011 between, amongst others, Melco Crown COD (HR) Hotel Limited and the Security Agent).
94. Share pledge agreement with respect to shares of Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) dated 5 September 2007 between MPEL Investments Limited (formerly known as Melco PBL Investments Limited) as first pledgor, MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited) as second pledgor, the Security Agent and Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously Melco PBL Gaming (Macau) Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Investments Limited, MPEL Nominee Three Limited and the Security Agent).

95. Share pledge agreement with respect to shares of Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, Melco Crown (COD) Developments Limited and the Security Agent).
96. Share pledge agreement with respect to shares of Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, Altira Hotel Limited and the Security Agent).
97. Share pledge agreement with respect to shares of Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited) as third pledgor, the Security Agent and Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited, Altira Developments Limited and the Security Agent).
98. Share pledge agreement with respect to shares of Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) dated 5 September 2007 between Mr. Lawrence Yau Lung Ho as pledgor, the Security Agent and Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, Mr. Lawrence Yau Lung Ho and the Security Agent).
99. Share pledge agreement with respect to shares of Golden Future (Management Services) Limited dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Golden Future (Management Services) Limited as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, Golden Future (Management Services) Limited and the Security Agent).

100. Share pledge agreement with respect to shares of Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, Melco Crown (Cafe) Limited and the Security Agent).
101. Share pledge agreement with respect to shares of Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited, MPEL Nominee Two Limited, Melco Crown (COD) Hotels Limited and the Security Agent).
102. Share pledge agreement with respect to shares of Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) dated 17 December 2007 between Golden Future (Management Services) Limited as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown Hospitality and Services Limited (formerly known as Melco PBL Services (Macau) Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Golden Future (Management Services) Limited, MPEL Nominee Two Limited, Melco Crown Hospitality and Services Limited and the Security Agent).
103. Share pledge agreement with respect to shares of Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) dated 17 December 2007 between Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited, MPEL Nominee Two Limited, Melco Crown (COD) Ventures Limited and the Security Agent).
104. Share pledge agreement with respect to shares of Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) dated 17 December 2007 between Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) as first pledgor, MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as second pledgor, the Security Agent and Melco Crown (COD) Retail Services Limited (formerly known as Melco PBL (COD) Retail Services Limited) as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited, MPEL Nominee Two Limited, Melco Crown (COD) Retail Services Limited and the Security Agent).

105. Share pledge agreement with respect to shares of COD Theatre Limited dated 12 August 2008 between Melco Crown (COD) Hotels Limited as first pledgor, MPEL Nominee Two Limited as second pledgor, the Security Agent and COD Theatre Limited as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited, MPEL Nominee Two Limited, COD Theatre Limited and the Security Agent).
106. Share pledge agreement with respect to shares of Melco Crown COD (CT) Hotel Limited dated 12 August 2008 between Melco Crown (COD) Hotels Limited as first pledgor, MPEL Nominee Two Limited as second pledgor, the Security Agent and Melco Crown COD (CT) Hotel Limited as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited, MPEL Nominee Two Limited, Melco Crown COD (CT) Hotel Limited and the Security Agent).
107. Share pledge agreement with respect to shares of Melco Crown COD (GH) Hotel Limited dated 12 August 2008 between Melco Crown (COD) Hotels Limited as first pledgor, MPEL Nominee Two Limited as second pledgor, the Security Agent and Melco Crown COD (GH) Hotel Limited as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited, MPEL Nominee Two Limited, Melco Crown COD (GH) Hotel Limited the Security Agent).
108. Share pledge agreement with respect to shares of Melco Crown COD (HR) Hotel Limited dated 12 August 2008 between Melco Crown (COD) Hotels Limited as first pledgor, MPEL Nominee Two Limited as second pledgor, the Security Agent and Melco Crown COD (HR) Hotel Limited as company (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Hotels Limited, MPEL Nominee Two Limited, Melco Crown COD (HR) Hotel Limited and the Security Agent).
109. Share charge with respect to shares of MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited) dated 13 September 2007 between MPEL International Limited (formerly known as Melco PBL International Limited) as chargor and the Security Agent (as amended pursuant to an amendment agreement to the share charge dated 19 November 2007 between MPEL International Limited and the Security Agent and confirmed pursuant to a composite security confirmation dated 22 June 2011 between, amongst others, MPEL International Limited (formerly known as Melco PBL International Limited) and the Security Agent).
110. Share charge with respect to the shares of MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited) dated 21 January 2014 between MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) as chargor and the Security Agent.
111. Share charge with respect to the shares of MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two Limited) dated 21 January 2014 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as chargor and the Security Agent.
112. Assignment of company share pledge dated 21 January 2014 between MPEL Investments Limited (formerly known as Melco PBL Investments Limited) as the first pledgor, MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three Limited) as the assignor, MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited) as the assignee, Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited previously, Melco PBL Gaming (Macau) Limited) as the company, the Agent and the Security Agent.

113. Share charge with respect to shares of MPEL Investments Limited (formerly known as Melco PBL Investments Limited) dated 13 September 2007 between MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited) as chargor and the Security Agent (as amended pursuant to an amendment agreement to the share charge dated 19 November 2007 between MPEL Nominee One Limited and the Security Agent and confirmed pursuant to a composite security confirmation dated 22 June 2011 between, amongst others, MPEL Nominee One Limited (formerly known as Melco PBL Nominee One Limited) and the Security Agent).
114. Pledge over gaming equipment and utensils dated 5 September 2007 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) as pledgor and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
115. Livranças dated 5 September 2007 issued by Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) to the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
116. Pacto de Preenchimento de Livranças dated 5 September 2007 between, amongst others, Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
117. Mortgage of lease of land (plot no. 23193 at the Land Registry of Macau) dated 5 September 2007 between Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
118. Power of attorney dated 5 September 2007 granted by Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited) in favour of Banco Nacional Ultramarino, S.A. (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Altira Developments Limited and the Security Agent).
119. Escritura Pública dated 16 May 2008 between Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited), Melco Crown (COD) Developments Limited, Altira Developments Limited (formerly known as Melco Crown (CM) Developments Limited) and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).
120. Power of attorney dated 16 May 2008 granted by Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) in favour of Banco Nacional Ultramarino, S.A. (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (Macau) Limited and the Security Agent).

121. Mortgage of lease of land (plot no. 23243 at the Land Registry of Macau) dated 21 August 2008 between Melco Crown (COD) Developments Limited and the Security Agent (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
122. Power of attorney dated 21 August 2008 granted by Melco Crown (COD) Developments Limited in favour of Banco Nacional Ultramarino, S.A. (as confirmed pursuant to the composite confirmation of Macau security documents dated 22 June 2011 between, amongst others, Melco Crown (COD) Developments Limited and the Security Agent).
123. IP direct agreement dated 30 August 2008 between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent (as amended pursuant to the IP direct agreement amendment deed dated 10 May 2010 and as further amended pursuant to an IP direct agreement amendment deed dated 22 June 2011, in each case, between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent).
124. Altira IP direct agreement dated 15 April 2009 between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent (as amended pursuant to the Altira IP direct agreement amendment deed dated 10 May 2010 and as further amended pursuant to an Altira IP direct agreement amendment deed dated 22 June 2011, in each case, between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent).
125. Agreement relating to security (with the exclusion of land concession and immovable property) dated 5 September 2007 between the Government of Macau Special Administrative Region, Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited) and the Security Agent.
126. Agreement relating to security under land concession contracts dated 5 September 2007 between the Government of Macau Special Administrative Region, Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited and previously, Melco PBL Gaming (Macau) Limited), Altira Developments Limited (formerly known as Melco PBL (Crown Macau) Developments Limited), Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited) and the Security Agent.

Deeds of Confirmatory Security and Security Confirmations

1. A composite deed of confirmatory security with respect to the English law debentures dated 13 September 2007, 17 December 2007, 12 August 2008 and 30 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
2. A composite deed of confirmatory security with respect to the English law share charges over the shares of MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited and MPEL Investments Limited dated 13 September 2007 and 21 January 2014 and entered into by certain Relevant Obligors and MPEL International Limited (formerly known as Melco PBL International Limited) (each as amended, novated, supplemented, extended, replaced or restated from time to time).
3. A composite confirmation with respect to the Macau law security documents listed therein dated 5 September 2007, 16 May 2008, 21 August 2008 and 21 January 2014 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
4. A composite amendment and confirmation with respect to the Macau law pledge and assignments over intellectual property rights dated 8 April 2008, 12 August 2008 and 30 August 2008 and entered into by certain Macau incorporated Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
5. An amendment and confirmation with respect to the Macau law pledge and assignment over intellectual property rights dated 8 April 2008 and entered into by MPEL Nominee One Limited, MPEL Nominee Two Limited, MPEL Nominee Three Limited and MPEL Investments Limited (as amended, novated, supplemented, extended, replaced or restated from time to time).
6. A composite amendment and confirmation with respect to the Macau law assignments of onshore contracts dated 5 September 2007, 17 December 2007, 12 August 2008 and 30 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
7. A composite amendment and confirmation with respect to the Macau law pledges over onshore accounts dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
8. A composite deed of confirmatory security with respect to the Hong Kong law account charges dated 27 November 2007, 17 December 2007 and 25 July 2008 and entered into by certain Relevant Obligors (each as amended, novated, supplemented, extended, replaced or restated from time to time).
9. A composite amendment and confirmation with respect to the Macau law floating charges dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
10. A composite amendment and confirmation with respect to the Macau law assignments of leases and rights to use agreements dated 16 May 2008 and 12 August 2008 and entered into by certain Relevant Obligors (as amended, novated, supplemented, extended, replaced or restated from time to time).
11. A confirmation with respect to the Hong Kong law IP direct agreement dated 30 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).

12. A confirmation with respect to Hong Kong law Altira IP direct agreement dated 15 April 2009 (as amended, novated, supplemented, extended, replaced or restated from time to time).
13. A composite amendment and confirmation with respect to the Macau law pledges of enterprises dated 5 September 2007, 17 December 2007, 1 February 2008 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
14. A composite amendment and confirmation with respect to the Macau law land security assignments dated 5 September 2007 and 21 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).
15. A composite amendment and confirmation with respect to the Macau law share pledge agreements listed therein dated 5 September 2007, 17 December 2007 and 12 August 2008 (as amended, novated, supplemented, extended, replaced or restated from time to time).

**SCHEDULE 9
HEDGING ARRANGEMENTS**

**PART A
HEDGING ARRANGEMENTS**

1.
 - (a) Where a Relevant Obligor enters into Hedging Agreements in respect of swap transactions, caps, collars or other derivative products agreed with the Agent, so as to subject amounts drawn under the Facilities to either a fixed interest rate or interest rate protection and to either a fixed exchange rate or exchange rate protection, it shall, in respect of those Hedging Agreements and any transactions entered into thereunder, comply with this Schedule 9.
 - (b) Nothing in this Schedule 9 shall oblige any Relevant Obligor to enter into any such Hedging Agreements or prevent it entering into other Treasury Transactions or derivative transactions pursuant to other agreements or arrangements permitted pursuant to this Agreement (and none of the provisions of this Schedule 9 shall apply in respect thereof).
2. A Lender or an Affiliate of a Lender may act as a Hedge Counterparty in respect of the arrangements referred to in paragraph 1 (a) above.
3. The Hedging Agreements are to be on the terms of either the 1992 (Multicurrency-Cross Border) ISDA Master Agreement or the 2002 ISDA Master Agreement (each, an “**ISDA Master Agreement**”) Schedule thereto, in such form as acceptable to the Agent. All Hedging Agreements for swap transactions will provide for full two way payments (in the case of interest rate swaps, with the Borrowers Paying Fixed Amounts (as defined in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the “**2006 Definitions**”)) and the Hedge Counterparty Paying Floating Amounts (as defined in the 2006 Definitions)) and the payment measure and payment method for such swap transactions in the event of early termination, whether upon a “Termination Event” or an “Event of Default”, shall be “Second Method” and “Market Quotation” respectively where parties have executed a 1992 (Multicurrency-Cross Border) ISDA Master Agreement. Terms in quotations in this paragraph 3 shall have the meaning ascribed in the 1992 ISDA Master Agreement.
4. Only Hedge Counterparties that are party to this Agreement and the Deed of Appointment (as Hedge Counterparties) shall have equal Security over the Charged Property with the other Finance Parties in accordance with the terms of this Agreement and the Deed of Appointment. For the avoidance of doubt, no counterparty to a Treasury Transaction (other than a Hedge Counterparty) shall be entitled to share in the Security over the Charged Property with the Finance Parties.
5. Except with the prior consent of the Agent, no amendments may be made to a Hedging Agreement to an extent that might reasonably be expected to result in:
 - (a) any payment under the Hedging Agreement being required to be made by the Company on any date other than the dates originally provided for in the Hedging Agreement;
 - (b) the Company becoming liable to make an additional payment under any Hedging Agreement which liability does not arise from the original provisions of the Hedging Agreement; or
 - (c) the Company becoming liable to make any payment under the Hedging Agreement in any currency other than in the currencies provided for under the original provisions of the Hedging Agreement.

6.

- (a) The Company may terminate a transaction under a Hedging Agreement prior to its stated termination date only in circumstances provided for in such Hedging Agreement.
- (b) A Hedge Counterparty may terminate a transaction under a Hedging Agreement prior to its termination date maturity only in the circumstances provided for in such Hedging Agreement.
- (c) Unless a Hedge Counterparty has already exercised such rights in accordance with sub-paragraph (b) above, the Agent may require a Hedge Counterparty to terminate the swap transactions under a Hedging Agreement where a declaration has been made by the Agent pursuant to Clause 26.21 (*Acceleration*) and the provisions permit the termination of the swap transactions.
- (d) If a voluntary or mandatory prepayment is to be made in accordance with Clause 9 (*Illegality, Voluntary Prepayment and Cancellation*) or Clause 10 (*Mandatory Prepayment*) and following such prepayment the aggregate amount of the “**Notional Amounts**” and/or “**Currency Amounts**” (as each are defined in the 2006 Definitions) of all Hedging Agreements at such time would be greater than 100 per cent. of the principal amounts outstanding under the Facilities, the Company may (but is not obliged to) notify the Hedge Counterparties of its intention to terminate or close out swap transactions under the Hedging Agreements in order to ensure that the aggregate Notional Amounts and/or Currency Amounts of all swap transactions under the Hedging Agreements are not in excess of 100 per cent. of the principal amounts outstanding under the Facilities. Following such notice, swap transactions under the Hedging Agreements shall be terminated or closed out by reducing the Notional Amounts and/or Currency Amounts thereunder on a *pro rata* basis as between the Hedge Counterparties (unless otherwise agreed by the Agent), on the first Payment Date (as defined in the 2006 Definitions) (or, where such prepayment falls within 5 Business Days (as defined in the relevant Hedging Agreement) prior to such first Payment Date, the second Payment Date) in respect of such swap transaction immediately succeeding such prepayment such that, following such terminations or close outs, the aggregate Notional Amounts and/or Currency Amount of all swap transactions under all Hedging Agreements is not more than 100 per cent. of the principal amounts outstanding under the Facilities. The Company shall pay any termination costs associated with any such termination or close out at the time of that termination or close out.

7. In the event that a Hedging Agreement is terminated and the Company fails to pay any Realised Hedge Loss, such Realised Hedge Loss shall comprise an Unpaid Sum and interest shall accrue in respect thereof accordingly.

In this paragraph, “**Realised Hedge Loss**” means, in relation to a Hedge Counterparty at any time, the amount (if any) payable (but unpaid) by the Company to such Hedge Counterparty under the Hedging Agreement to which such Hedge Counterparty is a party (but excluding any default interest) upon an early termination of any transaction or transactions thereunder which has been terminated in accordance with paragraph 6 above. The amount is to be calculated on a net basis across the transactions terminated under such Hedging Agreement in accordance with the terms of the applicable Hedging Agreement.

PART B
FORM OF HEDGE COUNTERPARTY ACCESSION UNDERTAKING

THIS DEED dated [] is supplemental to (i) a senior facilities agreement (the “**Agreement**”) dated [●] 2007 between Melco Crown (Macau) Limited as the Company, the financial institutions named therein as Original Lenders, Deutsche Bank AG, Hong Kong Branch as facility agent and DB Trustees (Hong Kong) Limited as security agent (as amended, novated, supplemented, extended, replaced or retained from time to time) and (ii) each of the Transaction Security Documents to which the Secured Parties are expressed to be party (the “**Security Documents**”).

Words and expressions defined in the Agreement have the same meaning when used in this Deed and the principles of construction and rules of interpretation set out therein shall also apply.

[*name of new Hedge Counterparty*] (the “**New Hedge Counterparty**”) of [*address*] hereby agrees with each other person who is or who becomes a party to the Agreement that with effect on and from the date of this Deed it shall be bound by the Agreement and be entitled to exercise rights and be subject to obligations thereunder as a Hedge Counterparty.

The New Hedge Counterparty hereto agrees with each other person who is or who becomes a party to the Security Documents that with effect on and from the date of this Deed it shall be bound by each of the Security Documents and be entitled to exercise rights and be subject to obligations thereunder as a Secured Party.

The initial telephone number, fax number, address and person designated by the New Hedge Counterparty for the purposes of Clause 34 (*Notices*) of the Agreement are:

Address: []

Fax: []

Telephone: []

Attention: []

This Deed is governed by and shall be construed in accordance with English law.

Executed as a deed by)

[*insert name of New Hedging*])

Counterparty and execution)

clause appropriate thereto)

and to manner of execution])

Accepted by the Agent:

for and on behalf of

[*Insert name of Agent*]

Date:

SCHEDULE 10
FORM OF INCREMENTAL LENDER ACCESSION DEED

THIS DEED dated [] is supplemental to (i) a senior facilities agreement (the “**Agreement**”) dated [●] 2007 between Melco Crown (Macau) Limited as the Company, the financial institutions named therein as Original Lenders, Deutsche Bank AG, Hong Kong Branch as facility agent and DB Trustees (Hong Kong) Limited as security agent (as amended, novated, supplemented, extended, replaced or retained from time to time) and (ii) each of the Transaction Security Documents to which the Secured Parties are expressed to be party (the “**Security Documents**”).

Words and expressions defined in the Agreement have the same meaning when used in this Deed and the principles of construction and rules of interpretation set out therein shall also apply.

[*name of new Additional Lender*] (the “**Additional Lender**”) of [*address*] hereby agrees with each other person who is or who becomes a party to the Agreement that with effect on and from the date of this Deed it shall be bound by the Agreement and be entitled to exercise rights and be subject to obligations thereunder as an Incremental Facility Lender.

The Additional Lender expressly acknowledges that it is the responsibility of the Additional Lender to ascertain whether any document is required or any formality or other condition required to be satisfied to effect or perfect this Deed or otherwise to enable the Additional Lender to enjoy the full benefit of each Finance Document.

The Additional Lender confirms that it is not an Obligor or an Affiliate of an Obligor.

The Additional Lender hereto agrees with each other person who is or who becomes a party to the Security Documents that with effect on and from the date of this Deed it shall be bound by each of the Security Documents and be entitled to exercise rights and be subject to obligations thereunder as a Secured Party.

The Additional Lender refers to the Deed of Appointment.

- (a) In consideration of the Additional Lender being accepted as a Lender for the purposes of the Deed of Appointment (as defined therein), the Additional Lender confirms that, as from [date], it intends to be party to the Deed of Appointment as a Lender, and undertakes to perform all the obligations expressed in the Deed of Appointment to be assumed by a Lender and agrees that it shall be bound by all the provisions of the Deed of Appointment, as if it had been an original party to the Deed of Appointment.
- (b) The undertakings contained in this Agreement have been entered into on the date stated above.

The initial telephone number, fax number, address and person designated by the Additional Lender for the purposes of Clause 34 (*Notices*) of the Agreement are:

Address: []
Fax: []
Telephone: []
Attention: []
Email: []

This Deed is governed by and shall be construed in accordance with English law.

Executed as a deed by)
[insert name of Additional Lender])
and execution)
clause appropriate thereto)
and to manner of execution]

Accepted by the Agent:

for and on behalf of
[Insert name of Agent]

Date:

SCHEDULE 11
FORM OF INCREMENTAL FACILITY NOTICE

To: [Deutsche Bank AG, Hong Kong Branch] as Agent

From: Melco Crown (Macau) Limited (the “**Company**”)

Dated: [●]

Melco Crown (Macau) Limited and Others – Senior Facilities Agreement
originally dated 5 September 2007, as amended and restated pursuant to a second amendment and restatement agreement dated [●] 2015 (the
“Senior Facilities Agreement”)

We refer to the Senior Facilities Agreement. This is an Incremental Facility Notice. Terms defined in the Senior Facilities Agreement shall have the same meaning when used in this Incremental Facility Notice.

The Company wishes to establish an Incremental Facility on the following terms:

Type of Facility:	[<i>Incremental Term Loan Facility / Incremental Revolving Credit Facility</i>]
Maturity date:	[●]
Requested Facility Amount:	[●]
Availability period:	[●]
Margin:	[●] per cent. per annum
Currency:	[<i>Base Currency / Optional Currency</i>]
[Commitment fee:	[●]]
[Other fees:	[●]]

1. [The Company invites each Lender to participate in the Relevant Incremental Facility in a proportionate amount calculated by reference to the proportion of that Lender’s existing Commitments to the aggregate of the [Total Commitments and Incremental Facility Commitments] on the date of this Incremental Facility Notice.]
2. The Company confirms that the Repeating Representations are true and accurate in all material respects as at the date of this Incremental Facility Notice

3. The Company confirms that no Event of Default is continuing at the time of, or would arise as a result of, the establishment and utilisation of the Incremental Facility

[Authorised Signatory]

For and on behalf of the Company

[Authorised Signatory]

For and on behalf of the Incremental Facility Lender

**SCHEDULE 12
FORM OF DEED OF PARTIAL RELEASE**

THIS **DEED OF RELEASE** is dated

and is **MADE BY:**

[*Security Agent*] (the **Security Agent**)

IN FAVOUR OF:

[*Name of Relevant Obligor*] (the **Chargor**).

BACKGROUND

- (A) By a [*name of security*] dated _____ made between the Chargor and the Security Agent (the "**Security Document**"), the Chargor granted security over [all the shares and related rights it held in the Charged Company (as defined below)] to the Security Agent.
- (B) The Chargor has requested the Security Agent to release the security created by the [*Name of Security*], solely with respect to the Released Asset (defined below) which the Security Agent has agreed to do upon the terms and conditions of this Deed.
- (C) This Deed is supplemental to the Security Document (as defined below).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

"**Charged Company**" means [●]

"**Released Asset**" means [●].

1.2 Construction

- (a) Capitalised terms defined in the Security Document have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of [*relevant clause on Construction and Interpretation*] of the Security Document apply to this Deed as though they were set out in full in this Deed except that references to the Security Document are to be construed as references to this Deed.

2. RELEASE

2.1 The Security Agent hereby unconditionally and irrevocably:

- (a) releases the Released Asset from all Security created in favour of the Security Agent under or evidenced by the Security Document; and
- (b) reassigns and retransfers to the Chargor all right, interest and title of the Security Agent in and to the Released Asset.

2.2 As at the date of this Deed, the Released Asset shall be held free and discharged from the Security created by or pursuant to the Security Document.

2.3 Each release and discharge pursuant to Clause 2.1 and Clause 2.2 is given without recourse to or any representation or warranty by the Security Agent.

3. NO OTHER DISCHARGE

This release and reassignment shall not discharge the Chargor from any liabilities to the Security Agent remaining outstanding at the date of this Deed or from any other security.

4. FURTHER ASSURANCES

The Security Agent will, at the request and cost of the Chargor, take whatever action is reasonably necessary to release and/or reassign the Released Asset from the Security created under the Security Document.

5. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

- (a) A person who is not party to this Deed or is not a party to whom this Deed is created in favour of has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any third party is not required to rescind, vary, amend (including any release or compromise of any liability) or terminate this Deed at any time.

6. INVALIDITY OF CERTAIN PROVISIONS

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

7. COUNTERPARTS

This Deed may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Deed.

8. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

Security Agent

EXECUTED AS A DEED by)⁴
[Security Agent])
acting by)

By:
Name:
Title:

By:
Name:
Title:

⁴ Form of execution block may change subject to formalities and execution requirements of the Agent.

SCHEDULE 13
FORM OF SECURITY RELEASE DECLARATION

[Security Agent] hereby represented by [name] declares the following:

1. By a contract executed on [date], with [name of the Relevant Obligor], a company registered with the Macau Commercial and Movable Assets Registry under no. [●] (the “**Company**”), the Company has constituted a [description of security]⁵ in our favour (the [“**Name of Security**”]⁶) with respect to, amongst others, the [share of MOP[amount] held by the Company in the company named [name of relevant company] registered with the Macau Commercial and Movable Assets Registry under no. [●] / Commercial Enterprise owned by the Company, registered with the Macau Commercial and Movable Assets Registry, with the name [●], under the no. [●]]⁷ (the “**Charged Asset**”), for the purpose of securing the obligations arising from the granting of banking facilities (the Secured Obligations) under the Senior Facilities Agreement (as defined therein).
2. The [Name of Security]⁸ over the Charged Asset was registered with the Macau Commercial and Movable Assets Registry under no. [●].
3. In accordance with the terms of the [Name of Security]⁹ and the Senior Facilities Agreement (as defined therein), the Security Agent has agreed to release the security created by the [Name of Security], solely with respect to the Charged Asset identified above.
4. Therefore, we hereby expressly declare, for all legal purposes, and namely for the purposes foreseen in paragraphs 1 and 3 of Article 18 of the Macau Commercial Registry Code, and paragraph 1 of Article 50 of the Macau Real Estate Registry Code, that we consent to the release and discharge of the [Name of Security]¹⁰, registered under no. [●], solely with respect to the [share of MOP [amount] held by the Company in the company named [name of relevant company], registered with the Macau Commercial and Movable Assets Registry under no. [●]/Commercial Enterprise owned by the Company, registered with Macau Commercial and Movable Assets Registry, with the name [●], under the no. [●]]¹¹.

5 Insert security description

6 Insert name of security

7 Delete as appropriate

8 Insert name of security

9 Insert name of security

10 Insert name of security

11 Delete as appropriate.

[Date]

For and on behalf of [Security Agent]

Name:

Title:¹²

¹² The Declaration must be signed in Portuguese Language and is subject to authentication by a Macau Notary (“*Termo de Autenticação*”)

THE COMPANY

MELCO CROWN (MACAU) LIMITED

Registered Office: Alameda Dr. Carlos d' Assumpção
n °s 411-417, Edifício Dynasty Plaza
15º andar O, P, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

THE ORIGINAL GUARANTORS

MPEL NOMINEE ONE LIMITED

Registered Office: Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005, Cayman Islands

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MPEL NOMINEE TWO LIMITED

Registered Office: Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005, Cayman Islands

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MPEL NOMINEE THREE LIMITED

Registered Office: Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005, Cayman Islands

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MPEL INVESTMENTS LIMITED

Registered Office: Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9005, Cayman Islands

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60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

ALTIRA HOTEL LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

ALTIRA DEVELOPMENTS LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN (COD) HOTELS LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

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Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN (COD) DEVELOPMENTS LIMITED

Registered Office: Avenida Xian Xing Hai
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22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN (CAFE) LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN HOSPITALITY AND SERVICES LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN (COD) RETAIL SERVICES LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN (COD) VENTURES LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

COD THEATRE LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22o andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN COD (CT) HOTEL LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN COD (GH) HOTEL LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Copy to: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

MELCO CROWN COD (HR) HOTEL LIMITED

Registered Office: Avenida Xian Xing Hai
Centro Golden Dragon
22° andar, em Macau

Address: 36/F, The Centrium
60 Wyndham Street
Central, Hong Kong

Attention: Chief Legal Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

Email: MCE-CLO-Office@melco-crown.com

THE COORDINATING LEAD ARRANGERS AND BOOKRUNNERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Address: 22/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
Attention: Chris Raciti / David Chen / Sherzad Desai / Sachin Goel
Telephone: +852 3918 7834 / +852 3918 7839 / +852 3918 2111 / +852 3918 2114
Fax: +852 3918 7171 / +852 3918 7171 / +852 3918 7163 / +852 3918 7163
Email: chris.raciti@anz.com / david.chen@anz.com / sherzad.desai@anz.com / sachin.goel@anz.com

with copy to (for operational matters):

Address: 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Attention: Ginny Wong / Ryan Choi (Institutional Lending Operations)
Telephone: +852 3559 6938 / +852 3559 6957
Fax: +852 3918 7138 / +852 3918 7138
Email: HKLendingOps-LendingProcessing@anz.com

BANK OF AMERICA, N.A.

Address: 52/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Attention: Angel Kwan / Denny Fu
Fax: +852 3009 0073
Tel: +852 3508 4630 / +852 3508 4140
Email: angel.kwan@baml.com / denny.s.fu@baml.com

BANK OF CHINA LIMITED, MACAU BRANCH

Address: Bank of China Macau Branch, 17/F Bank of China Building, Avenida Doutor Mario Soars, Macau
Attention: Wendy Sun / Jerry Chan / William Lam
Fax: +853 8792 3151 / +853 8792 1706 / +853 8792 1709
Tel: +853 8792 1677
Email: sun_min@bocmacau.com / chan_junyan@bocmacau.com / lam_hou@bocmacau.com

DEUTSCHE BANK AG, HONG KONG BRANCH

Address: c/o Detusche Bank AG, Hong Kong Branch, Level 60, International Commerce Center, 1 Austin Road West, Kowloon, Hong Kong
Attention: Deepak Dangayach / Ken Ting
Telephone: (+852) 2203 7087 / 2203 7084
Fax: (+852) 2203 7274

THE AGENT**DEUTSCHE BANK AG, HONG KONG BRANCH**

Address: Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Attention: Issuer Services, Corporate Trust

Fax: (852) 2203 7320

Email: hk.csg@list.db.com

THE SECURITY AGENT**DB TRUSTEES (HONG KONG) LIMITED**

Address: Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Attention: Managing Director

Fax: (852) 2203 7320

Email: hk.csg@list.db.com

THE ORIGINAL LENDERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Address: 22/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
Attention: Chris Raciti / David Chen / Sherzad Desai / Sachin Goel
Telephone: +852 3918 7834 / +852 3918 7839 / +852 3918 2111 / +852 3918 2114
Fax: +852 3918 7171 / +852 3918 7171 / +852 3918 7163 / +852 3918 7163
Email: chris.raciti@anz.com / david.chen@anz.com / sherzad.desai@anz.com / sachin.goel@anz.com

with copy to (for operational matters):

Address: 17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Attention: Ginny Wong / Ryan Choi (Institutional Lending Operations)
Telephone: +852 3559 6938 / +852 3559 6957
Fax: +852 3918 7138 / +852 3918 7138
Email: HKLendingOps-LendingProcessing@anz.com

BANK OF AMERICA, N.A.

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Attention: Angel Kwan / Denny Fu
Fax: +852 3009 0073
Tel: +852 3508 4630 / +852 3508 4140
Email: angel.kwan@baml.com / denny.s.fu@baml.com

BANK OF CHINA LIMITED, MACAU BRANCH

Address: Bank of China Macau Branch, 17/F Bank of China Building, Avenida Doutor Mario Soars, Macau
Attention: Wendy Sun / Jerry Chan / William Lam
Fax: +853 8792 3151 / +853 8792 1706 / +853 8792 1709
Tel: +853 8792 1677
Email: sun_min@bocmacau.com / chan_junyan@bocmacau.com / lam_hou@bocmacau.com

DEUTSCHE BANK AG, SINGAPORE BRANCH

Address: One Raffles Quay, South Tower #14-00, Singapore 048583
Attention: Partha Sarathy / Xuan-Ren Chen
Telephone: +65 6423 6831 / +65 6423 5990
Fax: +65 6221 2306 / +65 6536 1328
Email: loanoperations.singapore@db.com / dboi.sgclosing@db.com / dboi.sgloans@db.com

**SCHEDULE 4
COMMITMENTS AND LOANS**

PART I

Name of Lender	Term Loan Facility Commitment (HKD)	Revolving Credit Facility Commitment (HKD)
Australia and New Zealand Banking Group Limited	780,000,000	1,950,000,000
Bank of America, N.A.	780,000,000	1,950,000,000
Bank of China Limited, Macau Branch	1,560,000,000	3,900,000,000
Deutsche Bank AG, Singapore Branch	780,000,000	1,950,000,000
Total	3,900,000,000	9,750,000,000

PART II

<u>Name of Lender</u>	<u>Term Loan Facility participation (HKD)</u>	<u>Revolving Credit Facility participation (HKD)</u>
Australia and New Zealand Banking Group Limited	125,578,346.66	0.00
Bank of America, N.A.	85,421,600.00	0.00
Bank of China Limited, Macau Branch	572,132,000.00	0.00
Deutsche Bank AG, Singapore Branch	0.00	0.00
Total	783,131,946.66	0.00

SIGNATURES

THE COMPANY

MELCO CROWN (MACAU) LIMITED

By: /s/ Geoffrey Davis

THE OTHER RELEVANT OBLIGORS

ALTIRA DEVELOPMENTS LIMITED

By: /s/ Geoffrey Davis

ALTIRA HOTEL LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN (CAFE) LIMITED

By: /s/ Geoffrey Davis

GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED

By: /s/ Geoffrey Davis

MPEL NOMINEE ONE LIMITED

By: /s/ Geoffrey Davis

Signature to Amendment and Restatement Agreement

MPEL NOMINEE TWO LIMITED

By: /s/ Geoffrey Davis

MPEL NOMINEE THREE LIMITED

By: /s/ Geoffrey Davis

MPEL INVESTMENTS LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN HOSPITALITY AND SERVICES LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN (COD) RETAIL SERVICES LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN (COD) VENTURES LIMITED

By: /s/ Geoffrey Davis

Signature to Amendment and Restatement Agreement

MELCO CROWN (COD) HOTELS LIMITED

By: /s/ Geoffrey Davis

COD THEATRE LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN COD (CT) HOTEL LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN (COD) DEVELOPMENTS LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN COD (GH) HOTEL LIMITED

By: /s/ Geoffrey Davis

MELCO CROWN COD (HR) HOTEL LIMITED

By: /s/ Geoffrey Davis

Signature to Amendment and Restatement Agreement

**THE COORDINATING LEAD ARRANGERS AND
BOOKRUNNERS**

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/ John CORRIN

By: /s/ TAI Alan Pak Ling

BANK OF AMERICA, N.A.

By: /s/ Siong Ooi

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/ AO KAM UN

By:

DEUTSCHE BANK AG, SINGAPORE BRANCH

By: /s/ Deepak Dangayach

By: /s/ Ananda Chakravorty

Signature to Amendment and Restatement Agreement

THE CONTINUING LENDERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/ John CORRIN

By: /s/ TAI Alan Pak Ling

BANK OF AMERICA, N.A.

By: /s/ Siong Ooi

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/ AO KAM UN

By:

THE NEW LENDER

DEUTSCHE BANK AG, SINGAPORE BRANCH

By: /s/ Deepak Dangayach

By: /s/ Ananda Chakravorty

Signature to Amendment and Restatement Agreement

THE AGENT

DEUTSCHE BANK AG, HONG KONG BRANCH

By: /s/ Stuart Harding

By: /s/ Howard Hao-Jan Yu

THE SECURITY AGENT

DB TRUSTEES (HONG KONG) LIMITED

By: /s/ Stuart Harding

By: /s/ Howard Hao-Jan Yu

Signature to Amendment and Restatement Agreement



Studio City Company Limited
Studio City Investments Limited

From: Studio City Company Limited (as the “**Borrower**”); and
Studio City Investments Limited (as “**Obligors’ Agent**”)
To: Deutsche Bank AG, Hong Kong Branch, in its capacity as Agent
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong
Attention: Stuart Harding, Trust and Securities Services (Fax: +852 2203 7320)
Copy to: Jimmy Ng/Sara Wong (Fax: + 852 2203 7215)
To: The Lenders under the Facilities Agreement
Date: 26 October 2015

Dear Sirs,

Studio City - Amendments, Waivers and Consent Request Letter

1 Introduction and Interpretation

1.1 We refer to:

- (a) the senior HK\$10,855,880,000 term loan and revolving facilities agreement dated 28 January 2013 (the “**Facilities Agreement**”), between, among others, Studio City Company Limited as Borrower, Studio City Investments Limited as Parent, the financial institutions named therein as Original Lenders, Deutsche Bank AG, Hong Kong Branch in its capacity as Agent and Industrial and Commercial Bank of China (Macau) Limited in its capacity as Security Agent (each as defined in the Facilities Agreement; and
- (b) the presentation prepared for and on behalf of the Borrower entitled “Studio City Company Limited - Lender Presentation” dated 23 October 2015.

1.2 Terms defined in the Facilities Agreement have, unless expressly defined in this letter, the same meaning when used in this letter.

2 Background to the requested Amendments, Waivers and Consent

- 2.1 On 20 October 2015 the Macau SAR Government authorised Melco Crown (Macau) Limited to operate 250 new gaming tables and 1,233 new gaming machines at the Project, allocating 200 new gaming tables for operation on and from 27 October 2015 and additional 50 new gaming tables on and from 1 January 2016. The current authorisation to operate 250 new gaming tables is lower than the 400 new gaming tables applied for and required in order for the relevant opening conditions in the Facilities Agreement to be satisfied on or before the long stop date of 1 October 2016 (the current allocation of gaming tables being the “**Current Table Allocation**”).
- 2.2 While the Current Table Allocation does not in and of itself impede the successful opening and initial operation of the Project to the public tomorrow, 27 October 2015, Lenders are no doubt aware that the Opening Conditions under the Facilities Agreement require by no later than 1 October 2016 each of the Parent and the Technical Adviser to deliver certificates to the Agent certifying that the Project or part thereof is fully open for business to the general public, with no fewer than 400 gaming tables available for operation.

3 Request for Amendments, Waivers and Consent

- 3.1 In light of the Current Table Allocation, the Borrower and the Obligors’ Agent hereby request, in accordance with Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the consent and approval of the Majority Lenders to:

- (a) certain amendments being made to the Finance Documents as provided in Schedule 1 (*Amendments*) to this letter, including (among other things):

Opening Conditions

Amendments to the forms of each of the Parent’s Opening Conditions certificate and the Technical Adviser’s Opening Conditions Certificate at Schedule 20 (*Forms of Opening Conditions Certificates*) to the Facilities Agreement to replace the references therein to “400 gaming tables” with “250 gaming tables”, in order that the Opening Date may be designated on and from 1 January 2016 following the 50 additional gaming tables being available for use

Financial Covenants

Amendments to:

- Financial Covenant Levels - the requisite levels required for the financial covenants at paragraph 2.2 (*Financial condition*) of Schedule 6 (*Covenants*) to the Facilities Agreement

- First Test Date - the first test date of each financial covenant, so that financial covenant testing commences on and from 31 March 2017
- Cash Cover - the definition of Cash Cover to take into account for the purposes of the Cashflow definition any use of amounts drawn from the Liquidity Account (see further below)
- Equity Cure - given the expected timing of the Opening Date and the revised First Test Date (as modified as set out herein) modify the Equity Cure mechanics so that they are available in respect of any Test Date, rather than in respect of the first three full Financial Quarters occurring after the Opening Date
- Capex covenant - clarify the current drafting of the capex covenant to make clear that on and from the Opening Date, the US\$50m per year capital expenditure limit is incremental capital expenditure, over and above the otherwise budgeted capital expenditure, including in the Group Budget. Conforming change to be made to the form of the financial covenants Compliance Certificate

**Completion Support and
Liquidity Account**

Amendments to include the creation of a new secured liquidity account to be held in the name of the Borrower to be credited with the remaining Completion Support funds in order that such funds may be utilised for Project Costs, Debt Service, the making of any Equity Cure and for the general corporate and working capital purposes of the Group

Accounts

Amendments to:

- DRSA - Remove the requirement to fund the Debt Service Reserve Account
- NDSRA - permit the Group to make withdrawals of amounts standing to the credit of the Notes Debt Service Reserve Account for certain specified purposes, including Debt Service

- Liquidity Account - as noted above, the creation of a secured USD and/or HKD denominated “Liquidity Account” which will be subject to certain of the accounts procedures in the Facilities Agreement and operated in accordance with the terms of this letter
- Waterfall - order of use of proceeds to clarify that the remaining Term Loan Facility proceeds shall be applied towards Project Costs in priority to the use of Revenues
- General account mechanics - enable the accounts to operate fully and effectively on and from the Amendments, Waivers and Consent Countersignature Date by changing the applicable references from the “Opening Date” to the “Amendments, Waivers and Consent Countersignature Date”

Term Loan Facility

An amendment to remove the prohibition on the use of the proceeds of the Term Loan Facility towards the payment of amounts of interest payable under the Bondco Loan

Revolving Facility

A change in the purpose clause to permit the use of the Revolving Facility on and from the Operating Opening Date (defined below), rather than the Opening Date

(collectively, the “**Amendments**”);

- (b) the prospective waiver of each of the Defaults and/or Events of Default that may occur after the date of this letter as set out in Schedule 2 (*Waivers*) to this letter in connection with the Current Table Allocation (collectively, the “**Waivers**”); and
- (c) the opening and maintenance of the Liquidity Account for the purposes of the Finance Documents (including the accounts provisions in Schedule 7 (*Accounts*) of the Facilities Agreement) and the direction to the Agent to accordingly permit the same (collectively, the “**Consent**”),

(collectively, the Amendments, Waivers and the Consent, the “**Amendments, Waivers and Consent**”).

- 3.2 We hereby request each Lender’s irrevocable consent to and approval of the Amendments, Waivers and Consent and the proposals referred to and outlined in this letter and your instruction to the Agent to execute all documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent and the proposals set out in this letter (including an amended and restated Facilities Agreement, the entry into of Transaction Security over the Liquidity Account (defined below) as provided herein, amendments to any other relevant Finance Documents to incorporate the Amendments, Waivers and Consent and any consequential and mechanical changes to the Finance Documents to reflect the terms of this letter).

4 Time for Consent and Approval

We kindly request that each of the Lenders respond to the Agent in relation to the request for consent and approval in this letter as soon as possible. The request for consent and approval referred to in this letter is made, and any Lender’s failure to respond is, subject to the provisions of Clause 43.2(c) (*Exceptions*) of the Facilities Agreement. For the purposes of those provisions, each Lender’s response should be received no later than **30 November 2015** (the “**Consent Date**”), being the date that is **25 Business Days** after the date of this letter. Please confirm your consent to the Amendments, Waivers and Consent by countersigning this letter where indicated below and returning it to the Agent, with a copy by way of email to each of the Parent: denisechen@melco-crown.com and Kirkland & Ellis: FireflyCore@kirkland.com.

5 Amendment, Waiver and Consent Fees

5.1 Early Bird Fee

As consideration for consenting to the Amendments, Waivers and Consent, each Lender that provides its consent on or before **16 November 2015** (being the date that is **15 Business Days** after the date of this letter) to the Amendments, Waivers and Consent, shall be entitled to, unless otherwise agreed, an early bird fee (“**Early Bird Fee**”) of 10 bps of its Commitment under the Facilities as at the date of this letter.

The Early Bird Fee shall be additional to, and separate from, the Consent Fee (as defined below) referred to below, and shall be paid on or before the earlier of (a) the date falling 20 Business Days after the Amendments, Waivers and Consent Countersignature Date and (b) the date of the receipt by the Borrower of the proceeds of the first Project Withdrawal (as defined in the Term Loan Facility Disbursement Agreement) made after the Amendments, Waivers and Consent Countersignature Date. No Early Bird Fee shall be payable if the Required Consent and Approvals are not obtained.

5.2 Consent Fee

- 5.3 As consideration for consenting to the Amendments, Waivers and Consent, each Lender that provides its consent on or before the Consent Date to the Amendments, Waivers and Consent and the other proposals referred to in this letter, shall be entitled to, unless otherwise agreed, a consent fee (the “**Consent Fee**”) of 15 bps of its Commitment under the Facilities as at the date of this letter *provided that* consent and approval of the relevant Lenders for all of the Amendments, Waivers and Consent set out in this letter have been obtained (the “**Required Consent and Approvals**”).
- 5.4 The Consent Fee shall be paid on or before the earlier of (a) the date falling 20 Business Days after the Amendments, Waivers and Consent Countersignature Date and (b) the date of the receipt by the Borrower of the proceeds of the first Project Withdrawal (as defined in the Term Loan Facility Disbursement Agreement) made after the Amendments, Waivers and Consent Countersignature Date. No Consent Fee shall be payable if the Required Consent and Approvals are not obtained.

6 Miscellaneous

- 6.1 This letter is designated as a Finance Document by the Agent and the Borrower.
- 6.2 Please note that in the context of the Current Table Allocation this letter constitutes notice to the Agent pursuant to paragraph (k)(i) of paragraph 1.7 (*Information: miscellaneous*) of Schedule 6 (*Covenants*) of the Facilities Agreement.
- 6.3 The Amendments, Waivers and Consent set out in this letter shall become effective on and from the date of countersignature of this letter by the Agent confirming that the Required Consent and Approvals have been obtained (the “**Amendments, Waivers and Consent Countersignature Date**”).
- 6.4 Except as otherwise expressly provided in this letter:
- (a) the Finance Documents shall remain in full force and effect; and
 - (b) no waiver of any provision of any Finance Document is given by the terms of this letter and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.
- 6.5 This letter may be executed in any number of counterparts, and this has the same effect as if the signatures or execution on such counterparts were on a single copy of this letter.
- 6.6 The Parent executes this letter as agent of each Obligor pursuant to its appointment under clause 2.3 (*Obligors’ Agent*) of the Facilities Agreement.

- 6.7 Clauses 1.2 (*Construction*), 1.3 (*Third Party Rights*), 47 (*Governing Law*) and Clause 48 (*Enforcement*) of the Facilities Agreement shall be deemed to be incorporated into this letter as if they were set out in full, *mutatis mutandis*, save that references therein to “this Agreement” shall be deemed to be references to this letter.

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SCHEDULE 1

AMENDMENTS

Opening Conditions

1. The following definition shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:
 ““**Amendments, Waivers and Consent Countersignature Date**” has the meaning given to that term in the Amendments, Waivers and Consent Request Letter from the Parent and the Borrower to the Agent and the Lenders dated 26 October 2015.”
2. Paragraph 3(c) of Part I (*Form of Parent’s Opening Conditions Certificate*) of Schedule 20 (*Forms of Opening Conditions Certificates*) of the Facilities Agreement shall be amended to replace the words “400 gaming tables” with the words “250 gaming tables”.
3. Paragraph 3(c) of Part II (*Form of Technical Adviser’s Opening Conditions Certificate*) of Schedule 20 (*Forms of Opening Conditions Certificates*) of the Facilities Agreement shall be amended to replace the words “400 gaming tables” with the words “250 gaming tables”.

Financial Covenants

1. The definition of Cashflow in paragraph 2.1 (*Financial definitions*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be amended to add a new sub-paragraph (g) as follows and the formatting to (e) and (f) shall be deemed to be adjusted accordingly:
 “(g) adding any Liquidity Amount applied by the Group for any purpose during that Relevant Period (but not taking into account any such amounts for the purposes of the calculation of Excess Cashflow),”
2. The definition of First Test Date in paragraph 2.1 (*Financial definitions*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following definition:
 ““**First Test Date**” means 31 March 2017.”
3. Paragraph (a) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
 “(a) **Cash Cover:** Cash Cover in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall be or shall exceed the ratio set out in column 2 below opposite that Test Date.

Column 1
Relevant Period

First Test Date and each subsequent Test Date

Column 2
Ratio

1.00:1”

4. Paragraph (b) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(b) **Interest Cover:** Interest Cover in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall be or shall exceed the ratio set out in column 2 below opposite that Test Date.

Column 1 Relevant Period	Column 2 Ratio
First Test Date	1.50:1
30 June 2017	1.75:1
30 September 2017	1.75:1
31 December 2017	2.00:1”

5. Paragraph (c) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(c) **Senior Secured Leverage:** Senior Secured Leverage in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

Column 1 Relevant Period	Column 2 Ratio
First Test Date	5.25:1
30 June 2017	4.75:1
30 September 2017	4.50:1
31 December 2017	4.00:1”

6. Paragraph (d) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(d) **Total Leverage Ratio:** Total Leverage Ratio in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

Column 1 Relevant Period	Column 2 Ratio
First Test Date	9.00:1
30 June 2017	8.25:1
30 September 2017	7.75:1
31 December 2017	7.00:1”

7. Paragraph (e)(ii) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(ii) The aggregate Capital Expenditure of the Obligor in respect of each of:

- (A) the period starting on the Opening Date and ending on the date following 12 Months thereafter; and
- (B) the immediately subsequent period of 12 Months,

shall not exceed the aggregate of US\$50,000,000 (or its equivalent in other currencies), any amount of Capital Expenditure specified or referred to in sub-paragraph (i) above (whether made, committed or incurred before or after the Opening Date) and any amounts available for the payment of a dividend pursuant to paragraph (b) of the definition of “Permitted Distribution” in Clause 1.1 (*Definitions*) in each such period.”

8. Paragraph (a) of paragraph 2.4 (*Equity Cure*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(a) If the requirements in respect of the financial covenants in sub-paragraphs (a) (*Cash Cover*), (b) (*Interest Cover*), (c) (*Senior Secured Leverage*) or (d) (*Total Leverage Ratio*) set out in paragraph 2.2 (*Financial Condition*) on a Test Date (a “**Relevant Test Date**”) are not satisfied (such covenant, an “**At Risk Financial Covenant**”), and if the Borrower receives or has received cash proceeds of a New Shareholder Injection (including, the proceeds of any New Shareholder Injection standing to the credit of the Liquidity Account) and in an amount no greater than the minimum amount necessary to remedy non-compliance of each At Risk Financial Covenant in respect of such Relevant Test Date (and the words “by an amount up to the Cure Amount” when used below shall be read accordingly (the amount thereof the “**Cure Amount**”) prior to the delivery to the Agent of the Compliance Certificate in respect of such Relevant Test Date, and if the Borrower either applies the Cure Amount in prepaying the Term Loan Facility in accordance with Clause 9.4 (*Voluntary prepayment*) or deposits the Cure Amount in the Mandatory Prepayment Account (and irrevocably directs that the same be applied towards the voluntary prepayment of the Term Loan Facility in accordance with Clause 9.4 (*Voluntary prepayment*) on the last day of the then current Interest Period), then each At Risk Financial Covenant shall be recalculated in respect of such Relevant Test Date after giving effect to the following *pro forma* adjustments:
- (i) Cashflow shall be increased (solely for the purpose of re-calculating Cash Cover as at such Relevant Test Date and not for any other purpose) by an amount up to the Cure Amount; and
- (ii) Consolidated EBITDA shall be increased (solely for the purpose of re-calculating Interest Cover, the Total Leverage Ratio and Senior Secured Leverage as at such Relevant Test Date and not for any other purpose) by an amount up to the Cure Amount,
- provided that** the Cure Amount included in any such *pro forma* adjustments may not exceed 30 per cent. of the target Consolidated EBITDA or Cashflow for the relevant Financial Quarter (being the Consolidated EBITDA or, as the case may be, Cashflow, required for the relevant At Risk Financial Covenants to have been satisfied, as calculated on an annualised basis (such recalculation, *pro forma* adjustments and prepayments being together, the “**Equity Cure**”).”
9. Paragraph (c) of paragraph 2.4 (*Equity Cure*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(c) No more than two such cures and recalculations are permitted during the term of the Facilities.”
10. Paragraph (e) of Schedule 13 (*Form of Compliance Certificate*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(e) Capital Expenditure for the period from [●] ending on [●] was [●]. Therefore Capital Expenditure during that period [was/was not] in excess of the maximum expenditure permitted under the Facilities Agreement in that period [and the covenant contained in paragraph 2 (*Financial covenants*) of Schedule 6 [has/has not] been complied with];”

Accounts

1. The following definition shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:
““**Operating Opening Date**” means the later of 27 October 2015 and the Amendments, Waivers and Consent Countersignature Date.”
2. For the purposes of sub-paragraph (a) of paragraph 4.1 (*Services and Right to Use Agreement*), paragraph 5 (*Non Gaming Receipts*), sub-paragraph (c) (iii) of paragraph 6.2 (*Withdrawals*), sub-paragraph (b) of paragraph 7.1 (*Deposits*) and paragraph 7.2 (*Withdrawals*) of Schedule 7 (*Accounts*) to the Facilities Agreement, the words “Opening Date” shall be deleted in their entirety and replaced with the words “Operating Opening Date”.
3. Sub-paragraph (a) of paragraph 6.2 (*Withdrawals*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
“(a) for payment (subject to this Agreement and the other Finance Documents) of Remaining Project Costs (to the extent that there are no proceeds remaining in the Term Loan Facility Disbursement Account), budgeted capital expenditure and, all other budgeted operating expenditure including, after the opening date therefor, in respect of the Phase II Project (unless otherwise provided for in paragraphs 4 (*Gaming Receipts*) and 5 (*Non Gaming Receipts*) of this Schedule 7 or sub paragraphs (b) to (h) below) and taxes then due and payable;”
4. Paragraph 8 (*Debt Service Reserve Account*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and marked “Intentionally deleted.” and any references to the Debt Service Reserve Account and any related obligations shall be ignored for all purposes of the Finance Documents (other than the Transaction Security Document securing the Debt Service Reserve Account).
5. Paragraph 11.2 (*Note Debt Service Reserve Account*) of Schedule 7 to the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“11.2 Withdrawal

The Borrower (in its discretion) may apply amounts standing to the credit of the Note Debt Service Reserve Account for any or all of the following purposes:

- (a) to make payment of amounts due and payable under the High Yield Notes;
- (b) to make payment of amounts due and payable under the Facilities; or
- (c) to fund the Debt Service Accrual Account.

Following an acceleration of the High Yield Notes and/or of the Facilities, the Agent (in its discretion) may apply amounts standing to the credit of the Note Debt Service Reserve Account for any or all of the following purposes:

- (i) to make payment of amounts due and payable under the High Yield Notes (whether scheduled or by way of acceleration) but which remain (for whatever reason) unpaid by payment of interest on and/or repayment of the Bondco Loan; or
- (ii) to make payment of amounts due and payable under the Facilities (whether scheduled or by way of acceleration) but which remain (for whatever reason) unpaid.”

Completion Support and Liquidity Account

1. The definition of Available Funding shall be amended to add a new sub-paragraph (h) as follows and the formatting to (f) and (g) shall be deemed to be adjusted accordingly:
“(h) any amounts standing to the credit of the Liquidity Account.”
2. The definition of Completion Support Release Date in Clause 1.1 (*Definitions*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following definition:
““**Completion Support Release Date**” means a date notified and designated by the Borrower to the Agent on no less than 5 Business Days’ notice as the “Completion Support Release Date”.”
3. The following definitions shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:
““**Liquidity Account**” means an account:
 - (a) denominated in US Dollars and/or HK Dollars, held in the Macau SAR or the Hong Kong SAR by the Borrower with an Acceptable Bank;
 - (b) identified in a letter between the Parent and the Agent as the Liquidity Account; and
 - (c) no later than the Completion Support Release Date, subject to Security in favour of the Security Agent (which Security shall be in form and substance substantially similar to any fixed ranking account Transaction Security or otherwise in a form and substance reasonably satisfactory to the Agent and the Security Agent),

as the same may be redesignated, substituted or replaced from time to time.

“**Liquidity Amount**” has the meaning given to that term in Clause 3.40 (*Liquidity Amount*).”

4. The Majority Lenders direct the Agent to consent to the opening and maintenance of the Liquidity Account for the purposes of paragraph 1.7 (*Other Accounts*) of Schedule 7 (*Accounts*) of the Facilities Agreement.
5. The Majority Lenders consent to the designation of the Liquidity Account as an “Account” for the purposes only of the definition of “Available Funding” in clause 1.1 (*Definitions*) of the Facilities Agreement and Schedule 7 (*Accounts*) of the Facilities Agreement.
6. Paragraph 3.36 (*Order of Funding*) of Schedule 4 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“3.36 Order of Funding

The Borrower shall ensure that funds available to finance the payment of Project Costs are used in the following order:

- (a) *firstly*, proceeds of the Equity Contribution;
- (b) *secondly*, proceeds of the High Yield Notes;
- (c) *thirdly*:
 - (i) proceeds of the Term Loan Facility and
 - (ii) utilisations by way of Letter of Credit under the Revolving Facility prior to the Opening Date (subject to the limits referred to herein);
- (d) *fourthly*, utilisations other than by way of Letter of Credit of the Revolving Facility to the extent available to pay Project Costs; and
- (e) *fifthly*, at the Borrower’s election as regards order and source, proceeds sourced under the Completion Support Agreement, from the Liquidity Account and/or the Revenue Account.”

7. The following new paragraph 3.40 (*Liquidity Amount*) shall be added to Schedule 6 (*Covenants*) of the Facilities Agreement:

“3.40 Liquidity Amount

The Borrower shall procure that on the Completion Support Release Date all amounts of Completion Support remaining at that point in time are immediately contributed to it, by way of Subordinated Debt or as otherwise permitted by the Finance Documents (such amount constituting the “**Liquidity Amount**”) and deposited in the Liquidity Account and that no later than the Completion Support Release Date the Borrower shall grant or have granted Security in favour of the Security Agent in accordance with the definition of Liquidity Account. The Borrower may only apply any of the Liquidity Amount received by it (and any interest accrued thereon) in and towards the general corporate and working capital purposes of the Group, including any payment in or towards the payment of Project Costs, Debt Service, other payments under or in connection with the Finance Documents and the making of any Equity Cure.”

Term Loan Facility

1. Paragraph (c)(i) of Clause 5.5 (*Limitation on Utilisations*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following paragraph:

“(i) principal, fees or other finance payments (or other amounts) (other than interest) payable under the Bondco Loan;”

Revolving Facility

1. Paragraph (b) of Clause 3.1 (*Purpose*) shall be deleted in its entirety and replaced with the following paragraph:

“(b) subject to Clause 5.5 (*Limitations on Utilisations*), the Borrower shall apply amounts borrowed by it under the Revolving Facility towards any or all of the following:

- (i) by way of Letters of Credit up to an aggregate maximum amount of HK\$387,710,000;
- (ii) subject to paragraph (iii) below, by way of Loans and/or (subject to paragraph (i) above) by way of Letters of Credit on and after the Operating Opening Date, for the financing of the general corporate purposes and/or working capital needs of the Group; and
- (iii) on and after the Operating Opening Date, funding each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account if the Debt Service Accrual Account, or, as the case may be, the High Yield Note Debt Service Accrual Account, is not funded to the level required by the terms of Schedule 7 (*Accounts*) (and (after the Operating Opening Date only) until each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account are funded to the required level, the Revolving Facility shall not be available for any other purpose),

and further provided that, other than amounts borrowed by way of Letter of Credit and amounts utilised for the purposes of providing cash collateral, no amounts borrowed under the Revolving Facility may be utilised for any purpose for which the Term Loan Facility may be utilised.”

SCHEDULE 2**WAIVERS**

1. A prospective waiver of any future breach of paragraph 4 (*Misrepresentation*) of Part I (*Events of Default*) of Schedule 9 (*Events of Default and Review Events*) of the Facilities Agreement caused by or resulting from any Obligor being unable to make the Repeating Representations at the following paragraphs of Schedule 5 (*Representations and Warranties*) to the Facilities Agreement:
 - (a) paragraph 6 (*Validity and admissibility in evidence*), as the requirement to obtain an authorisation for the allocation of 400 gaming tables from the Macau SAR Government (which is required to enable each Obligor to comply with its obligations under the Transaction Documents to which it is a party) has not been obtained (and is unlikely to be obtained by 1 October 2016); and
 - (b) sub-paragraph (g)(iv) of paragraph 14 (*Financial Statements*), as any Project Schedule supplied under the Agreement does not indicate that the Opening Date will be achieved on or before the Opening Long Stop Date.
2. A prospective waiver of any future breach of paragraph 13 (*Project Completion*) of Part I (*Events of Default*) of Schedule 9 (*Events of Default and Review Events*) of the Facilities Agreement caused by or resulting from the Technical Adviser determining that the Opening Date is not likely to occur on or prior to the Opening Long Stop Date and the Construction Completion Date is not likely to occur on or prior to the Construction Completion Long Stop Date.

Yours faithfully,

/s/ Geoffrey Davis

for and behalf of

Studio City Company Limited

in its capacity as Borrower under and as defined in the
Facilities Agreement

/s/ Geoffrey Davis

for and behalf of

Studio City Investments Limited

in its capacity as Obligors' Agent under and as defined in the
Facilities Agreement

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / do not consent to¹ the Amendments, Waivers and Consent and the matters set out in this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent and the proposals set out in this letter.

for and on behalf of

Name:

Position and Title:

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent and the matters set out in this letter and that the Amendments, Waivers and Consent shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

From: Studio City Company Limited (as the **“Borrower”**); and
Studio City Investments Limited (as **“Obligors’ Agent”**)

To: Deutsche Bank AG, Hong Kong Branch, in its capacity as Agent
Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Attention: Stuart Harding, Trust and Securities Services (Fax: +852 2203 7320)
Copy to: Jimmy Ng/Sara Wong (Fax: + 852 2203 7215)

To: The Lenders under the Facilities Agreement

Date: 16 November 2015

Dear Sirs,

Studio City - Supplemental Amendments, Waivers and Consent Request Letter

1 Introduction and Interpretation

1.1 We refer to:

- (a) the senior HK\$10,855,880,000 term loan and revolving facilities agreement dated 28 January 2013 (the **“Facilities Agreement”**), between, among others, Studio City Company Limited as Borrower, Studio City Investments Limited as Parent, the financial institutions named therein as Original Lenders, Deutsche Bank AG, Hong Kong Branch in its capacity as Agent and Industrial and Commercial Bank of China (Macau) Limited in its capacity as Security Agent (each as defined in the Facilities Agreement; and
- (b) the letter to the Agent and the Lenders dated 26 October 2015 requesting the consent and approval of Majority Lenders to certain amendments and waivers with respect to the Facilities Agreement (the **“Amendments, Waivers and Consent Letter”**).

1.2 Terms defined in the Amendments, Waivers and Consent Letter have, unless expressly defined in this letter, the same meaning when used in this letter.

2 Update to the Amendments, Waivers and Consent Letter

2.1 This letter is supplemental to and amends the Amendments, Waivers and Consent Letter. The Borrower and Obligors' Agent hereby request, in accordance with Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the consent and approval of the Majority Lenders to the amendments to the Finance Documents, as set out in the Amendments, Waivers and Consent Letter, as amended by this letter. The modifications to the previously proposed amendments to the Finance Documents are summarised in the table below:

DSRA

Amendments to:

- Re-instate the requirement to fund the Debt Service Reserve Account, but to include an obligation to fund the account at the applicable time with Debt Service due under the Facilities over the next three months, rather than the next six months as per the current Facilities Agreement (it being noted that we had previously proposed in the Amendments, Waivers and Consent Letter the deletion in of the requirement to fund the Debt Service Reserve Account)
- Clarify that the Liquidity Amount may be applied towards funding the Debt Service Reserve Account

(together with certain other consequential and technical conforming changes arising from the Amendments, Waivers and Consent Letter (including in relation to the Term Loan Facility Disbursement Agreement and the Capital Contributions Account), the "**Further Amendments**").

2.2 The Further Amendments are set out in Schedule 1 (*Amendments*) to this letter, as attached to this letter. A blackline showing the aggregate restated version of the amendments, together with the changes noted above, is included in Schedule 2 (*Restated Amendments*). The requested Waivers and Consent in the Amendments, Waivers and Consent Letter remain unchanged.

2.3 In addition, the Borrower and Obligors' Agent agree that the deadline for Lenders' entitlement to the Early Bird Fee shall be amended from 16 November 2015 to **18 November 2015** (the "**Extended Early Bird Date**").

2.4 For the avoidance of doubt:

- (a) unless modified by the terms of this letter, all matters under the Amendments, Waivers and Consent Letter, including the waivers set out in Schedule 2 (*Waivers*) thereof, remain the subject of the Required Consent and Approvals (as defined below); and
- (b) Lenders remain entitled to the Consent Fee and, subject to paragraph 2.3 above, the Early Bird Fee, on the terms outlined in the Amendments, Waivers and Consent Letter and the Borrower and the Obligors' Agent agree that each Lender who provided the Required Consent and Approvals (as defined in the Amendments, Waivers and Consent Letter) on or by 16 November 2015 shall be entitled to the Early Bird Fee on the terms and conditions set out in the Amendments, Waivers and Consent Letter notwithstanding that they may not provide the Required Consent and Approvals (as defined below) by the Extended Early Bird Date but subject to the proviso that they provide the Required Consent and Approvals (as defined below) on or before 30 November 2015.

2.5 We hereby request each Lender's irrevocable consent to and approval of the Amendments, Waivers and Consent, as amended by and including the Further Amendments, and the proposals referred to and outlined in each of this letter and the Amendments, Waivers and Consent Letter and your instruction to the Agent to execute all documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter (including an amended and restated Facilities Agreement, the entry into of Transaction Security over the Liquidity Account as provided herein, amendments to any other relevant Finance Documents to incorporate the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and any consequential and mechanical changes to the Finance Documents to reflect the terms of this letter and the Amendments, Waivers and Consent Letter).

3 Time for Consent and Approval

The request for consent and approval of the Amendments, Waivers and Consent (as amended by and including the Further Amendments) (the "**Required Consent and Approvals**"), and any Lender's failure to respond, remains subject to the provisions of Clause 43.2(c) (*Exceptions*) of the Facilities Agreement and the deadline for each Lender's response remains as **30 November 2015**. Please confirm your consent to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) by countersigning this letter where indicated below and returning it to the Agent, with a copy by way of email to each of the Parent: denisechen@melco-crown.com and Kirkland & Ellis: FireflyCore@kirkland.com.

4 Miscellaneous

4.1 This letter is designated as a Finance Document by the Agent and the Borrower.

4.2 The Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall become effective on and from the date of countersignature of this letter by the Agent confirming that the Required Consent and Approvals have been obtained (the "**Amendments, Waivers and Consent Countersignature Date**").

4.3 Except as otherwise expressly provided in this letter:

- (a) the Finance Documents shall remain in full force and effect; and
- (b) no waiver of any provision of any Finance Document is given by the terms of this letter and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

- 4.4 This letter may be executed in any number of counterparts, and this has the same effect as if the signatures or execution on such counterparts were on a single copy of this letter.
- 4.5 The Parent executes this letter as agent of each Obligor pursuant to its appointment under clause 2.3 (*Obligors' Agent*) of the Facilities Agreement.
- 4.6 Clauses 1.2 (*Construction*), 1.3 (*Third Party Rights*), 47 (*Governing Law*) and Clause 48 (*Enforcement*) of the Facilities Agreement shall be deemed to be incorporated into this letter as if they were set out in full, *mutatis mutandis*, save that references therein to "this Agreement" shall be deemed to be references to this letter.

[Remainder of page left intentionally blank]

SCHEDULE 1

AMENDMENTS

Opening Conditions

1. The following definition shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:
“**Amendments, Waivers and Consent Countersignature Date**” has the meaning given to that term in the Amendments, Waivers and Consent Request Amendment Letter from the Parent and the Borrower to the Agent and the Lenders dated 16 November 2015.”

Accounts

1. Paragraph 3.1 (*Deposits*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
“3.1 **Deposits**
The Obligors shall procure that all Additional Equity Contributions (save for any Additional Equity Contributions that comprise any of the Liquidity Amount) are paid into the Capital Contributions Account. Any Equity Contributions may be paid into the Project Operating Account referred to in and in accordance with paragraph 1.1(d) and into the Capital Contributions Account as soon as it has been established.”
2. Sub-paragraph (a) of paragraph 8.1 (*Deposit*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
“8.1 **Deposit**
(a) Notwithstanding any other provision of this Schedule 7 (but subject to sub-paragraph (c) below), the Borrower shall, on and from the date falling six months prior to the First Repayment Date until the date of delivery of a Compliance Certificate pursuant to paragraph 1.3 of Schedule 6 (*Covenants*) which certifies that the Total Leverage Ratio is 3.0:1 or less (computed without taking into account any Equity Cure and the effects thereof), ensure at all time that the amount standing to the credit of the Debt Service Reserve Account is not less than the aggregate amounts of Debt Service due under the Facilities (including, and after adjustment for, any such amounts due under the Hedging Agreements) over the next three months.”

Completion Support and Liquidity Account

1. The following new paragraph 3.40 (*Liquidity Amount*) shall be added to Schedule 6 (*Covenants*) of the Facilities Agreement:

“3.40 Liquidity Amount

The Borrower shall procure that on the Completion Support Release Date all amounts of Completion Support remaining at that point in time are immediately contributed to it, by way of Subordinated Debt or as otherwise permitted by the Finance Documents (such amount constituting the “**Liquidity Amount**”) and deposited in the Liquidity Account and that no later than the Completion Support Release Date the Borrower shall grant or have granted Security in favour of the Security Agent in accordance with the definition of Liquidity Account. The Borrower may only apply any of the Liquidity Amount received by it (and any interest accrued thereon) in and towards the general corporate and working capital purposes of the Group, including any payment in or towards the payment of Project Costs, Debt Service, other payments under or in connection with the Finance Documents, the making of any Equity Cure and funding the Debt Service Reserve Account.”

Term Loan Facility Disbursement Agreement

1. Sub-clause 3.6.5 of the Term Loan Facility Disbursement Agreement shall be deleted in its entirety and replaced with the following sub-clause:

“3.6.5 towards the payment of principal, fees or other finance payments (or other amounts) (other than interest) payable under the Bondco Loan;”

Revolving Facility

1. Paragraph (b) of Clause 3.1 (*Purpose*) shall be deleted in its entirety and replaced with the following paragraph:

“(b) subject to Clause 5.5 (*Limitations on Utilisations*), the Borrower shall apply amounts borrowed by it under the Revolving Facility towards any or all of the following:

- (i) by way of Letters of Credit up to an aggregate maximum amount of HK\$387,710,000;
- (ii) subject to paragraph (iii) below, by way of Loans and/or (subject to paragraph (i) above) by way of Letters of Credit on and after the Operating Opening Date, for the financing of the general corporate purposes and/or working capital needs of the Group; and

(iii) on and after the Operating Opening Date:

- (A) funding each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account if the Debt Service Accrual Account, or, as the case may be, the High Yield Note Debt Service Accrual Account, is not funded to the level required by the terms of Schedule 7 (*Accounts*) (and (after the Operating Opening Date only) until each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account are funded to the required level, the Revolving Facility shall not be available for any other purpose, other than for the purpose set out in sub-paragraph (B) below); and
- (B) funding the Debt Service Reserve Account, provided that the Debt Service Reserve Account shall not be funded by amounts borrowed under the Revolving Facility to the extent there is any Liquidity Amount available to fund the Debt Service Reserve Account, if the Debt Service Reserve Account is not funded to the level required by the terms of Schedule 7 (*Accounts*),

and further provided that, other than amounts borrowed by way of Letter of Credit and amounts utilised for the purposes of providing cash collateral, no amounts borrowed under the Revolving Facility may be utilised for any purpose for which the Term Loan Facility may be utilised.”

SCHEDULE 2

RESTATED AMENDMENTS

SCHEDULE 1

AMENDMENTS

Opening Conditions

1. The following definition shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:
“**Amendments, Waivers and Consent Countersignature Date**” has the meaning given to that term in the Amendments, Waivers and Consent Request Amendment Letter from the Parent and the Borrower to the Agent and the Lenders dated 16 November 2015.”
2. Paragraph 3(c) of Part I (*Form of Parent’s Opening Conditions Certificate*) of Schedule 20 (*Forms of Opening Conditions Certificates*) of the Facilities Agreement shall be amended to replace the words “400 gaming tables” with the words “250 gaming tables”.
3. Paragraph 3(c) of Part II (*Form of Technical Adviser’s Opening Conditions Certificate*) of Schedule 20 (*Forms of Opening Conditions Certificates*) of the Facilities Agreement shall be amended to replace the words “400 gaming tables” with the words “250 gaming tables”.

Financial Covenants

1. The definition of Cashflow in paragraph 2.1 (*Financial definitions*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be amended to add a new sub-paragraph (g) as follows and the formatting to (e) and (f) shall be deemed to be adjusted accordingly:
“(g) adding any Liquidity Amount applied by the Group for any purpose during that Relevant Period (but not taking into account any such amounts for the purposes of the calculation of Excess Cashflow),”
2. The definition of First Test Date in paragraph 2.1 (*Financial definitions*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following definition:
“**First Test Date**” means 31 March 2017.”
3. Paragraph (a) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
“(a) **Cash Cover:** Cash Cover in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall be or shall exceed the ratio set out in column 2 below opposite that Test Date.

Column 1
Relevant Period

First Test Date and each subsequent Test Date

Column 2
Ratio

1.00:1”

4. Paragraph (b) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(b) **Interest Cover:** Interest Cover in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall be or shall exceed the ratio set out in column 2 below opposite that Test Date.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
First Test Date	1.50:1
30 June 2017	1.75:1
30 September 2017	1.75:1
31 December 2017	2.00:1”

5. Paragraph (c) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(c) **Senior Secured Leverage:** Senior Secured Leverage in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
First Test Date	5.25:1
30 June 2017	4.75:1
30 September 2017	4.50:1
31 December 2017	4.00:1”

6. Paragraph (d) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(d) **Total Leverage Ratio:** Total Leverage Ratio in respect of any Relevant Period expiring on the Test Date specified in column 1 below shall not exceed the ratio set out in column 2 below opposite that Test Date.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
First Test Date	9.00:1
30 June 2017	8.25:1
30 September 2017	7.75:1
31 December 2017	7.00:1”

7. Paragraph (e)(ii) of paragraph 2.2 (*Financial Condition*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(ii) The aggregate Capital Expenditure of the Obligors in respect of each of:
- (A) the period starting on the Opening Date and ending on the date following 12 Months thereafter; and
- (B) the immediately subsequent period of 12 Months,
- shall not exceed the aggregate of US\$50,000,000 (or its equivalent in other currencies), any amount of Capital Expenditure specified or referred to in sub-paragraph (i) above (whether made, committed or incurred before or after the Opening Date) and any amounts available for the payment of a dividend pursuant to paragraph (b) of the definition of “Permitted Distribution” in Clause 1.1 (*Definitions*) in each such period.”
8. Paragraph (a) of paragraph 2.4 (*Equity Cure*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(a) If the requirements in respect of the financial covenants in sub-paragraphs (a) (*Cash Cover*), (b) (*Interest Cover*), (c) (*Senior Secured Leverage*) or (d) (*Total Leverage Ratio*) set out in paragraph 2.2 (*Financial Condition*) on a Test Date (a “**Relevant Test Date**”) are not satisfied (such covenant, an “**At Risk Financial Covenant**”), and if the Borrower receives or has received cash proceeds of a New Shareholder Injection (including, the proceeds of any New Shareholder Injection standing to the credit of the Liquidity Account) and in an amount no greater than the minimum amount necessary to remedy non-compliance of each At Risk Financial Covenant in respect of such Relevant Test Date (and the words “by an amount up to the Cure Amount” when used below shall be read accordingly (the amount thereof the “**Cure Amount**”) prior to the delivery to the Agent of the Compliance Certificate in respect of such Relevant Test Date, and if the Borrower either applies the Cure Amount in prepaying the Term Loan Facility in accordance with Clause 9.4 (*Voluntary prepayment*) or deposits the Cure Amount in the Mandatory Prepayment Account (and irrevocably directs that the same be applied towards the voluntary prepayment of the Term Loan Facility in accordance with Clause 9.4 (*Voluntary prepayment*) on the last day of the then current Interest Period), then each At Risk Financial Covenant shall be recalculated in respect of such Relevant Test Date after giving effect to the following *pro forma* adjustments:
- (i) Cashflow shall be increased (solely for the purpose of re-calculating Cash Cover as at such Relevant Test Date and not for any other purpose) by an amount up to the Cure Amount; and
- (ii) Consolidated EBITDA shall be increased (solely for the purpose of re-calculating Interest Cover, the Total Leverage Ratio and Senior Secured Leverage as at such Relevant Test Date and not for any other purpose) by an amount up to the Cure Amount,

provided that the Cure Amount included in any such *pro forma* adjustments may not exceed 30 per cent. of the target Consolidated EBITDA or Cashflow for the relevant Financial Quarter (being the Consolidated EBITDA or, as the case may be, Cashflow, required for the relevant At Risk Financial Covenants to have been satisfied, as calculated on an annualised basis (such recalculation, pro forma adjustments and prepayments being together, the “**Equity Cure**”).”

9. Paragraph (c) of paragraph 2.4 (*Equity Cure*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(c) No more than two such cures and recalculations are permitted during the term of the Facilities.”
10. Paragraph (e) of Schedule 13 (*Form of Compliance Certificate*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“(e) Capital Expenditure for the period from [●] ending on [●] was [●]. Therefore Capital Expenditure during that period [was/was not] in excess of the maximum expenditure permitted under the Facilities Agreement in that period [and the covenant contained in paragraph 2 (*Financial covenants*) of Schedule 6 [has/has not] been complied with];”

Accounts

1. The following definition shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:

““**Operating Opening Date**” means the later of 27 October 2015 and the Amendments, Waivers and Consent Countersignature Date.”
2. Paragraph 3.1 (*Deposits*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“3.1 **Deposits**

The Obligors shall procure that all Additional Equity Contributions (save for any Additional Equity Contributions that comprise any of the Liquidity Amount) are paid into the Capital Contributions Account. Any Equity Contributions may be paid into the Project Operating Account referred to in and in accordance with paragraph 1.1(d) and into the Capital Contributions Account as soon as it has been established.”

3. For the purposes of sub-paragraph (a) of paragraph 4.1 (*Services and Right to Use Agreement*), paragraph 5 (*Non Gaming Receipts*), sub-paragraph (c)(iii) of paragraph 6.2 (*Withdrawals*), sub-paragraph (b) of paragraph 7.1 (*Deposits*) and paragraph 7.2 (*Withdrawals*) of Schedule 7 (*Accounts*) to the Facilities Agreement, the words “Opening Date” shall be deleted in their entirety and replaced with the words “Operating Opening Date”.
4. Sub-paragraph (a) of paragraph 6.2 (*Withdrawals*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “(a) for payment (subject to this Agreement and the other Finance Documents) of Remaining Project Costs (to the extent that there are no proceeds remaining in the Term Loan Facility Disbursement Account), budgeted capital expenditure and, all other budgeted operating expenditure including, after the opening date therefor, in respect of the Phase II Project (unless otherwise provided for in paragraphs 4 (*Gaming Receipts*) and 5 (*Non Gaming Receipts*) of this Schedule 7 or sub paragraphs (b) to (h) below) and taxes then due and payable;”
5. Sub-paragraph (a) of paragraph 8.1 (*Deposit*) of Schedule 7 (*Accounts*) to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “8.1 **Deposit**
- (a) Notwithstanding any other provision of this Schedule 7 (but subject to sub-paragraph (c) below), the Borrower shall, on and from the date falling six months prior to the First Repayment Date until the date of delivery of a Compliance Certificate pursuant to paragraph 1.3 of Schedule 6 (*Covenants*) which certifies that the Total Leverage Ratio is 3.0:1 or less (computed without taking into account any Equity Cure and the effects thereof), ensure at all time that the amount standing to the credit of the Debt Service Reserve Account is not less than the aggregate amounts of Debt Service due under the Facilities (including, and after adjustment for, any such amounts due under the Hedging Agreements) over the next three months.”
6. Paragraph 11.2 (*Note Debt Service Reserve Account*) of Schedule 7 to the Facilities Agreement shall be deleted in its entirety and replaced with the following:
- “11.2 **Withdrawal**
- The Borrower (in its discretion) may apply amounts standing to the credit of the Note Debt Service Reserve Account for any or all of the following purposes:
- (a) to make payment of amounts due and payable under the High Yield Notes;
- (b) to make payment of amounts due and payable under the Facilities; or
- (c) to fund the Debt Service Accrual Account.

Following an acceleration of the High Yield Notes and/or of the Facilities, the Agent (in its discretion) may apply amounts standing to the credit of the Note Debt Service Reserve Account for any or all of the following purposes:

- (i) to make payment of amounts due and payable under the High Yield Notes (whether scheduled or by way of acceleration) but which remain (for whatever reason) unpaid by payment of interest on and/or repayment of the Bondco Loan; or
- (ii) to make payment of amounts due and payable under the Facilities (whether scheduled or by way of acceleration) but which remain (for whatever reason) unpaid.”

Completion Support and Liquidity Account

1. The definition of Available Funding shall be amended to add a new sub-paragraph (h) as follows and the formatting to (f) and (g) shall be deemed to be adjusted accordingly:

“(h) any amounts standing to the credit of the Liquidity Account.”

2. The definition of Completion Support Release Date in Clause 1.1 (*Definitions*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following definition:

““**Completion Support Release Date**” means a date notified and designated by the Borrower to the Agent on no less than 5 Business Days’ notice as the “Completion Support Release Date”.”

3. The following definitions shall be added to Clause 1.1 (*Definitions*) of the Facilities Agreement in applicable alphabetical order:

““**Liquidity Account**” means an account:

- (a) denominated in US Dollars and/or HK Dollars, held in the Macau SAR or the Hong Kong SAR by the Borrower with an Acceptable Bank;
- (b) identified in a letter between the Parent and the Agent as the Liquidity Account; and
- (c) no later than the Completion Support Release Date, subject to Security in favour of the Security Agent (which Security shall be in form and substance substantially similar to any fixed ranking account Transaction Security or otherwise in a form and substance reasonably satisfactory to the Agent and the Security Agent),

as the same may be redesignated, substituted or replaced from time to time.

“**Liquidity Amount**” has the meaning given to that term in Clause 3.40 (*Liquidity Amount*).”

4. The Majority Lenders direct the Agent to consent to the opening and maintenance of the Liquidity Account for the purposes of paragraph 1.7 (*Other Accounts*) of Schedule 7 (*Accounts*) of the Facilities Agreement.
5. The Majority Lenders consent to the designation of the Liquidity Account as an “Account” for the purposes only of the definition of “Available Funding” in clause 1.1 (*Definitions*) of the Facilities Agreement and Schedule 7 (*Accounts*) of the Facilities Agreement.
6. Paragraph 3.36 (*Order of Funding*) of Schedule 6 (*Covenants*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following:

“3.36 Order of Funding

The Borrower shall ensure that funds available to finance the payment of Project Costs are used in the following order:

- (a) *firstly*, proceeds of the Equity Contribution;
- (b) *secondly*, proceeds of the High Yield Notes;
- (c) *thirdly*:
 - (i) proceeds of the Term Loan Facility and
 - (ii) utilisations by way of Letter of Credit under the Revolving Facility prior to the Opening Date (subject to the limits referred to herein);
- (d) *fourthly*, utilisations other than by way of Letter of Credit of the Revolving Facility to the extent available to pay Project Costs; and
- (e) *fifthly*, at the Borrower’s election as regards order and source, proceeds sourced under the Completion Support Agreement, from the Liquidity Account and/or the Revenue Account.”

7. The following new paragraph 3.40 (*Liquidity Amount*) shall be added to Schedule 6 (*Covenants*) of the Facilities Agreement:

“3.40 Liquidity Amount

The Borrower shall procure that on the Completion Support Release Date all amounts of Completion Support remaining at that point in time are immediately contributed to it, by way of Subordinated Debt or as otherwise permitted by the Finance Documents (such amount constituting the “**Liquidity Amount**”) and deposited in the Liquidity Account and that no later than the Completion Support Release Date the Borrower shall grant or have granted Security in favour of the Security Agent in accordance with the definition of Liquidity Account. The Borrower may only apply any of the Liquidity Amount received by it (and any interest accrued thereon) in and towards the general corporate and working capital purposes of the Group, including any payment in or towards the payment of Project Costs, Debt Service, other payments under or in connection with the Finance Documents, the making of any Equity Cure and funding the Debt Service Reserve Account.”

Term Loan Facility

1. Paragraph (c)(i) of Clause 5.5 (*Limitation on Utilisations*) of the Facilities Agreement shall be deleted in its entirety and replaced with the following paragraph:
“(i) principal, fees or other finance payments (or other amounts) (other than interest) payable under the Bondco Loan;”

Term Loan Facility Disbursement Agreement

1. Sub-clause 3.6.5 of the Term Loan Facility Disbursement Agreement shall be deleted in its entirety and replaced with the following sub-clause:
“3.6.5 towards the payment of principal, fees or other finance payments (or other amounts) (other than interest) payable under the Bondco Loan;”

Revolving Facility

1. Paragraph (b) of Clause 3.1 (*Purpose*) shall be deleted in its entirety and replaced with the following paragraph:
“(b) subject to Clause 5.5 (*Limitations on Utilisations*), the Borrower shall apply amounts borrowed by it under the Revolving Facility towards any or all of the following:
 - (i) by way of Letters of Credit up to an aggregate maximum amount of HK\$387,710,000;
 - (ii) subject to paragraph (iii) below, by way of Loans and/or (subject to paragraph (i) above) by way of Letters of Credit on and after the Operating Opening Date, for the financing of the general corporate purposes and/or working capital needs of the Group; and

(iii) on and after the Operating Opening Date:

- (A) funding each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account if the Debt Service Accrual Account, or, as the case may be, the High Yield Note Debt Service Accrual Account, is not funded to the level required by the terms of Schedule 7 (*Accounts*) (and (after the Operating Opening Date only) until each of the Debt Service Accrual Account and the High Yield Note Debt Service Accrual Account are funded to the required level, the Revolving Facility shall not be available for any other purpose, other than for the purpose set out in sub-paragraph (B) below); and
- (B) funding the Debt Service Reserve Account, provided that the Debt Service Reserve Account shall not be funded by amounts borrowed under the Revolving Facility to the extent there is any Liquidity Amount available to fund the Debt Service Reserve Account, if the Debt Service Reserve Account is not funded to the level required by the terms of Schedule 7 (*Accounts*),

and further provided that, other than amounts borrowed by way of Letter of Credit and amounts utilised for the purposes of providing cash collateral, no amounts borrowed under the Revolving Facility may be utilised for any purpose for which the Term Loan Facility may be utilised.”

Yours faithfully,

/s/ Geoffrey Davis

for and behalf of

Studio City Company Limited

in its capacity as Borrower under and as defined in the
Facilities Agreement

/s/ Geoffrey Davis

for and behalf of

Studio City Investments Limited

in its capacity as Obligors' Agent under and as defined in the
Facilities Agreement

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ William Pang

/s/ Henry Zhang

for and on behalf of
Deutsche Bank AG, Hong Kong Branch

Name: William Pang / Henry Zhang
Position and Title: Managing Director / Vice President
Date: 18/11/2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Richard Yeung

/s/ Eliza Wong

for and on behalf of
Australia & New Zealand Banking Group Limited

Name: Richard Yeung / Eliza Wong
Position and Title: Executive Director, Property Sector,
NEA / Head of Coverage, Hong Kong,
International and Institutional Banking

Date: 18/11/2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Paulo Franco

/s/ Carlos Freire

for and on behalf of
Novo Banco Asia

Name: Paulo Franco / Carlos Freire

Position and Title: CCO / Deputy CEO

Date: 18th November, 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Monica Wong

/s/ Sam Tou

for and on behalf of
Banco Nacional Ultramarino, S.A.

Name: Monica Wong / Sam Tou

Position and Title: General Manager/ General Manager

Date: 16th November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Ng Si Man

/s/ Lo Tong Chun

for and on behalf of
OCBC Wing Hang Bank Limited

Name: Ng Si Man / Lo Tong Chun
Position and Title: Head of Corporate Banking / Assistant
General Manager

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Wu Jianfeng

for and on behalf of

Bank of China Limited, Macau Branch

Name: Wu Jianfeng

Position and Title: Deputy General Manager

Date: 2015/11/16

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Raymond Loi

/s/ Lydia Chan

for and on behalf of
The Bank of East Asia, Limited, Macau Branch

Name: Mr. Raymond Loi / Ms. Lydia Chan

Position and Title: Deputy General Manager / Deputy
General Manager

Date: 18/11/2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Wu Ye

for and on behalf of
Bank of Communications Co. Ltd., Macau Branch

Name: Wu Ye
Position and Title: General Manager
Date: 16/11/2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / _____ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Yu-Shan Chen

for and on behalf of
Chang Hwa Commercial Bank Ltd., Offshore Banking Branch

Name: Yu-Shan Chen
Position and Title: Vice President & General Manager
Date: 2015/11/17

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Ngou Kuok Kong Edward

for and on behalf of

China CITIC Bank International Limited, Macau Branch

Name: Ngou Kuok Kong Edward

Position and Title: AGM and Head of Operations & Technology

Date: 18 November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Chew Nyen Aun

for and on behalf of
China Citic Bank International Limited

Name: Chew Nyen Aun
Position and Title: Deputy General Manager & Team Head
Date: 16 November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Jeff Chan

/s/ Lau Hing Keung

for and on behalf of
Chong Hing Bank Limited, Macau branch

Name: Jeff Chan / Lau Hing Keung
Position and Title: Head of China & Corporate Dept./
Macau Branch Manager
Date: 18 Nov., 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ William Chu

for and on behalf of
CITIBANK, N.A., HONG KONG BRANCH

Name: William Chu

Position and Title: Director

Date: 18th November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Neal Ledger

for and on behalf of

Credit Agricole Corporate and Investment Bank

Name: Neal Ledger

Position and Title: Managing Director

Date: 18th November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Ng Boon Khee

/s/ Leo Huey

for and on behalf of
Credit Industriel et Commercial – Singapore Branch

Name: Ng Boon Khee / Leo Huey
Position and Title: Senior Vice President, Credit & Risks /
Assistant Vice President, Credit &
Risks Department

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Sybil Chan

for and on behalf of
Dah Sing Bank, Limited

Name: Sybil Chan
Position and Title: Senior Vice President, Commercial
Banking Division
Date: 17 November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Chang Wen-Chin

for and on behalf of
First Commercial Bank, Macau Branch

Name: Chang Wen-Chin
Position and Title: General Manager
Date: 2015/11/18

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Chan Kam Lun

/s/ Zheng Zhiguo

for and on behalf of
Industrial and Commercial Bank of China (Macau) Ltd.

Name: Chan Kam Lun / Zheng Zhiguo
Position and Title: Chief Consumer Banking Officer /
General Manager

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Michael Bradley

for and on behalf of

National Australia Bank Limited, Hong Kong Branch

Name: Michael Bradley

Position and Title: Director, Global Institutional Banking

Date: 30th November 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Au Ieong Iu Kong

/s/ Kou Wa Kin

for and on behalf of
Tai Fung Bank Limited

Name: Au Ieong Iu Kong / Kou Wa Kin

Position and Title: Director & Vice President, Chief
Operating Officer / Manager

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name:

Position and Title:

Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / ~~do not consent to~~¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Andy Poon

for and on behalf of
The Bank of Nova Scotia

Name: Andy Poon
Position and Title: Managing Director, Corporate
Banking, Greater China
Date: November 30, 2015

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / do not consent to¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

/s/ Patrick Wong

for and on behalf of
Wing Lung Bank Limited, Macau Branch

Name: Patrick Wong
Position and Title: Deputy General Manager
Date: 2015.11.16

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

for and behalf of
Deutsche Bank AG, Hong Kong Branch

Name:
Position and Title:
Date:

¹ Delete as applicable

FORM OF ACKNOWLEDGEMENT

Lenders

We consent to / do not consent to¹ the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and we instruct the Agent to execute all such documentation in relation to the Finance Documents as may be necessary in order to effect such Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the proposals set out in this letter and the Amendments, Waivers and Consent Letter.

for and on behalf of

Name:

Position and Title:

Date:

Agent

Pursuant to Clause 43 (*Amendments and Waivers*) of the Facilities Agreement, the Agent hereby confirms that it has received the consent of the Majority Lenders to the Amendments, Waivers and Consent (as amended by and including the Further Amendments) and the matters set out in both the Amendments, Waivers and Consent Letter and this letter and that the Amendments, Waivers and Consent (as amended by and including the Further Amendments) shall each become effective on and from the date of countersignature of this letter by the Agent.

/s/ Ng Yue Min

/s/ Wong Nga Yan Sara

for and behalf of

Deutsche Bank AG, Hong Kong Branch

Name: Ng Yue Min / Wong Nga Yan Sara

Position and Title: Authorised Signatory / Authorised Signatory

Date: 18 NOV 2015

¹ Delete as applicable

List of Subsidiaries

1. Altira Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
2. Altira Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
3. COD Theatre Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
4. Golden Future (Management Services) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
5. MCE (IP) Holdings Limited, incorporated in the British Virgin Islands
6. MCE (NEA) Holdings Limited (formerly known as MCE Management Limited), incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
7. MCE (Philippines) Investments Limited, incorporated in the British Virgin Islands
8. MCE (Philippines) Investments No.2 Corporation, incorporated in the Republic of the Philippines
9. MCE Cotai Investments Limited, incorporated in the Cayman Islands
10. MCE Finance Limited, incorporated in the Cayman Islands
11. MCE Holdings (Philippines) Corporation, incorporated in the Republic of the Philippines
12. MCE Holdings Limited, incorporated in the Cayman Islands
13. MCE Holdings No. 2 (Philippines) Corporation, incorporated in the Republic of the Philippines
14. MCE Holdings Three Limited, incorporated in the Cayman Islands
15. MCE Holdings Two Limited, incorporated in the British Virgin Islands
16. MCE International Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
17. MCE Leisure (Philippines) Corporation, incorporated in the Republic of the Philippines
18. MCE Transportation Limited, incorporated in the British Virgin Islands
19. MCE Transportation Two Limited, incorporated in the British Virgin Islands
20. MCE Travel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China

21. Melco Crown (Cafe) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
22. Melco Crown (COD) Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
23. Melco Crown (COD) Hotels Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
24. Melco Crown (COD) Retail Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
25. Melco Crown (COD) Ventures Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
26. Melco Crown (Japan) Company Limited, incorporated in Japan
27. Melco Crown (Japan) Resorts Corporation, incorporated in Japan
28. Melco Crown (Macau Peninsula) Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
29. Melco Crown (Macau Peninsula) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
30. Melco Crown (Macau) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
31. Melco Crown (Philippines) Resorts Corporation, incorporated in the Republic of the Philippines
32. Melco Crown COD (CT) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
33. Melco Crown COD (GH) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
34. Melco Crown COD (HR) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
35. Melco Crown Hospitality and Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
36. Melco Crown Security Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
37. Mocha Cafe Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
38. Mocha Slot Group Limited, incorporated in the British Virgin Islands

39. Mocha Slot Management Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
40. MPEL Cotai Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
41. MPEL International Limited, incorporated in the Cayman Islands
42. MPEL Investments Limited, incorporated in the Cayman Islands
43. MPEL Nominee One Limited, incorporated in the Cayman Islands
44. MPEL Nominee Three Limited, incorporated in the Cayman Islands
45. MPEL Nominee Two Limited, incorporated in the Cayman Islands
46. MPEL Projects Limited, incorporated in the British Virgin Islands
47. MPEL Properties (Macau) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
48. MPEL Services Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
49. MPEL Ventures Limited, incorporated in the British Virgin Islands
50. SCIP Holdings Limited, incorporated in the British Virgin Islands
51. SCP Holdings Limited, incorporated in the British Virgin Islands
52. SCP One Limited, incorporated in the British Virgin Islands
53. SCP Two Limited, incorporated in the British Virgin Islands
54. Studio City (HK) Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
55. Studio City Company Limited, incorporated in the British Virgin Islands
56. Studio City Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
57. Studio City Entertainment Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
58. Studio City Finance Limited, incorporated in the British Virgin Islands
59. Studio City Holdings Five Limited, incorporated in the British Virgin Islands
60. Studio City Holdings Four Limited, incorporated in the British Virgin Islands
61. Studio City Holdings Limited, incorporated in the British Virgin Islands
62. Studio City Holdings Three Limited, incorporated in the British Virgin Islands
63. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
64. Studio City Hospitality and Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China

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65. Studio City Hotels Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
 66. Studio City International Holdings Limited, incorporated in the British Virgin Islands
 67. Studio City Investments Limited, incorporated in the British Virgin Islands
 68. Studio City Retail Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
 69. Studio City Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
 70. Studio City Ventures Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
 71. Zeus Power Ventures Limited, incorporated in the British Virgin Islands

Certification by the Chief Financial Officer

I, Geoffrey Stuart Davis, certify that:

1. I have reviewed this annual report on Form 20-F of Melco Crown Entertainment Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 12, 2016

By: /s/ Geoffrey Stuart Davis

Name: Geoffrey Stuart Davis

Title: Chief Financial Officer

**Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Yau Lung Ho, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 12, 2016

By: /s/ Lawrence Yau Lung Ho

Name: Lawrence Yau Lung Ho

Title: Co-Chairman and Chief Executive Officer

**Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Geoffrey Stuart Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 12, 2016

By: /s/ Geoffrey Stuart Davis

Name: Geoffrey Stuart Davis

Title: Chief Financial Officer



匯嘉 開曼羣島律師事務所

Partners:

Paul Aherne*
 Tim Haynes***
 Kristen Kwok*
 Arwel Lewis*
 Andy Randall**
 Denise Wong*

12 April 2016

Our Ref: DW/AH/M4237-H01577

The Board of Directors
 Melco Crown Entertainment Limited
 36th Floor
 The Centrium
 60 Wyndham Street
 Central
 Hong Kong

Dear Sirs

FORM 20-F

We consent to the reference to our firm under the heading “Board Practices”, the heading “Documents on Display” and the heading “Corporate Governance” in the Annual Report on Form 20-F of Melco Crown Entertainment Limited for the year ended 31 December 2015, which will be filed with the U.S. Securities and Exchange Commission (the “**Commission**”) on 12 April 2016 under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under the Exchange Act, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ WALKERS

WALKERS

Walkers

Suite 1501-1507, Alexandra House, 18 Chater Road, Central, Hong Kong

T +852 2284 4566 F +852 2284 4560 www.walkersglobal.com

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*Admitted in England and Wales; **Admitted in BVI; ***Admitted in Cayman Islands

Walkers works in exclusive association with Taylors in Bermuda, a full service commercial law firm providing advice on all aspects of Bermuda law.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-185477 and 333-143866 on Form S-8 of our reports dated April 12, 2016, relating to the consolidated financial statements and financial statement schedule of Melco Crown Entertainment Limited and its subsidiaries (the “Company”), and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 20-F of the Company for the year ended December 31, 2015.

/s/ Deloitte Touche Tohmatsu

Hong Kong

April 12, 2016