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

FORM 20-F

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

OR

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

For the fiscal year ended December 31, 2013

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)

Desmond Wong Kar Pang, Director, Financial Compliance Tel +852 2598 3600, Fax +852 2537 3618
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:

Title of Each Class	Name of Each Exchange on Which Registered
American depositary 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.

1,666,633,448 ordinary shares outstanding as of December 31, 2013

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 Initial Notes and the Exchange Notes, collectively, which were 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 reduce and remove certain restrictions in the City of Dreams Project Facility;
- "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;
- "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 currently operate the hotel and other non-gaming businesses at Altira Macau;
- "Altira Macau" refers to an integrated casino and hotel development that caters to Asian rolling chip customers, which opened in May 2007 and is owned by Altira Developments;
- "Amended and Restated Articles of Association" refers to our articles of association adopted on May 23, 2012;
- "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 on two adjacent pieces of land in Cotai, Macau, which opened in June 2009, and currently features casino areas and three luxury hotels, including a collection of retail brands, a wet stage performance theater and other entertainment venues, and owned by Melco Crown (COD) Developments;
- "City of Dreams Manila" refers to an integrated resort located within Entertainment City, Manila being developed by MCE Leisure Philippines and the Philippine Parties and which, when completed, will be solely operated and managed by MCE Leisure Philippines;
- "City of Dreams Project Facility" refers to the project facility dated September 5, 2007 entered into between, amongst others, Melco Crown Macau as borrower and certain other subsidiaries as guarantors, for a total sum of US$1.75 billion for the purposes of financing, among other things, certain project costs of City of Dreams, as amended and supplemented from time to time;
- "Cotai" refers to an area of reclaimed land located between the islands of Taipa and Coloane in Macau;
- "Crown" refers to Crown Resorts Limited (formerly known as Crown 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., formerly known as PBL Asia Investments Limited, which is 100% indirectly owned by Crown, and was incorporated in the Cayman Islands but is now a registered Australian company;
- "Crown Entertainment Group Holdings" refers to Crown Entertainment Group Holdings Pty, Ltd., a company incorporated on June 19, 2007 under the laws of Australia and a subsidiary of Crown;

- "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$353.3 million based on exchange rate on transaction date) from the proceeds of the RMB Bonds and fully repaid in March 2013;
- "DICJ" refers to the Direcção de Inspecção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau;
- "Exchange Notes" refers to approximately 99.96% of the Initial Notes which were, on December 27, 2010, exchanged for 10.25% senior notes due 2018, registered under the Securities Act of 1933;
- "Greater China" refers to mainland China, Hong Kong and Macau, collectively;
- "HIBOR" refer to Hong Kong Interbank Offered Rate;
- "HK$" and "H.K. dollars" 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;
- "Initial 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;
- "LIBOR" refer to London Interbank Offered Rate;
- "Macau" and "Macau SAR" refer 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 Provisional 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 Provisional 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 Provisional 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 (formerly known as MCE Designs and Brands Limited), a company incorporated under the laws of the British Virgin Islands;
- "MCP" refers to our subsidiary, Melco Crown (Philippines) Resorts Corporation (formerly known as Manchester International Holdings Unlimited 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;
- "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 currently operate the non-gaming businesses at City of Dreams;

- "Melco Crown Macau" refers to our subsidiary, Melco Crown (Macau) Limited (formerly known as "Melco Crown Gaming (Macau) Limited" or "Melco PBL Gaming (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, the first of which opened in September 2003, and are now the largest non-casino based operations of electronic gaming machines in Macau, and operated by Melco Crown Macau;
- "New Cotai Holdings" refers to New Cotai Holdings, LLC, a company incorporated in Delaware, the United States on March 24, 2006 under the laws of Delaware, primarily owned by U.S. investment funds managed by Silver Point Capital, L.P. and Oaktree Capital Management, L.P.;
- "our board" refers to the board of directors of our Company or a duly constituted committee thereof;
- "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;
- "Patacas" 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 Licensees" refers to holders of the Provisional 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" or "PHP" refers to the legal currency of the Philippines;
- "Philippine Stock Exchange" refers to The Philippine Stock Exchange, Inc.;
- "Provisional License" refers to the provisional 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; reference to the Provisional License include, where the context requires, any regular license issued to replace the provisional license as described in "The Provisional License.";
- "Renminbi" and "RMB" refer to the legal currency of China;
- "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 (formerly known as Cyber One Agents 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 (formerly known as MSC Desenvolvimentos, Limitada and East Asia Satellite Television Limited), a Macau company in which we own 60% of the equity interest;
- "Studio City Finance" refers to Studio City Finance Limited, which is a company incorporated in the British Virgin Islands with limited liability, is also a wholly owned indirect subsidiary of SCI and the issuer of the Studio City Notes;
- "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, entered into between, among others, Studio City Company Limited as borrower and certain subsidiaries as guarantors for a total sum of HK$10,855,880,000 and consisting of a delayed draw term loan facility and a revolving credit facility;
- "TWD" and "New Taiwan dollars" refer to the legal currency of Taiwan;
- "US$" and "U.S. dollars" 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, 2013, 2012 and 2011 and as of December 31, 2013 and 2012.

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 (less service charges, if any) by total rooms occupied, i.e., average price of occupied rooms per day
"cage"	a secure room within a casino with a facility that allows patrons to exchange cash for chips required to participate in gaming activities, or to exchange chips for cash
"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, chips, chip purchase vouchers, credit markers and forms used to record movements in the chip inventory on each table game
"electronic table games"	electronic multiple-player gaming machine
"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 on public mass gaming floors 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
"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 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 (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
“wet stage performance theater”	the approximately 2,000-seat theater specifically designed to stage *The House of Dancing Water* show

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 Macao, 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 City of Dreams Manila, Studio City and the fifth hotel tower at City of Dreams;
- our entering into new development and construction 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 license approvals and the legalization of gaming in other jurisdictions;

- 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, 2013, 2012 and 2011 and balance sheet data as of December 31, 2013 and 2012 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, 2010 and 2009 and the balance sheet data as of December 31, 2011, 2010 and 2009 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,				
	2013	2012	2011	2010	2009
	(In thousands of US$, except share and per share data and operating data)				
Consolidated Statements of Operations Data:					
Net revenues	$ 5,087,178	$ 4,078,013	$ 3,830,847	$ 2,641,976	$ 1,332,873
Total operating costs and expenses	$ (4,247,354)	$ (3,570,921)	$ (3,385,737)	$ (2,549,464)	$ (1,604,920)
Operating income (loss)	$ 839,824	$ 507,092	$ 445,110	$ 92,512	$ (272,047)
Net income (loss)	$ 578,013	$ 398,672	$ 288,844	$ (10,525)	$ (308,461)
Net loss attributable to noncontrolling interests	$ 59,450	$ 18,531	$ 5,812	$ —	$ —
Net income (loss) attributable to Melco Crown Entertainment	$ 637,463	$ 417,203	$ 294,656	$ (10,525)	$ (308,461)
Net income (loss) attributable to Melco Crown Entertainment per share					
— Basic	$ 0.386	$ 0.254	$ 0.184	$ (0.007)	$ (0.210)
— Diluted	$ 0.383	$ 0.252	$ 0.182	$ (0.007)	$ (0.210)
Net income (loss) attributable to Melco Crown Entertainment per ADS (1)					
— Basic	$ 1.159	$ 0.761	$ 0.551	$ (0.020)	$ (0.631)
— Diluted	$ 1.149	$ 0.755	$ 0.547	$ (0.020)	$ (0.631)
Weighted average shares used in net income (loss) attributable to Melco Crown Entertainment per share calculation					
— Basic	1,649,678,643	1,645,346,902	1,604,213,324	1,595,552,022	1,465,974,019
— Diluted	1,664,198,091	1,658,262,996	1,616,854,682	1,595,552,022	1,465,974,019

	December 31,				
	2013	2012	2011	2010	2009
			(In thousands of US$)		
Consolidated Balance Sheets Data:					
Cash and cash equivalents	$ 1,381,757	$ 1,709,209	$1,158,024	$ 441,923	$ 212,598
Bank deposits with original maturity over three months	626,940	—	—	—	—
Restricted cash	1,143,665	1,414,664	364,807	167,286	236,119
Total assets	8,813,639	7,947,466	6,269,980	4,884,440	4,862,845
Total current liabilities	1,237,970	1,721,666	603,119	675,604	521,643
Total debts (2)	2,533,539	3,194,864	2,325,980	1,839,931	1,798,879
Total liabilities	3,888,657	4,206,710	3,082,328	2,361,249	2,353,801
Noncontrolling interests	678,312	354,817	231,497	—	—
Total equity	4,924,982	3,740,756	3,187,652	2,523,191	2,509,044
Ordinary shares	16,667	16,581	16,531	16,056	15,956

(1) Each ADS represents three ordinary shares.
(2) Includes amounts due to shareholders within one year, loans from shareholders 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 June 1, 2009, City of Dreams opened and progressively added to its operations with the opening of Grand Hyatt Macau hotel in the fourth quarter of 2009 and the opening of *The House of Dancing Water* in the third quarter of 2010
- On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City. Studio City was in development stage during the year
- 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 a top-up placement on the Philippine Stock Exchange raising net proceeds of approximately US$338.5 million, including the over-allotment option

Exchange Rate Information

Although we will have certain expenses and revenues denominated in Patacas, our revenues and expenses will be denominated predominantly in H.K. dollars and in connection with a portion of our indebtedness and certain expenses, U.S. dollars. Unless otherwise noted, all translations from H.K. dollars to U.S. dollars and from U.S. dollars to H.K. dollars in this annual report on Form 20-F were made at a rate of HK$7.78 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, 2013 in New York City for cable transfers in H.K. dollar per U.S. dollar, as certified for customs purposes by the H.10 weekly statistical release of the Federal Reserve Board of the United States, or the Federal Reserve Board, was HK$7.7539 to US$1.00. On April 3, 2014, the noon buying rate was HK$7.7568 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. dollars or H.K. dollars, as the case may be, at any particular rate, the rates stated below, or at all.

The following table sets forth the exchange rate as set forth in the statistical release of the Federal Reserve Board for and as of period ends indicated through April 3, 2014.

Period	Noon Buying Rate			
	Period End	Average (1)	Low	High
	(H.K. dollar per US$1.00)			
April 2014 (through April 3, 2014)	7.7568	7.7566	7.7568	7.7561
March 2014	7.7567	7.7612	7.7669	7.7563
February 2014	7.7608	7.7585	7.7645	7.7547
January 2014	7.7642	7.7578	7.7663	7.7534
December 2013	7.7539	7.7535	7.7550	7.7517
November 2013	7.7526	7.7523	7.7535	7.7512
October 2013	7.7530	7.7536	7.7545	7.7524
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
2010	7.7810	7.7692	7.8040	7.7501
2009	7.7536	7.7513	7.7618	7.7495

(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 Patacas to U.S. dollars in this annual report on Form 20-F were made at the exchange rate of MOP8.0134 = US$1.00. The Federal Reserve Board does not certify for customs purposes a noon buying rate for cable transfers in Patacas.

This annual report on Form 20-F also contains translations of certain Renminbi, New Taiwan dollar and Philippine Peso amounts into U.S. dollars. Unless otherwise stated, all translations from Renminbi to U.S. dollars in this annual report on Form 20-F were made at the noon buying rate on December 31, 2013 in New York City for cable transfers in RMB per U.S. dollar, as certified for customs purposes by the H.10 weekly statistical release of the Federal Reserve Board, which was RMB6.0537 to US$1.00. Unless otherwise stated, all translations from New Taiwan dollars to U.S. dollars in this annual report on Form 20-F were made at the noon buying rate on December 31, 2013 in New York City for cable transfers in New Taiwan dollars per U.S. dollar, as certified for customs purposes by the H.10 weekly statistical release of the Federal Reserve Board, which was TWD29.8300 to US$1.00. Unless otherwise stated, all conversion from Philippine Peso to U.S. dollars 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 PHP44.3980 to US$1.00 on December 31, 2013. We make no representation that any RMB, TWD, PHP or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB or TWD or PHP, as the case may be, at any particular rate or at all. On April 3, 2014, the noon buying rate was RMB6.2102 to US$1.00 and TWD30.2800 to US$1.00 and the volume weighted average exchange rate quoted was PHP44.9800 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

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

We have a short business operating history compared to our global competitors and there is limited historical information available about our Company upon which you can base your evaluation of our business and prospects. In particular, City of Dreams, which contributed 75.8% of our total net revenues for the year ended December 31, 2013, commenced operations on June 1, 2009, and progressively added to its operations with the opening of Grand Hyatt Macau hotel in the fourth quarter of 2009 and the opening of *The House of Dancing Water* in the third quarter of 2010. The City of Dreams site is still under ongoing development. Melco Crown Macau acquired its subconcession in September 2006 and previously did not have any direct experience operating casinos in Macau. In addition, we have significant projects, such as Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams, which are in various phases of design or development and will not generate any revenue until their openings. As a result, you should consider our business and prospects in light of the risks, expenses and challenges that we will face given our limited experience operating gaming businesses in an intensely competitive market. Among other things, we have continuing obligations to satisfy and comply with conditions and covenants under our existing credit facilities so as to be able to continue to roll over existing revolving loans drawn down under the facilities and to maintain the facilities.

We may encounter risks and difficulties frequently experienced by companies with early stage operations, and those risks and difficulties may be heightened in a rapidly developing market such as the gaming market in Macau and by our expansion into a new market such as the Philippines. 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 market conditions;
- respond to changes in our regulatory environment;
- identify suitable locations and enter into new leases or right to use agreements (which are similar to license agreements) for new Mocha Clubs; and
- renew or extend lease 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 suffer 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.

We are dependent upon a limited number of properties for a substantial portion of our cash flow and, as a result, subject to greater risks than a gaming company with more operating properties.

We are primarily dependent upon City of Dreams, Altira Macau and Mocha Clubs for our cash flow. Following the construction and commencement of operations, Studio City and City of Dreams Manila will also contribute to our cash flows. Given that our operations are and will be conducted based on a small number of principal properties, we are and will be subject to greater risks than gaming companies with more operating properties due to the limited diversification of our businesses and sources of revenues. These risks include:

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

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, including the Studio City and City of Dreams Manila and the fifth hotel tower at City of Dreams, 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 future construction projects will be subject to a number of risks, including:

- lack of sufficient, or delays in availability of, financing;
- 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;
- 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 such as H1N1 or H5N1;
- 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, including Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams, 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, including Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams. 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 developments 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. 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.

We have engaged a main construction contractor for the construction of Studio City. Such main construction contractor may not have sufficient financial resources to fund cost overruns for which it is contractually responsible, which may result in delays in completing the construction of Studio City and subject us to other risks.

We have engaged a main construction contractor for the construction of Studio City.

However, we cannot assure you that our main construction contractor will have sufficient financial resources to fund any cost overruns for which they are responsible under the main construction contract. If our main construction contractor does not have the resources to meet its obligations or we are unable to obtain sufficient funds under the performance and payment bonds or other insurance posted by the contractors in a timely manner, we may incur increased costs for the construction of Studio City. This may require us to raise additional funding, which may not be available on satisfactory terms or at all. Any such additional funding, if available, may not be permitted under the Studio City Project Facility or the Studio City Notes and may require us to obtain consents or waivers from the lenders under the Studio City Project Facility and/or the holders of the Studio City Notes.

In addition, no assurances can be given that our main construction contractor and its subcontractors will perform their obligations under their contracts or contractual warranties of work. If the opening of Studio City is delayed or does not occur due to any of the above or other factors, it could materially adversely affect our construction and development plan, plan of operations, business and prospects, financial condition and cash flows.

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 such as Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and negative publicity. We believe 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 Studio City, City of Dreams Manila or the fifth hotel tower at City of Dreams, 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 Studio City project under the terms of a land concession contract which requires us to fully develop the Studio City site by July 24, 2018. 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 the Studio City site, along with our interest in the Studio City project.

Land concessions in Macau are issued by the Macau government and generally have terms of 25 years, with extensions of 10 years thereafter. Land concessions further stipulate a period within which the development of the land must be completed. In accordance with the Studio City land concession contract, the Studio City site must be fully developed by July 24, 2018. While the first phase of the Studio City project is expected to be completed by mid-2015, we must complete the remaining phase of Studio City by July 24, 2018 in order to comply with the terms of the Studio City land concession contract. Currently, our plan for the remaining phase is preliminary and under review. In the event that additional time is required to complete such remaining phase of Studio City, we will have to apply for an extension of the development period. While the Macau government may grant such extension if we meet certain requirements and the application for extension is made in accordance with the relevant rules and regulations, there can be no assurances that the Macau government will grant us the necessary extension of the development period or not exercise its right to terminate the Studio City

land concession. In the event that no extension is granted or the Studio City land concession is terminated, we could lose all or substantially all of our investment in the Studio City project and may not be able to operate the Studio City project as planned, which will materially adversely affect our business and prospects, results of operations and financial condition.

If the transportation infrastructure in the Philippines or Macau does not adequately support the Philippines' or Macau's gaming and leisure industry, visitation to the Philippines or Macau may not increase as currently expected, which may adversely affect our projects.

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 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 the expected increase in visitation to Macau and adversely affect our projects in Macau.

Conducting business in the Philippines and Macau is subject to certain regional and global political and economic risks that may lead to significant volatility and may have a material adverse effect on our 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. There is no guarantee that future events will not cause political instability in the Philippines. Any future political or social instability in the Philippines could adversely affect the business operations and financial conditions of City of Dreams Manila.

Economic instability could also have a negative effect on the commercial viability of City of Dreams Manila. 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. There is also no assurance that the Philippines, China and other countries in Asia will not experience future economic downturns. 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, 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 Philippines 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.

We also conduct business in Macau. Accordingly, our business development plans, results of operations and financial condition may be materially adversely affected by significant political, social and economic developments in Macau and China and by changes in government policies or changes in laws and regulations or the interpretations of these 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;
- tightening of travel restrictions to Macau which may be imposed by China;
- changes in policies of the government or changes in laws and regulations, or in the interpretation or enforcement of these laws and regulations, particularly exchange control regulations, regulations relating to repatriation of capital or measures to control inflation;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the rate or method of taxation.

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. Melco Crown Macau's obligations to make certain payments to the Macau government under the terms of its subconcession include a fixed annual premium per year and a variable premium depending on the number and type of gaming tables and gaming machines that we operate. The results of any renegotiations could have a material adverse effect on our results of operations and financial condition.

As we expect a significant number of patrons to come to our Macau properties from China, general economic conditions and policies in China could have a significant impact on our financial prospects. A slowdown in economic growth and tightening of credit availability or restrictions on travel imposed by China could adversely impact the number of visitors from China to our properties in Macau as well as the amounts they are willing to spend in our casinos, which could have a material adverse effect on the results of our operations and financial condition.

In addition, the demand for gaming activities and related services and luxury amenities is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global economic conditions such as the recent global financial crisis.

An economic downturn may reduce consumers' willingness to travel and reduce their spending overseas, which would adversely impact us as foreign visitors have generated, and are expected 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. There is no guarantee that economic downturns will not occur 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.

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

The Philippine gaming industry is highly regulated. City of Dreams Manila may legally operate under the Provisional License, which requires a number of periodic approvals from and reports to PAGCOR. PAGCOR may refuse to approve proposals by us and our gaming collaborators or modify previously approved proposals and may require us and/or our gaming collaborators to perform acts with which we disagree. The Provisional 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 once City of Dreams Manila begins operations. 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. Any of the foregoing could adversely affect our business, financial condition and results of operations in the Philippines.

In addition to PAGCOR licenses and approvals, we and our gaming collaborators will have to obtain all requisite approvals, permits, certificates and licenses from various Philippine government and local government agencies in relation to labor, public works, safety, fire, buildings, health, environmental and money laundering. We may be unable to obtain all required approvals, permits, certificates, and licenses or requirements may be imposed that prove unduly onerous, which could adversely affect our business in the Philippines.

Gaming is also a highly regulated industry in Macau. Current laws, such as licensing requirements, tax rates and other regulatory obligations, including those for anti-money laundering, could change or become more stringent, resulting in additional regulations being imposed upon the gaming operations in the Altira Macau casino, City of Dreams casinos, the Mocha Clubs and other future projects including Studio City project and any other locations we may operate from time to time. 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 or regulations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful."

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 businesses 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 will 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. We expect our operations in the Philippines to 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 expect to 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. Some competitors have announced intentions for further expansion and developments in Cotai, where City of Dreams is, and Studio City will be, located. For example, Galaxy opened Galaxy Macau Resort in Cotai in May 2011 and Sands China Ltd., a subsidiary of Las Vegas Sands Corporation, opened Sands Cotai Central in Cotai in April 2012. Galaxy, Wynn Macau, MGM Grand Paradise, SJM and Venetian Macau have each announced plans, and in some cases, begun construction, to build additional projects in Cotai. 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 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 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 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 Provisional 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 Provisional 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' Provisional License and the regular license that the Philippine Licensees expect to obtain upon City of Dreams Manila's completion. 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 Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams may stretch our management time and resources, which could lead to delays, increased costs and other inefficiencies in the development of these projects.

We expect some portions of the planning, design and construction of the fifth hotel tower at City of Dreams, the development of Studio City and the fit-out work for City of Dreams Manila to proceed simultaneously. There may be overlap of the planning, design, development and construction periods of these projects involving the need for intensive work on each of the projects. Members of our senior management will be involved in planning and developing these 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 our development and construction projects, as well as our operating properties, and that may delay the construction or opening of any of our 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 the services of one or more 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. Many of our new personnel occupy sensitive positions requiring qualifications sufficient to meet gaming regulatory and other requirements or are required to possess other skills for which substantial training and experience are needed. Moreover, competition to recruit and retain qualified gaming and other personnel is expected to continue, as well as our demand for qualified personnel. In addition, we are not currently allowed under Macau government policy to hire non-Macau resident dealers, croupiers and supervisors.

We cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate our properties or that costs to recruit and retain such personnel will not increase significantly. 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, Studio City, or 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.

Furthermore, the Macau government enacted legislation, which came into effect on November 1, 2012, under which the minimum age required for entrance into casinos in Macau was raised from 18 to 21 years of age. The legislation did not affect the employees under 21 years of age who were already employed when the new law came into effect and had maintained their positions. In addition, the director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos, after considering their special technical

qualifications. Notwithstanding such provisions, however, the implementation of this law could adversely affect Melco Crown Macau's ability to engage sufficient staff for the operation of our casinos and have a material adverse effect on our future operations.

In the Philippines, the Provisional 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 resorts. 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 plan to maintain various types of insurance coverage as customary in the Philippine gaming industry and as may be required by PAGCOR. Such coverage includes property damage, business interruption, general liability and a standard all risk insurance policy. We also maintain certain liability insurance coverage as customary in the pharmaceutical industry, in respect of MCP's previous business in that industry. 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 may obtain will be adequate to protect us from material losses. For example, our property insurance coverage is in an amount that may be less than the expected full replacement cost of rebuilding properties if there was a total loss. If we incur loss, damage or liability for amounts exceeding the limits of our current or future insurance coverage, or for claims outside the scope of our current or future insurance coverage, our financial conditions and business operations could be materially and adversely affected. For example, certain casualty events, such as labor strikes, nuclear events, acts of war, loss of income due to cancellation of conventions or room reservations arising from fear of terrorism, contagious or infectious disease, deterioration or corrosion, insect or animal damage and pollution may not be covered under our policies. As a result, 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 carry 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 (the "Subconcession Contract"), the Provisional License granted by PAGCOR and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in Macau and the Philippines respectively, unless otherwise

authorized by the respective government(s). Failure to maintain adequate coverage could be an event of default under our credit agreements, the Subconcession Contract or the Provisional 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.

We are exposed to certain risks in respect of the industry and business activities that MCP operated in prior to our acquisition.

Prior to our acquisition of the majority share interest in MCP, it was primarily engaged in the manufacturing and processing of pharmaceutical products. The pharmaceuticals industry is subject to strict regulation in the Philippines and abroad, particularly with respect to, among others, product liability for defective pharmaceutical products. There can be no assurance that we will not be involved in, or subject to, claims, allegations or suits with respect to MCP's previous activities in the pharmaceutical industry, which may not be covered by any related insurance policies or indemnity fully or at all. Any such claims, allegations or suits could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Terrorism and the uncertainty of war, crime, natural disasters, outbreaks of infectious diseases, economic downturns 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. Changes in Asian consumer preferences or discretionary consumer spending could harm our business. Terrorist acts could have a negative impact on international travel and leisure expenditures, including lodging, gaming and tourism. For example, on January 25, 2011, an improvised bomb made with a mortar shell exploded inside a bus on a major road in the Makati financial district, killing five persons and injuring 13 persons. Other disruptive incidents in previous years include widespread demonstrations that compelled a president to resign, widespread strikes by labor federations, attempted coups d'état and military rebellions, and kidnappings and murders. Widely-publicized criminal acts that have resulted in numerous deaths and injuries have also taken place in Metro Manila. On August 23, 2010, a dismissed police officer demanding reinstatement held Hong Kong tourists hostage aboard a tour bus and eight tourists were killed when Philippine police attempted to rescue them. The incident was widely publicized in regional and international media and popular Internet sites for several days. The incident prompted the Hong Kong government to issue a strong warning against travel to the Philippines. We cannot predict the extent to which future terrorist acts and crimes may affect us, directly or indirectly.

In addition to fears of war and future acts of terrorism, other factors affecting discretionary consumer spending, including general economic conditions, amounts of disposable consumer income, fears of recession and lack of consumer confidence in the economy, may negatively impact our business. 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 two islands off the coast of mainland China, is also susceptible to extreme weather conditions, including severe typhoons and heavy rainstorms.

Other calamities that have affected Asia in previous years have included unusually strong earthquakes and outbreaks of infectious diseases such as H1N1 influenza (commonly known as swine flu).

Consumer demand for hotel, casino resorts and the type of luxury amenities we currently offer and plan to offer in the future are highly sensitive to downturns in the economy. An extended period of reduced discretionary spending and/or disruptions or declines in airline travel could significantly harm our operations.

We cannot predict the extent to which our business and tourism in Asia in general will be affected by any of the above occurrences or fears that such occurrences will take place, cannot guarantee that any disruption to our business will not be protracted, cannot guarantee that our properties will not be damaged and that any such damage will be completely covered by insurance or at all, and cannot guarantee that the relevant authority will respond promptly. 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 the highly pathogenic avian influenza caused by the H5N1 virus (avian flu or bird flu), Severe Acute Respiratory Syndrome, or SARS, or H1N1 virus (swine flu) or other contagious disease may have an adverse effect on the economies of certain Asian countries and may adversely affect our results of operations.

During 2004, large parts of Asia experienced unprecedented outbreaks of avian flu which, according to a report of the World Health Organization, or WHO, in 2004, placed the world at risk of an influenza pandemic with high mortality and social and economic disruption. As of January 24, 2014, the WHO has confirmed a total of 386 fatalities in a total number of 650 cases reported to the WHO, which only reports laboratory confirmed cases of avian flu since 2003. In particular, 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.

The Influenza A (H1N1) virus is believed to be highly contagious and may not be easily contained. There can be no assurance that an outbreak of avian flu, SARS, H1N1 (swine flu) 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 avian flu, SARS or other contagious disease may occur again may also have an adverse effect on the economic conditions of countries in Asia.

Unfavorable fluctuations in the currency exchange rates of the H.K. dollar, U.S. dollar or Pataca, 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. dollars. The majority of our current revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. However, our expenses will be denominated predominantly in Patacas. We also have subsidiaries, branch offices and assets in various countries, including the Philippines and 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 2010 Senior Notes, 2013 Senior Notes and Studio City Notes, and certain expenses, are denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars. We also have a certain portion of our assets and liabilities, including the issuance of the Philippine Notes in January 2014, denominated in Philippine Peso.

The value of the H.K. dollar and Patacas against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged within a narrow range to the U.S. dollar 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. dollars, Patacas or Philippine Peso to U.S. dollars may have a material adverse effect on our revenues and financial condition. For example, to the extent that we are required to convert U.S. dollar financings into H.K. dollars or Patacas for our operations, fluctuations in the exchange rates between H.K. dollars or Patacas against the U.S. dollar could have an adverse effect on the amounts we receive from the conversion.

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, 2013 and 2012. 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 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. Our reputation may 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. As is common practice in Macau, 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 also plan to selectively extend credit to certain 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 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 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 Macau, 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 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 to gaming patrons and may negatively impact our revenues.

We conduct our table gaming activities at our casinos on a credit basis as well as a cash basis and our gaming promoters conduct their operations by extending credit to gaming patrons. 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. Our business and financing plans may be dependent upon completion of future financings. 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 substantial proportion of our casino revenues in Macau is generated from the rolling chip segment of the gaming market. Similarly, we intend to attract foreign gaming visitors to City of Dreams Manila, particularly VIP players who typically place large individual wagers. 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, our ability to attract rolling chip patrons may be adversely affected.

Gaming promoters, who organize tours for rolling chip patrons to casinos in Macau, are responsible for a portion of our gaming revenues in Macau. With the rise in casino operations in Macau, the competition for relationships with gaming promoters has increased. As of December 31, 2013, we had agreements in place with approximately 114 gaming promoters. 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. If our gaming promoters are not able to maintain relationships with patrons, our ability to maintain or grow casino revenues may be adversely affected.

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 the shareholders' reputation, as well as impaired 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 to Melco Crown Macau's ability to continue to operate in compliance with its subconcession. These parties include, but are not limited to, those who are engaged in gaming related activities, such as gaming promoters, and developers and hotel operators with whom we have or may enter into services agreements. Under the 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 we were to deal with any party whose probity was in doubt, this may be negatively perceived when assessed by the gaming regulators. Also, if a party associated with us falls below the gaming regulators' suitability standards, we and our shareholders may suffer reputational harm, as well as impaired relationships with, and possibly sanctions from, the relevant gaming regulators with authority over our operations.

Any violation of the FCPA could have a negative impact on us.

We are subject to regulations imposed by the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws which if violated may result in severe criminal and civil sanctions as well as other penalties. There has been a general increase in FCPA enforcement activity in recent years by the SEC and U.S. Department of Justice. Both the number of FCPA cases and sanctions imposed have risen dramatically. We have in place an ongoing FCPA compliance program which includes internal policies, procedures and training aimed to prevent and detect compliance issues and risks with these laws. However, we cannot assure you that our employees, contractors and agents will continually adhere to our compliance programs. Should they not follow our programs, we could be subject to investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions, any of which may result in a material adverse effect on our financial condition. As a U.S. listed company with gaming operations in Macau, compliance with U.S. laws and regulations that apply to our operations increases our cost of doing business. We also deal in significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by us could have a negative effect on our results of operations.

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

We have applied for and/or registered the trademarks "Altira," "Mocha Club," "City of Dreams", "City of Dreams Manila", "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 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 are beginning to gain recognition. Failure to possess, obtain or maintain adequate protection of our intellectual property rights could negatively impact the development of 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.

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.

While we have offices in both Hong Kong and Macau and a substantial part of our operations is located in Macau, we do not have substantial operations within mainland China (outside of Hong Kong and Macau). The work of our auditor in Hong Kong has been subject to PCAOB review in the past. However, because 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 as it relates to those operations within mainland China without the approval of the Chinese authorities, our auditor is 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.

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. We cannot assure you that any such 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.

In the Philippines, we will deal with significant amounts of cash in pre-opening operations. We are required to comply with all applicable anti-money laundering laws and regulations in the Philippines, as well as international standards. 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. We intend to meet these regulations and standards by developing comprehensive anti-money laundering policies and related procedures for City of Dreams Manila comprising training programs to ensure that all relevant employees understand the anti-money laundering regulations and the related laundering responsibilities of their position. In particular, as we are a U.S. listed company, certain U.S. laws and regulations will apply to our operations. Compliance with those laws and regulations will increase our cost of doing business. There can be no assurance, however, that any such policies will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of the Philippines.

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 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. For more information regarding Macau's anti-money laundering regulations, see "Item 4. Information on the Company — B. Business Overview — Regulations — Anti-Money Laundering Regulations in Macau."

Risks Relating to the Gaming Industry and Our Operations in Macau

Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and limitations of the Pataca exchange markets.

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. 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. Our revenues in Macau are denominated in H.K. dollars and Patacas, the legal currency of Macau. Any depegging may result in volatile fluctuations in the exchange rates for these currencies.

The currency market for Patacas is relatively small and undeveloped and therefore our ability to convert large amounts of Patacas into U.S. dollars over a relatively short period of time may be limited. As a result, we may experience difficulty in converting Patacas into U.S. dollars, which could hinder our ability to service a portion of our indebtedness and certain expenses denominated in U.S. dollars.

Gaming is a highly regulated industry in Macau and adverse changes or developments in gaming laws or regulations could be difficult to comply with or 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".

The Macau government recently approved smoking control legislation, which has prohibited smoking in casinos since January 1, 2013. The legislation, however, permits casinos to maintain designated smoking areas of up to 50% of the areas opened to the public, which must comply with the conditions set out in a Dispatch of the Chief Executive, which came into effect on November 1, 2012. On December 30, 2012, the Chief Executive of the Macau SAR authorized the setting of designated smoking areas in thirteen gaming venues being operated by Melco Crown Macau including Altira Macau, City of Dreams, and various Mocha Clubs. Each of the designated smoking areas represents less than 50% of the areas opened to the public. On November 7, 2013, Melco Crown Macau was notified of the Macau government's decision to reduce by 10% the smoking areas of six Mocha Clubs and the Taipa Square Casino. On December 10, 2013, Melco Crown Macau proceeded to file with the Macau government the required documentation to give effect to such reduction in respect of four of the affected Mocha Clubs and the Taipa Square Casino. The procedure is currently under review by the Macau government.

The implementation of such legislation may deter potential gaming patrons who are smokers from frequenting casinos in Macau, which could adversely affect our business, results of operations and financial condition. See "Item 4. Information on the Company — B. Business Overview — Regulations."

On August 20, 2012, the Macau government enacted legislation, which came into effect on November 1, 2012, under which the minimum age required for entrance into casinos in Macau was raised from 18 to 21 years of age. The legislation did not affect the employees under 21 years of age who were already employed when the new law came into effect and had maintained their positions. In addition, the director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos after considering their special technical qualifications.

According to the DICJ, the number of gaming tables in Macau as of December 31, 2013, was 5,750. In March 2010, the Macau government announced that the number of gaming tables operating in Macau may not exceed 5,500, until the end of the first quarter of 2013. On September 19, 2011, the Secretary for Economy and Finance of the Macau government announced that for a period of 10 years, the total number of gaming tables to be authorized in Macau will be limited to an average annual increase of 3%. This restriction may adversely affect the future expansion of our business. 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.

Also, the Macau government enacted an administrative regulation which came into effect on November 27, 2012, pursuant to which gaming machine lounges, such as our Mocha Clubs, may only be installed: (i) in hotels classified with at least five stars; (ii) properties entirely allocated to non-residential purposes and located within less than 500 meters of an authorized hotel-casino; or (iii) in commercial and leisure complexes, of relevant touristic interest, not inserted in a densely populated area. Under this regulation, all gaming machine lounges were required to comply with the applicable requirements by November 27, 2013. We closed three Mocha Clubs which did not meet the relevant location requirements before November 26, 2013. Moreover, this regulation may limit our ability to find new sites in the future.

Further, we are subject to data privacy legislation such as the Personal Data Protection Act of Macau. 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 Macau 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 other any breach by us of the Personal Data Protection Act of Macau could adversely affect our reputation and could result in criminal or administrative penalties, in addition to any civil liability and other expenses.

Current Macau laws and regulations concerning gaming and gaming concessions and matters such as prevention of money laundering are, to a certain extent, fairly recent and there are few precedents on the interpretation of these laws and regulations. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations or issue new or modified regulations that differ from our interpretation, which could have a material adverse effect on our financial condition, results of operations or cash flows.

Our activities in Macau are subject to administrative review and approval by various agencies of the Macau government. For example, our activities are subject to the administrative review and approval by the DICJ, the Health Bureau, the Labor Affairs Bureau, the Land, Public Works and Transport Bureau, Fire Department, the Finance Department and the Macau government Tourism Office. We cannot assure you that we will be able to obtain all necessary approvals, which may materially affect our business and operations. Macau law permits redress to the courts with respect to administrative actions. However, such redress is largely untested in relation to gaming regulatory issues.

The harshest penalty that may be imposed on us for failure to comply with the complex legal and regulatory regime in Macau 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, Melco Crown Macau would be unable to operate casino gaming in Macau. 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, please see “Item 4. Information on the Company — B. Business Overview — Regulations — The Subconcession — The Subconcession Contract.” 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.

Based on information from the Macau government, proposed amendments to the legislation with regard to reversion of casino premises are being considered. We expect that if such amendments take effect, on the expiry or any termination of Melco Crown Macau’s subconcession, unless Melco Crown Macau’s subconcession were extended, only that portion of casino premises within our developments as then designated with the approval of the Macau government, including all gaming equipment, would revert to the Macau government automatically without compensation to us. Until such amendments come into effect, all of our casino premises and gaming equipment would revert automatically without compensation to us.

The Subconcession Contract contains various general covenants, obligations and other provisions as to which the determination of compliance is subjective. For example, compliance with general and special duties of cooperation, special duties of information, and with obligations foreseen for the execution of our investment plan may be 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 be dependent 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 to make various other decisions and determinations that may be binding on us. For example, the Chief Executive of the Macau SAR 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 in any amount determined by the Macau government to be necessary. Melco Crown Macau is limited in its ability to raise additional capital by the need to first obtain the approval of the Macau governmental authorities before raising certain debt or equity. Melco Crown Macau's ability to incur debt or raise equity may also be restricted by our existing and any future loan facilities. 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.

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

Melco Crown Macau's failure to comply with the terms of its subconcession in a manner satisfactory to the Macau government could result in the termination of its subconcession. We cannot assure you that Melco Crown Macau would always be able to operate gaming activities in a manner satisfactory to the Macau government. The loss of its subconcession would prohibit Melco Crown Macau from conducting gaming operations 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.

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 in 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 in 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, and gaming revenues are subject to a 35% special gaming tax as well as other levies of 4% 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 Melco Crown Macau the benefit of a corporate tax holiday on gaming income in Macau for five years from 2007 to 2011 and the exemption has been extended for five years from 2012 through 2016. However, we cannot assure you that it will be extended beyond the expiration date.

Pursuant to the proposed terms issued by the Macau government in December 2013 which was accepted by Melco Crown Macau in January 2014, 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 come from mainland China. Any travel restrictions imposed by China could disrupt the number of patrons visiting our properties 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, 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. In addition, in May 2009, China placed certain restrictions on the operations of "below-cost" tour groups that involve low up-front payments and compulsory shopping. It is not known when, or if, policies similar to those implemented previously restricting visitation by mainland Chinese citizens to Macau and Hong Kong, will be put in place and visa policies may be adjusted, without notice, in the future. A decrease in the number of visitors from mainland China may adversely affect our results of operations.

Macau is susceptible to extreme weather conditions that may have an adverse impact on our operations.

Macau is susceptible to extreme weather conditions including severe typhoons and heavy rainstorms. Macau consists of a peninsula and two islands off the coast of mainland China. Unfavorable weather conditions could prevent or discourage guests from traveling to Macau. In the event of a severe typhoon or other natural disaster in Macau, our properties and business may be severely disrupted and our results of operations could be adversely affected.

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.

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 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 MCP. 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 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 MCP's and/or 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 MCP's and/or our business and prospects, financial condition and results of operations.

Furthermore, the Lease Agreement may be terminated in certain circumstances, including if MCE Leisure Philippines does not pay 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 MCP's and/or our business and prospects, financial condition, results of operation and cash flows.

The land and buildings leased by MCE Leisure Philippines from Belle Corporation has also been used as collateral by Belle Corporation under a loan agreement that it entered into with Banco de Oro Unibank, Inc. ("BDO"), a local bank in the Philippines, amongst other parties. Although MCP, Belle Corporation and the relevant parties have entered into a non-disturbance agreement with regard to the land and buildings in question, there can be no assurance that the provisions of the non-disturbance agreement will be complied with or that BDO will not enforce its rights under the loan and collateral agreements to oust MCE Leisure Philippines from possession of part of the leased premises used as collateral by Belle Corporation, or commits other acts that would cause a material adverse effect on MCP's and/or 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 and the 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 of 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 delay the construction and fit-out on City of Dreams Manila, increase the project's cost, interfere with MCP's operations or cause reputational damage, which would in turn materially adversely affect MCP's and/or our business, financial condition and results of operations.

Compliance with the terms of the Provisional 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 Provisional 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 making certain contributions for the investment required by PAGCOR under the Provisional License and meeting a certain debt to equity ratio as specified in the Provisional License. The failure of any of the Philippine Parties to comply with these conditions will also result in a breach of the Provisional 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 Provisional License of their obligations and responsibilities under the Philippine Cooperation Agreement. In case any noncompliance issues arise, there can be no assurance that the Provisional License will not be suspended or revoked. In addition, if any of the Philippine Parties fails to comply with any conditions to the Provisional License, MCP may be forced to find alternative means of funding or take action against the Philippine Parties under the Philippine Cooperation Agreement or to enter into negotiation with PAGCOR for amendments to the Provisional License. There can be no assurance that such an attempt to amend the Provisional License would be successful. Any of the foregoing could materially and adversely affect MCP's and/or 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 shells for City of Dreams Manila. The Philippine Parties had contributed the land in accordance with the Philippine Cooperation Agreement. There can be no assurance that the Philippine Parties will be able to deliver such building shells in a timely manner and to the standard required, free and clear of any encumbrances, or that title to the land and building shells for City of Dreams Manila will not be challenged by third parties or the Philippine government in the future. In any such events, each of which is beyond MCP's control, the ability of MCP to operate City of Dreams Manila in an efficient manner or at all may be curtailed, which would have a material adverse effect on its and/or 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 EBITDA 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 MCP's and/or 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 the respective amounts of VIP gaming earnings before interest, tax, depreciation and amortization derived from City of Dreams Manila (the "PLAI VIP EBITDA") and mass market and VIP gaming net win derived from City of Dreams Manila and shared with PLAI pursuant to the operating agreement (the "PLAI Net Win") and report such amounts to the Philippine Parties. If the PLAI VIP EBITDA is less than the PLAI 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 MCP's and/or our business, financial condition and results of operations.

MCP may experience difficulty in managing potentially rapid growth of City of Dreams Manila.

City of Dreams Manila's operations may grow rapidly upon commencement of commercial operations, as the Philippine gaming market matures and the three other holders of PAGCOR licenses in Entertainment City commence operations and develop their businesses. Successful management of this rapid growth in the overall Philippine gaming market depends upon many factors, including favorable economic conditions and regulatory environment as well as the construction and fit-out of our facilities.

MCP may not be able to implement an effective growth strategy in the future to keep pace with the expected rapid development of the Philippine gaming market. It may not be able to fit-out and operate additional facilities or expand City of Dreams Manila. The failure by MCP to take advantage of the opportunities presented by a growing market may have a material adverse effect on its and/or our business and results of operations. In addition, if MCP is unable to successfully manage the potential difficulties associated with growing its operations or expanding City of Dreams Manila, it may not be able to maintain operating efficiencies as City of Dreams Manila expands. If MCP is not able to continue to capture scale efficiencies, successfully manage personnel and hiring, improve its systems, maintain its cost discipline strategies and enhance its product offerings through any future construction phases of City of Dreams Manila, this would cause a material adverse effect on MCP's and/or our business and prospects, financial condition, results of operations and cash flows.

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 MCP's and/or 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 mass 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 mass 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 MCP's and/or 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 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 are tourism enterprises under TIEZA. For example, MCP's liability for 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 MCP's and/or 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 MCP's and/or our business, financial condition and results of operations.

MCP's gaming operations are dependent on the Provisional 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 Provisional License granted by PAGCOR, which imposes certain requirements on the MCE Philippine Parties and their service providers. The Provisional License is also subject to suspension or termination upon the occurrence of certain events. The requirements imposed by the Provisional 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 invest US$1.0 billion in City of Dreams Manila and/or future gaming projects (of which the MCE Philippine Parties are responsible for US$500.0 million and the Philippine Parties are responsible for contributing the remaining US$500.0 million, as set forth under the Philippine Cooperation Agreement), as well as any new or additional conditions, guidelines or other regulations PAGCOR may impose. PAGCOR has required that US$650.0 million or 65.0% of the US$1.0 billion investment commitment be fully utilized and invested in City of Dreams Manila by its opening (which is expected to occur in 2014);
- to hire locally at least 95.0% of total employees of City of Dreams Manila;
- to ensure at least 40.0% of City of Dreams Manila's gaming personnel are exclusively supplied by PAGCOR, where practicable;
- to purchase at least 90.0% of City of Dreams Manila's furniture and fixtures from Philippine manufacturers;
- to deposit US$100.0 million in an escrow account and maintain a minimum balance of US$50.0 million at all times;
- to remit 2.0% of certain casino revenues and 5.0% of certain non-gaming revenues; and
- to obtain a regular license to replace the Provisional License upon City of Dreams Manila's completion.

Moreover, certain provisions and requirements of the Provisional 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 Provisional License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation between PAGCOR and MCP with respect to the Provisional License could result in sanctions against the MCE Philippine Parties, including fines or other penalties, such as suspension or termination of the Provisional License.

There can be no assurance that the Philippine Licensees will be able to comply with all of the Provisional License's requirements, or that the Provisional License will not be modified to contain more onerous terms or amended in such a manner that would cause the Philippine Licensees to lose interest in the development of City of Dreams Manila. If the Provisional License is materially altered or revoked for any reason, including the failure by the Philippine Licensees to comply with its terms, or if a regular license is not issued upon City of Dreams Manila's completion, MCP may be required to cease City of Dreams Manila's gaming operations, which would have a material adverse effect on MCP's and/or 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 Provisional License. Finally, the Provisional License, or any regular license issued to replace the Provisional 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 issued to replace the Provisional License will be renewed.

In addition, PAGCOR exercises significant control over City of Dreams Manila's construction and gaming operations. The MCE Philippine Parties must submit any material modifications to the City of Dreams Manila project implementation plan to PAGCOR. 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's casino operations that would interfere with MCE Leisure's 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 Provisional 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 Provisional 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 Provisional 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 Provisional License is materially amended or repealed, construction or operation of City of Dreams Manila may cease, which would have a material adverse effect on MCP's and/or our business, financial condition and results of operations.

Recent investigations of bribery involving certain officials of PAGCOR and another holder of a provisional license granted by PAGCOR may result in wider investigation of all other provisional licenses.

In February 2012, various articles reported that Kazuo Okada, a Japanese national and a principal of Universal Entertainment Group (which is the ultimate parent of Tiger Resort Leisure and Entertainment Inc.) was accused by former business partner, Steve Wynn of Wynn Resorts of bribery of gaming officials in certain jurisdictions. Although the allegations by Mr. Wynn against Mr. Okada and officials of PAGCOR have yet to be proven and Mr. Okada has categorically denied any improprieties, various agencies in the Philippines have already called for investigations into the matter. There can be no assurance that such investigations will not result in wider investigation of both former and present officials of PAGCOR who were involved in the approval and granting of all other provisional licenses. In addition, such investigations could also lead to suspension and even termination of any or all such provisional licenses which were granted under the authority of such PAGCOR officials, any of which would have a material adverse effect on MCP's and/or our business, goodwill and 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 Provisional License. The Supreme Court of the Philippines has previously held 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. Moreover, BIR has 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. Although the Philippine Licensees may try to renegotiate the economic terms of the Provisional License, or protest BIR's tax assessment or seek to suspend the collection of the tax assessed, there is no assurance that any of these remedies would be successful. Moreover, PAGCOR may adversely modify the Provisional License's terms in light of the supreme court decision, which could materially and adversely affect MCP's business, financial condition and results of operations.

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 any of 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 33.55% of our outstanding shares as of April 3, 2014. 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 Crown and Melco, 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 33.55% of our total shares issued and outstanding as of April 3, 2014. 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 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 Burswood Entertainment Complex 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) (and, in the case of the decline of the shareholding of Melco Crown Macau under the 2011 Credit Facilities, which is accompanied by a ratings decline) 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) 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.

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, including the following outstanding indebtedness:

- approximately HK$9.4 billion (equivalent to approximately US$1.2 billion) under the 2011 Credit Facilities;
- US$825.0 million from Studio City Finance's sale of Studio City Notes;
- US$1.0 billion from MCE Finance's sale of the 2013 Senior Notes;
- approximately HK$10.9 billion (equivalent to approximately US$1.4 billion) under Studio City Project Facility;
- PHP15 billion (equivalent to approximately US$340 million) from MCE Leisure Philippines' sale of the Philippine Notes;
- financing for a significant portion of the costs of developing the fifth hotel tower at City of Dreams and the next phase at Studio City and City of Dreams Manila, in an amount which is as yet undetermined.

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 will require additional funding in the future for our capital investment projects, including the fifth hotel tower at City of Dreams, the next phase at Studio City and other 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, any grant 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 will be subject to the prior approval from Bangko Sentral ng Pilipinas, the central bank of the Philippines. 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 debts 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 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 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, including the indenture governing the 2013 Senior Notes, 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, including the indenture governing the 2013 Senior Notes. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we 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 2011 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 2011 Credit Facilities and associated facility and security documents that Melco Crown Macau has entered into also contain a number of restrictive covenants that impose significant operating and financial restrictions on Melco Crown Macau and certain of our subsidiaries, or the Borrowing Group, and therefore, effectively, on us. The covenants in the 2011 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;
- vary Melco Crown Macau's Subconcession Contract or the Borrowing Group's land concessions and certain other contracts; and
- enter into contracts for construction or financing of the fifth hotel tower at City of Dreams unless approved under the terms of the 2011 Credit Facilities.

In addition, the restrictions under the 2011 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 2011 Credit Facilities.

Restrictions also provide that should a change of control, as defined in the 2011 Credit Facilities, occur, the facility will be cancelled and all amounts outstanding thereunder 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
- effect a consolidation or merger.

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 imposes 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;
- make investments;

- create liens on assets;
- enter into transactions with affiliates;
- engage in other businesses;
- merge or consolidate with another company;
- transfer and sell assets;
- issue preferred stock;
- create dividend and other payment restrictions affecting subsidiaries; and
- designate restricted and unrestricted subsidiaries.

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.

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 Philippines 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.

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 2011 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 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 facility 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 Studio City and City of Dreams Manila 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 3, 2014, the trading prices of our ADSs ranged from US$2.27 to US$45.70 per ADS and the closing sale price on April 3, 2014 was US$37.84 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;
- 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;
- 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 in an aggregate amount per year of approximately 30% of annual consolidated net income attributable to Melco Crown Entertainment, 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. On February 25, 2014, the Company's board of directors announced a proposal of declaration and payment of a special dividend of US$0.1147 per share (or US$0.3441 per ADS), to shareholders of record at the close of business on April 4, 2014, subject to shareholders' approval, which was subsequently obtained on March 26, 2014. 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 2011 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 2011 Credit Facilities and the Studio City Project Facility include satisfaction of certain financial tests and conditions such as continued compliance with specified interest 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, please 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. Upon expiration of the lock-up agreements, all of the shares beneficially held by Melco and Crown are available for sale, 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 their shareholders' deed. 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.

Any decision by us to raise further equity in the markets in the U.S. or Hong Kong, 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 Amended and Restated Articles of Association, 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, 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 not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

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 market price of our ADSs and ordinary shares, and the composition of our income and assets, we do not believe we were a passive foreign investment company, or PFIC, for our taxable year ended December 31, 2013. 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. 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 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 under the name of Melco PBL Entertainment (Macau) Limited in December 2004 as an exempted company with limited liability under the laws of the Cayman Islands and registered as an oversea company under the laws of Hong Kong in November 2006. 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, which we envision as a large-scale integrated entertainment, retail and gaming resort being 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. Since December 7, 2011, we have 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. MCP owns 100% of MCE Leisure Philippines, which has been granted the exclusive right to manage, operate and control our Philippines integrated casino resort project, "City of Dreams Manila".

For a description of our principal capital expenditures for the years ended December 31, 2013, 2012, and 2011, 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 resort facilities in Asia.

We currently have two major casino based operations, namely, City of Dreams and Altira Macau, and non-casino based operations at our Mocha Clubs. We are also developing the planned Studio City project, a cinematically-themed integrated entertainment, retail and gaming resort, and the iconic fifth hotel tower at City of Dreams in Cotai, Macau, which are expected to open in mid-2015 and early 2017, respectively. Our current and future Macau 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 Five Star" hotels in Macau: Altira Macau and the Crown Towers hotel. We seek to attract patrons throughout Asia and, in particular, from Greater China.

Our current operating facilities are focused on the Macau gaming market, which we believe will continue to be one of the largest gaming destinations in the world. In 2013, Macau generated approximately US$45.0 billion of gaming revenues, according to the DICJ, representing an 18.6% increase from the comparable period of 2012. In addition, Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

In the Philippines, MCE Leisure Philippines, a subsidiary of MCP, has been cooperating with Belle Corporation, being one of the Philippine Parties, to develop and operate City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort within the Entertainment City complex in Manila, which is anticipated to open later this year.

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, 2013, City of Dreams featured a casino area of approximately 448,000 square feet with approximately 480 gaming tables and approximately 1,400 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 pays us the gross operating profit after deduction of its 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." The Crown Towers hotel, a "Forbes Five Star" hotel, and the Hard Rock Hotel each offers approximately 300 guest rooms, and the Grand Hyatt Macau hotel offers approximately 800 guest rooms. City of Dreams includes over 20 restaurants and bars, approximately 70 retail outlets, an audio visual multimedia experience, 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 26,200 square feet of live entertainment space.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award-winning *The House of Dancing Water* show. *The House of Dancing Water* is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams. We believe 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.

"Dragon's Treasure", the show offered in The Bubble at City of Dreams, received the 2009 THEA Award for "Outstanding Achievement" from the Themed Entertainment Association (TEA). City of Dreams also won 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, and the "Best Casino VIP

Room" and "Best Casino Interior Design" awards in the International Gaming Awards in 2011, which recognizes outstanding design in the casino sector. City of Dreams was also recognized for its outstanding customer service and diverse range of unique world class entertainment experiences with the "Best Customer Experience of the Year" award in the International Gaming Awards in 2012.

Our City of Dreams project costs, including the casinos, the Hard Rock Hotel, the Crown Towers hotel, the Grand Hyatt twin towers hotel, the wet stage performance theater, all retail space together with food and beverage outlets, were US$2.4 billion, consisting primarily of construction and fit out costs, design and consultation fees, and excluding the cost of land, capitalized interest and pre-opening expenses.

We are moving forward with the development of the fifth hotel tower at City of Dreams, which according to our current development schedule is anticipated to open in early 2017, helping us extend our leading position at the premium end of the market.

Before we commenced our development of the fifth hotel tower at City of Dreams, we assessed our hotel room requirements, government policies and general market conditions. The development of the fifth hotel tower at City of Dreams will be subject to the availability of additional financing and Macau government approval and may require the approval of our financiers under our existing and any future debt facilities. In respect of the fifth hotel tower at the City of Dreams, our investment plans are preliminary and subject to change based upon the execution of our business plan, the progress of our capital projections, market conditions and outlook on future business.

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, 2013, Altira Macau featured a casino area of approximately 173,000 square feet with a total of approximately 140 gaming tables. 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 Five 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, dining areas focused around the gaming areas and several bars. Altira Hotel also offers non-gaming entertainment venues, including a spa, gymnasium, outdoor garden podium and sky terrace lounge.

Altira Macau continues to offer the most luxurious hotel experience to every customer with its internationally acclaimed accommodation and guest services. It has been awarded the "Forbes Five Star" rating in both Lodging and Spa categories by the Forbes Travel Guide (formerly known as Mobil Travel Guide) for the fourth year running in 2013. Altira Macau also won the "Best Luxury Hotel in Macau" award in the TTG China Travel Awards 2010, "Best Business Hotel in Macau" award in the TTG China Travel Awards 2009 and the "Casino Interior Design Award" in the International Gaming Awards in 2008.

Mocha Clubs

Mocha Clubs comprise the largest non-casino based operations of gaming machines in Macau. As of December 31, 2013, we had eight clubs with a total of 1,369 gaming machines in operation, which represented

10.4% 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. Except for Mocha Altira located at Altira Macau, 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.

The Macau government enacted an administrative regulation which came into effect on November 27, 2012, pursuant to which gaming machine lounges, such as our Mocha Clubs, may only be installed: (i) in hotels classified with at least five stars; (ii) in properties entirely allocated to non-residential purposes and located within less than 500 meters of an authorized hotel-casino; or (iii) in commercial and leisure complexes, of relevant touristic interest, not inserted in a densely populated area. Under this regulation, all gaming machine lounges were required to comply with the applicable requirements by November 27, 2013. We closed three Mocha Clubs which did not meet the relevant location requirements before November 27, 2013. In May and November 2013, we obtained approval from the Macau government to open two new Mocha Clubs, one of which opened in December 2013 and the other one is expected to open later this year.

Our Development Projects

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.

Studio City

On July 27, 2011, we, through our subsidiary, MCE Cotai Investments Limited, acquired a 60% equity interest in SCI, the developer of Studio City. New Cotai Holdings, an entity incorporated in Delaware and controlled by funds managed by Silver Point Capital, L.P. and Oaktree Capital Management, L.P., retains the remaining 40% interest in SCI through its wholly owned subsidiary New Cotai, LLC. The total consideration under the share purchase agreement and related transaction documents is US$360 million, which includes: (i) a payment of US$200 million to an affiliate of eSun Holdings, which was the joint venture partner of New Cotai, LLC in developing Studio City, for its entire 60% interest in, and a shareholder's loan of US$60 million extended to, SCI and its subsidiaries; and (ii) a payment of US$100 million in cash in three installments over two years commencing upon the closing of the transaction on July 27, 2011 to New Cotai Holdings. See note 25(b) to the consolidated financial statements included elsewhere in this annual report for further details regarding the acquisition. We will develop Studio City with New Cotai, LLC pursuant to a shareholder agreement dated July 27, 2011 entered into amongst, us, MCE Cotai Investments Limited, New Cotai, LLC and SCI. Under the shareholders agreement, both MCE Cotai Investments Limited and New Cotai, LLC have agreed to contribute an aggregate capital amount of US$800 million to SCI ("Original Capital Commitment") in the ratio of 60% by MCE Cotai Investments Limited and 40% by New Cotai, LLC for funding the development of Studio City.

On September 25, 2012 and May 17, 2013 respectively, the parties to the shareholders agreement entered into two amendment agreements (collectively "Amendments"). Pursuant to the Amendments, both MCE Cotai Investments Limited and New Cotai, LLC agreed to contribute an additional capital amount of US$350 million to SCI in the same ratio of 60% to 40% ("Follow On Commitment"). As of December 31, 2013, a total of

US$1,050 million representing the entire Original Capital Commitment and part of the Follow On Commitment has been funded by MCE Cotai Investments Limited and New Cotai, LLC, being a contribution of US$630 million by MCE Cotai Investments Limited and US$420 million by New Cotai, LLC.

We are developing the Studio City project to be a cinematically-themed integrated resort, designed to deliver a unique entertainment proposition to visitors to Macau. We also expect the Studio City project to capture the increasingly important mass market segment in Asia and, in particular, from Greater China, with its destination theming, unique and innovative interactive attractions, and strong Asian focus. In addition to its anticipated diverse range of gaming and non-gaming offerings, we believe 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.

Studio City has an approved gross construction area of 707,078 square meters (approximately 7.6 million square feet). The first phase of the Studio City project is expected to include a 5-star luxury hotel (which we currently expect to operate under our own branding) and related facilities, gaming capacity, retail, attractions and entertainment venues (including a multipurpose entertainment studio). The first phase of the Studio City project is currently targeted to open in mid-2015. Our plan for the expansionary phase at Studio City is under review. Total project costs including construction and fit out costs, design and consultant fees and excluding the cost of land, capitalized interest and pre-opening expenses are currently budgeted at approximately US$2.04 billion. As of December 31, 2013, we had incurred capital expenditure of approximately US$580.1 million for the development of Studio City.

We successfully raised US$825.0 million through our Studio City Notes offering in November 2012. We signed the Studio City Project Facility agreement in January 2013 with the lead arranging banks for a HK$10,855,880,000 (approximately US$1.4 billion) senior secured credit facilities. These financings were achieved without a corporate guarantee from MCE.

We will operate the gaming areas of Studio City pursuant to a services agreement we entered into in May 2007 as amended on June 15, 2012 with, inter alia, Studio City Entertainment Limited (formerly known as New Cotai Entertainment (Macau) 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. Our subsidiary Melco Crown Macau will be reimbursed for the costs incurred in connection with its operation of the Studio City casino.

City of Dreams Manila

On October 25, 2012, MCE Leisure Philippines entered into the Philippine Cooperation Agreement with the Philippine Parties in connection with City of Dreams Manila, an integrated resort project located within Entertainment City, Manila, comprising a casino, hotel, retail and entertainment complex. On March 13, 2013, the transactions contemplated by the Philippine Cooperation Agreement were completed and, as a result, MCE Leisure Philippines, MCE Holdings Philippines, MCE Holdings No. 2 and the Philippine Parties together became the Philippine Licensees under the Provisional License granted by PAGCOR for the establishment and operation of the Philippines integrated casino resort project known as "City of Dreams Manila". Under the Provisional License, MCE Leisure Philippines will operate the casino business of City of Dreams Manila. In addition, MCE Leisure Philippines and the Philippine Parties entered into an operating agreement on March 13, 2013, pursuant to which MCE Leisure Philippines has been granted the exclusive right to manage, operate and control City of Dreams Manila. Under the operating agreement, PremiumLeisure and Amusement, Inc. 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, of which we are responsible for contributing at least US$500.0 million and the Philippine Parties are responsible for contributing at least US$500.0 million, as set forth in the Philippine Cooperation Agreement. PAGCOR has required US$650.0 million, or 65.0% of the US$1.0 billion investment commitment, to be fully utilized and invested in City of Dreams Manila by its, and the remaining US$350.0 million to be invested within three years of the casino opening, subject to further discussion with PAGCOR.

The Provisional License requires the Philippine Licensees to pay to PAGCOR (i) monthly license fees ranging from 15.0% to 25.0% of casino revenues, (ii) cultural promotion fees of 2.0% of casino revenues, with certain exclusions, and (iii) an additional fee of 5.0% of non-gaming revenues, excluding hotel operations. In addition, the Provisional License sets forth certain terms relating to liquidity, working capital and minimum local purchasing and employment requirements.

City of Dreams Manila is located on an approximately 6.2-hectare site within Entertainment City, Manila, close to Metro Manila's international airport and central business district. City of Dreams Manila is expected to be one of the Philippines' leading integrated tourism resorts and anticipated to open later this year.

Upon completion and subject to any interior design modifications, City of Dreams Manila is expected to have approximately 14,026 square meters (approximately 150,727 square feet) of aggregate gaming space and total gross floor area of approximately 300,100 square meters (approximately 3.2 million square feet). Under the regulatory framework of PAGCOR, City of Dreams Manila will be permitted to operate up to approximately 1,680 slot machines, 1,680 electronic table games and 365 gaming tables upon opening. Notwithstanding the maximum permitted by PAGCOR, the actual number of slot machines, electronic table games and gaming tables upon completion, may be fewer. City of Dreams Manila is expected to have three hotels, including the ultra-luxurious and exciting brands such as Crown Towers hotel and Nobu Hotel, with approximately 950 rooms in aggregate, including VIP and five-star luxury rooms and high-end boutique hotel rooms, and five specialty restaurants along with a number of bars and a multi-level car park. City of Dreams Manila is also expected to feature three separate entertainment venues: a family entertainment center, a live performance central lounge within the casino and a night club encapsulated within the Fortune Egg, an attractive domelike structure accented with creative external lighting, which is expected to become a centerpiece attraction of the project. City of Dreams Manila will also feature a retail boulevard.

City of Dreams Manila represents an important milestone for us, marking our first entry into an entertainment and gaming market outside of Macau, which will enable our Company to deliver an incremental source of earnings and cash flow. City of Dreams Manila meaningfully expands our regional offerings designed to cater to the needs and ever-growing demands of the increasingly important Asian middle-class which continues to seek a more sophisticated and broader leisure and entertainment experience.

Our Objective and Strategies

Our objective is to become a leading provider of gaming, leisure and entertainment services capitalizing on the expected future growth opportunities in Asia. To achieve our objective, we have developed the following core business strategies:

Maintain a Strong Balance Sheet and Conservative Capital Structure and Remain Alert to Opportunistic Growth Opportunities

We believe that a strong balance sheet and a conservative capital structure are key tenets of our fundamental operating philosophy as a company. This approach provides and maintains financial stability, it also forms and strengthens the core foundation for our future growth strategy. Proactive balance sheet management and an efficient capital structure provide us with the ability and flexibility to pursue opportunistic growth in the future. Additionally, we believe that patience is an important attribute in monitoring the development of the markets in which we operate and in identifying and executing future development in existing, as well as, new markets.

Develop a Balanced Product Portfolio of Well-Recognized Branded Experiences Tailored for a Broad Spectrum of Customer Segments, with a focus on the Premium Market

We offer a balanced product portfolio targeting rolling chip and mass market players, with an emphasis on the premium segment. We believe our ability to cater to different market segments will enhance our ability to adapt to the fast growing and changing gaming markets in Macau and the Philippines, as well as to achieve balanced and sustainable long-term growth in the future. That said, we focus on the premium market and have created a service culture and high end customer environments that appeal to this discerning group of patrons.

We believe that building strong, well-recognized branded experiences is critical to our success, especially in the brand-conscious Asian market. We intend to develop and further strengthen our brands by building and maintaining high quality properties that differentiate us from our competitors throughout Asia and by providing a set of experiences tailored to meet the cultural preferences and expectations of Asian customers.

We have incorporated design elements at our properties that cater to specific customer segments. By utilizing a more focused customer segmentation strategy, we believe we can better service specific segments of the Macau and the Philippine gaming market.

Utilize Melco Crown Macau's Subconcession to Maximize Our Business and Revenue Potential in Macau

In Macau, we intend to leverage the independence, flexibility and economic benefits we enjoy as a subconcessionaire to capitalize on the potential growth of the local gaming market. As a subconcessionaire, we can, subject to government approval, develop and operate new projects without the need to partner with other concessionaires or subconcessionaires. We will consider opportunities as they arise to utilize our subconcession at newly acquired or developed or existing properties.

Develop Comprehensive Marketing and Customer Loyalty Programs

We will continue to seek to attract customers to our properties by leveraging our brands and utilizing our own marketing resources. We have combined our brand recognition with customer management techniques and programs in order to build a platform of repeat customers and loyalty club members. In addition, our international marketing network has established marketing offices in various locations across Asia and plans on establishing further marketing offices elsewhere in Asia. Through Mocha Clubs' significant share of the Macau electronic gaming market, we have also developed a significant customer database and have developed a customer loyalty program, which we believe has successfully enhanced repeat play and further built the Mocha Clubs brand.

We will seek to continue to grow and maintain our customer base through the following sales and marketing activities:

- create a cross-platform sales and marketing department to promote all of our brands to potential customers throughout Asia in accordance with applicable laws;
- utilize special product offers, special events, tournaments and promotions to build and maintain relationships with our guests, in order to increase repeat visits and help fill capacity during lower demand periods; and
- implement complimentary incentive programs and commission based programs with selected promoters to attract high-end customers.

Create First Class Service Experiences

We believe that service quality and memorable experiences will continue to grow as a key differentiator among the operators in the territories where we operate. As the depth and quality of product offerings continue to develop and more memorable properties and experiences are created, we believe that

tailored services will drive competitive advantage. As such, our focus remains on creating service experiences for the tastes and expectations of our various customers. We believe our dedicated management team with significant experience in operating large scale, high quality resort facilities drive our competitive advantage. As the continued development of our staff and supporting resources are central to our business, we plan to invest in the long term development of our people through relevant training and experience sharing.

Our Properties

All our existing operating properties are in Macau and we operate our gaming business of such properties in accordance with the terms and conditions of our gaming subconcession. In addition, our City of Dreams, Altira Macau and Studio City properties and other development projects in Macau are subject to the terms and conditions of land concession contracts. See "— Regulations — Land Use Rights in Macau."

City of Dreams

The City of Dreams site is located on two adjacent land parcels in Cotai, Macau with a combined 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 up to ten years each. The initial land premium of approximately MOP842.1 million (equivalent to approximately US$105.1 million) was paid up in full in February 2013. The land grant was amended on September 15, 2010 to increase the total developable gross floor area at the site to 668,574 square meters (equivalent to approximately 7.2 million square feet) and amend the purpose of such area, which required an additional premium in the amount of MOP257.4 million (equivalent to approximately US$32.1 million), which was fully paid in March 2010.

Pursuant to an amendment request made by Melco Crown (COD) Developments on December 9, 2011, in March 2013, Melco Crown (COD) Developments and Melco Crown Macau accepted the initial terms for the revision of the land concession contract which contemplated an extension of the development period to the date falling 4 years after the publication of the amendment to the land concession contract in the Macau official gazette and the development of additional five-star hotel areas in replacement of the four-star apartment hotel areas; which required an additional land premium of approximately MOP187.1 million (equivalent to approximately US$23.3 million) of which MOP70.0 million (equivalent to approximately US$8.7 million) were payable to the Macau government upon acceptance of the final amendment proposal issued by the Macau government, and the remaining amount of approximately MOP117.1 million (equivalent to approximately US$14.6 million) were to be paid in four bi-annual installments, accrued with interest at the annual rate of 5%, the first of which due six months after the date of publication of the amended land concession contract in the Macau official gazette and revised the government land use fees to approximately MOP9.9 million (equivalent to approximately US$1.2 million) per annum. On October 9, 2013, the Macau government communicated to Melco Crown (COD) Developments and Melco Crown Macau the final amendment proposal for the revision of the City of Dreams land concession contract. On October 16, 2013, Melco Crown (COD) Developments paid MOP70.0 million (equivalent to approximately US$8.7 million) of the additional land premium 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 was completed in January 29, 2014 with the publication in the Macau official gazette.

During the construction period, we paid the Macau government land use fees at an annual rate of MOP30.0 (equivalent to approximately US$3.74) per square meter of land, or an aggregate annual amount of approximately MOP3.4 million (equivalent to approximately US$424,000). According to 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.

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 the City of Dreams site.

The equipment utilized by City of Dreams in the casino and hotel is owned by us and held for use on the City of Dreams site, and includes 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

The Altira Macau site is located on a plot of land in Taipa, Macau of approximately 5,230 square meters (equivalent to approximately 56,295 square feet) under a 25-year land lease agreement with the Macau government which is renewable for successive periods of up to ten years each. In March 2006, the Macau government granted the land on which Altira Macau is located to Altira Developments. The land premium of approximately MOP149.7 million (equivalent to approximately US$18.7 million) was fully paid in July 2006, a guarantee deposit of approximately MOP157,000 (equivalent to approximately US$20,000) was paid upon acceptance of the land lease terms in 2006 and government land use fees of approximately MOP1.4 million (equivalent to approximately US$171,000) per annum are payable. The amounts may be adjusted every five years as agreed between the Macau government and us using applicable market rates in effect at the time of the adjustment.

Pursuant to an amendment request made by Altira Developments in 2012, in January 2013, Altira Developments accepted the initial terms for the revision of the land lease agreement which contemplated the increase of the total gross floor area from approximately 95,000 square meters (equivalent to approximately 1,022,600 square feet) to approximately 103,000 square meters (equivalent to approximately 1,108,700 square feet), to reflect the construction plans approved by the Macau government and to enable final registration of the land concession. Such amendment required an additional land premium of approximately MOP19.6 million (equivalent to approximately US$2.4 million) payable to the Macau government upon acceptance of the final amendment proposal issued by the Macau government, and revised the government land use fees to approximately MOP1.5 million (equivalent to approximately US$186,000) per annum. On June 26, 2013, the Macau government communicated to Altira Developments the final amendment proposal for the revision of the Altira land concession contract. On July 15, 2013, Altira Developments paid the additional land premium set forth in the final amendment proposal, and on July 16, 2013, it accepted the terms of such proposal. The land grant amendment process was completed on December 18, 2013 with the publication in the Macau official gazette of such revision.

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 the Altira Macau site.

The equipment utilized by Altira Macau in the casino and hotel is owned by us and held for use on the Altira Macau site and includes 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 83,800 square feet at the following locations in Macau:

Mocha Club	Opening Month	Location	Gaming Area (In square feet)
Golden Dragon	January 2012	G/F, 1/F, 2/F and 3/F of Hotel Golden Dragon	20,500
Macau Tower	September 2011	LG/F and G/F of Macau Tower	21,500
Mocha Altira	December 2008	Level 1 of Altira Macau	2,950
Mocha Square	October 2007	1/F, 2/F and 3/F of Mocha Square	3,400
Sintra	November 2005	G/F and 1/F of Hotel Sintra	5,000
Taipa Square	January 2005	G/F, 1/F and 2/F of Hotel Taipa Square	9,200
Royal	September 2003	G/F and 1/F of Hotel Royal	8,450
Inner Harbor	December 2013	No 286-312 Seaside New Street	12,800
Total			**83,800**

For locations operating at leased or subleased premises, the lease and sublease terms are pursuant to lease agreements that expire at various dates through June 2022, which are renewable upon our giving notice prior to expiration and subject to incremental increases in monthly rentals.

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's site is on a plot of land of 130,789 square meters (equivalent to approximately 1.4 million square feet) in Cotai, Macau and has a gross construction area of approximately 7.6 million square feet (equivalent to approximately 707,078 square meters). The gross construction area for the first phase is approximately 5.0 million square feet (equivalent to approximately 463,000 square meters). Under the Studio City land concession contract, the land premium is approximately MOP1,425.3 million (equivalent to approximately US$177.9 million), of which approximately MOP853.5 million (equivalent to approximately US$106.5 million) was paid as of December 31, 2013, and the remaining MOP571.8 million (equivalent to approximately US$71.4 million) will be paid in three bi-annual installments, bearing interest at 5% per annum. Under the Studio City land concession contract, Studio City Developments has provided guarantees in the total amount of MOP7.4 million (equivalent to approximately US$0.9 million). Currently, the development period under the land concession contract is for 72 months from July 25, 2012.

The Studio City land concession contract, as amended by Dispatch of the Secretary for Transportation and Public works no. 31/2012, of July 19, 2012, permits Studio City Developments to build a complex comprising a five-star hotel, a facility for cinematographic industry, including supporting facilities for entertainment and tourism, parking and free area.

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 the Studio City site.

City of Dreams Manila

The City of Dreams Manila site is located on a reclaimed land, or the 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 November 20, 2013, we entered into a promissory agreement with a third party purchaser for our disposal of these five units for a total consideration of HK$240.0 million (equivalent to approximately US$30.8 million). The sale and purchase of the five units completed on February 18, 2014 and upon completion of the sale, we continue to occupy and use the relevant units as our recruitment center under a short-term tenancy agreement with the new owner for a term of two years.

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 gaming customers and have developed a series of commission and other incentive-based programs to offer to both gaming promoters and individuals alike. It is also our intention to 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 will provide personalized service to the most valuable customers of City of Dreams Manila. In addition, we plan to utilize sophisticated analytical programs to track the behavior and spending patterns of our gaming 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 per gaming table 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.

Meanwhile, upon its completion within this year 2014, our City of Dreams Manila is expected to offer 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, are expected to include the Fortune Egg, a central dome-like structure for housing a dynamic night club, a casino performance lounge, and a thematic family entertainment center. In developing these 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 “House of Dancing Water”, “Dragon’s Treasure” 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 significant amount 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 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.

Gaming promoters are responsible for a substantial portion of our casino revenues. For the years ended December 31, 2013, 2012 and 2011, approximately 49.8%, 53.4% and 61.0% of our casino revenues, were derived from customers sourced through our rolling chip gaming promoters, respectively.

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, 2013, 2012 and 2011, we had agreements in place with 114, 107 and 86 gaming promoters in Macau, respectively. 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. Commissions paid to our rolling chip gaming promoters (net of amounts indirectly rebated to customers) amounted to US$391.9 million, US$308.6 million and US$321.6 million for the years ended December 31, 2013, 2012 and 2011, respectively. 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 is common practice in Macau, 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 regular settlement procedures, including our credit committee review and other checks 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."

As of December 31, 2013, 2012 and 2011, our casino accounts receivable were US$424.0 million, US$426.8 million and US$385.9 million, respectively. 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."

For City of Dreams Manila, we intend to leverage our extensive sales reach within Asia, particularly to the sizable international customer base largely developed through our Macau operations, of which a majority comprises mainland China clientele, and our strong relationship with gaming promoters in Macau and the rest of Asia. It is our intention that MCP shall work 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. We believe that these sales and marketing channels should provide a distinct competitive advantage and complement MCP's efforts to grow its own local client base.

Market and Competition

We believe that the gaming market in Macau is and will continue to be intensely competitive. Our competitors in Macau and elsewhere in Asia include all the current concession and subconcession 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 2013, 2012 and 2011, Macau generated approximately US$45.0 billion, US$38.0 billion and US$33.4 billion of gaming revenue, respectively, according to the DICJ, compared to the US$6.4 billion, US$6.1 billion and US$6.0 billion of gaming revenue (excluding sports book and race book), respectively, generated on the Las Vegas Strip, according to the Nevada Gaming Control Board, and compared to the US$2.8 billion, US$3.0 billion and US$3.3 billion of gaming revenue (excluding sports book and race book), respectively, generated in Atlantic City, according to the New Jersey Division of Gaming Enforcement. Gaming revenue in Macau has increased at a five year CAGR from 2008 to 2013 of 27.10% compared to five year CAGRs of 1.18% and -8.99% for the Las Vegas Strip and Atlantic City, respectively (excluding sports book and race book). In addition, Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

From 2011 to 2013, market wide gaming revenues increased significantly. Gross gaming revenues in Macau grew by 18.6% in 2013, 13.5% in 2012 and 42.2% in 2011, according to the DICJ. This growth was driven by all three main gaming segments. In 2013, according to the DICJ, rolling chip gaming revenues

increased 13.1%, representing 66.1% of all gaming revenues in Macau, mass market table games revenues grew by 34.7% and electronic gaming revenues grew by 8.6%. We believe the growth in gaming revenues in Macau is 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 in 2013, totaled more than 29.3 million visitors. Mainland China continues to drive overall visitation growth, increasing 10.2% as compared to 4.4% decrease for all other visitors in 2013, and visitors from mainland China represented 63.5%, while visitors from Hong Kong and Taiwan represented 23.1% and 3.4%, of all visitors to Macau in 2013, 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 announced its intention to develop a new casino in Cotai and accepted a proposed land concession contract in October 2012, which remains subject to the formal approval of the Macau government.

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 the first half of 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. In 2012, Galaxy started the construction for phase II of Galaxy Macau, which it expects to be completed by mid-2015.

VML 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. VML has announced proposals for the development of an additional Hotel tower at Sands Cotai Central in Cotai. VML has also announced commencement of a further large development in Cotai which it expects to open in late 2015.

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 in February 2013.

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 Macau government further announced that the number of gaming tables operating in Macau should not exceed

5,500 until the end of the first quarter of 2013 and that, thereafter, for a period of ten years, the total number of gaming tables to be authorized will be limited to an 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, 2013 was 5,750. 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 face competition in the Philippines 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 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

Macau experiences many peaks and seasonal effects. The “Golden Week” and “Chinese New Year” holidays are the key periods where business and visitation fluctuate considerably. 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 the trademarks “Altira,” “Mocha Club,” “City of Dreams”. “City of Dreams Manila”, “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 registered in Macau and other jurisdictions certain other trademarks and service marks used in connection with the operations of our hotel casino projects in Macau and City of Dreams Manila. While our branding strategy for Studio City has not yet been finalized, we have registered a number of trademarks in Macau and Hong Kong (including the “Where Cotai Begins” trademark), which may ultimately be used as a component of our branding strategy for Studio City.

Regulations

Gaming Regulations

The ownership and operation of casino gaming facilities in Macau are subject to the general laws (e.g., the Civil Code and the Commercial Code) 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, or Dispatch of the Chief Executive. See "— The Subconcession" below for more details.

Macau Administrative Regulation no. 34/2003 describes the DICJ as 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 Macau 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 the conceded business 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 the conceded business, the Macau government would be entitled to replace Melco Crown Macau during such disruption and to ensure the continued operation of the conceded 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 "— The Subconcession — The Subconcession Contract."
- 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;
    - 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 gaming assets or the property comprising a casino, shares 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 require 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.
- We are also required to collect and pay employment taxes in connection with our staff through withholding and all payable and non-exemptible taxes, levies, expenses and handling fees provided by the laws and regulations of Macau.
- In addition, the Macau Gaming Law regulates gaming promoters. See "— Regulations Relating to Gaming Promoters" below.

Non-compliance with these obligations could lead to the revocation of Melco Crown Macau's subconcession and could materially 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 as a gaming promoter and the conduct of gaming promotion business by 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.

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 Administrative Regulation 6/2002 (as amended) and in accordance with the Secretary for Economy and Finance Dispatch no. 83/2009, of 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 100,000 Patacas up to 500,000 Patacas) on gaming operators that do not comply with the cap and other fines (ranging from 50,000 Patacas up to 250,000 Patacas) 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.

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.

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 (AR) 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 AR 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 (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.

Smoking Regulation in Macau

Under the new Smoking Prevention and Tobacco Control Law, which came into effect on January 1, 2012, from January 1, 2013, 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 no. 296/2012. In accordance with the aforementioned Dispatch, smoking areas must be physically segregated from non-smoking areas, clearly denoted, adequately ventilated in order to avoid propagation of smoke to adjacent areas, and are subject to authorization by the Macau government. In the case of casinos with several floors, smoking areas must be placed in the upper floors and in the case of casinos comprised of one single floor, smoking areas must be placed in a zone opposite from the non-smoking areas and physically separated therefrom. Smoking areas in new casinos must have an independent ventilation system. In addition, concessionaires and subconcessionaires are required to continuously monitor and file a monthly report on the levels of air quality, which must remain within prescribed limits. Such concessionaires and subconcessionaires shall be subject to the supervision and instructions of the Health Bureau and failure to comply with the prescribed measures and instructions may lead to reduction of smoking areas or cancellation of the relevant authorization. The deadline to create the designated smoking areas expired on January 1, 2013 and the smoking ban in casino premises, except for an area of up to 50% of the casino areas open to the public, became effective on January 1, 2013.

On November 7, 2013 Melco Crown Macau was notified of the Macau government's decision to reduce by 10% the smoking areas of six Mocha Clubs and the Taipa Square Casino. On December 10, 2013, Melco Crown Macau proceeded to file with the Macau government the required documentation to give effect to such reduction in respect of four of the affected Mocha Club and the Taipa Square Casino. The procedure is currently under review by the Macau government.

Regulation on Access to Casinos in Macau

On August 20, 2012, the Macau government enacted legislation, which came into effect on November 1, 2012, under which the minimum age required for entrance into casinos in Macau was raised from 18 to 21 years of age. Employees under 21 years of age who were already employed when the new law came into effect were not affected thereby and have maintained their positions. In addition, the director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos, after considering their special technical qualifications.

DICJ Instruction on Responsible Gambling

On October 18, 2012, the DICJ issued Instruction no. 2/2012, which came into effect on November 1, 2012, setting out measures for the implementation of "Responsible Gambling" principles. Under this instruction, concessionaires and subconcessionaires are required to implement certain measures to promote responsible gambling, including: making information available on the risks of gambling, responsible gambling and odds, both inside and outside the casinos and through electronic means; creation of information and counseling kiosks and a hotline; adequate regulation of lighting inside casinos; public exhibition of time; creation and training of teams and a coordinator responsible for promoting responsible gambling.

Regulation on Supply and Requirements of Gaming Machines, Equipment and Systems

On November 27, 2012 Administrative Regulation 26/2012 came into effect, setting out rules on the supply and requirements of gaming machines, equipment and systems. Pursuant to this regulation, gaming machines can only be supplied to concessionaires or subconcessionaires, authorized distributors and other entities upon government authorization. Gaming machines may only be installed in places previously approved by the government and location of storage facilities must be informed to the DICJ. Suppliers must obtain DICJ approval in order to supply gaming machines in Macau, such authorization being based on a probity check, and must be Macau incorporated companies by shares, all shares being nominative, or Macau registered branch offices.

Supply contracts are also regulated, namely by determining that revenue share arrangements are not enforceable towards the Macau government and requiring the insertion of provisions allowing the reversion of the gaming machines to the Macau government under the Macau Gaming Law. The regulation further sets out the requirements for the approval of gaming machines in Macau, effective as of January 1, 2013; instructions to the concessionaires and subconcessionaires in case of malfunction of the gaming machines, equipment and systems, including that concessionaires, subconcessionaires and suppliers shall be jointly and severally liable for damages caused to patrons and the Macau government due to such malfunction; the concessionaires and subconcessionaires' obligation to keep records of their gaming machines and respective suppliers. The regulation also sets out rules regarding portable gaming devices, electronic gaming, electronic monitoring systems and jackpot systems.

Moreover, under this regulation, gaming machine lounges shall only be located: (i) in hotels with at least five-star classification; (ii) properties entirely allocated to non-residential purposes and located within less than 500 meters of an authorized hotel-casino; or (iii) in commercial and leisure complexes, of relevant touristic interest, not inserted in a densely populated area. Under the regulation, all slot lounges must comply with the above mentioned requirements by November 27, 2013. On November 26, 2013, in compliance with the Macau Administrative Regulation no. 26/2012, Melco Crown Macau closed three Mocha Clubs, which did not meet the new location requirements. Melco Crown Macau however obtained approval from the Macau government in May and November 2013 to open two new Mocha Clubs, one of which has been opened in December 2013 and the other one is expected to open soon within this year.

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 without any type of quota, 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, croupiers 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 nonresident employees on a quarterly basis. Employers must also buy insurance to cover employment accidents for all employees.

Land Use Rights in Macau

Macau land is divided into plots, each of which is given a number. There is a small number of private freehold plots in Macau, typically found in the original area of the Macau territory. Where the land is private freehold land, no government rent is payable and there are no temporal limits to the ownership of the land or the buildings erected on the land, which are private property. The rest of the land, including land reclamation areas, belongs to the Macau government. In most cases, private interests in real property located in Macau are obtained through long-term leases from the Macau government.

Our subsidiaries have entered into land concession contracts for the land on which our Altira Macau, City of Dreams and Studio City properties and development projects 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 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 concession contract is similar to a lease and published in the Macau Official Gazette, at which time official title to the land or right is obtained. The land is initially granted on a provisional basis and registered as such with the Macau Property Registry, subject to completion of the proposed development, and only upon completion of the development is the land concession converted into definitive status and so registered with the Macau Property Registry.

Macau property and all concessions are subject to the Macau title registration system. Title can be established by reference to the title register. The person or party registered is recognized as the legal holder of the right/title registered. The records in the Macau Property Registry are public and anyone who searches the title register can rely on the registered rights. Following the registration of title in Macau, the registered title holder will be officially recognized and able to enforce his rights vis-à-vis any third parties. All ownership rights over the properties or buildings subject to a land concession (being strata title for residential units or full ownership of any building or fraction thereof) are also registered with the Macau Property Registry and fall under a private ownership regime.

Foreign Corrupt Practices Act

Our Company is subject to the FCPA, which makes it illegal for our Company and its employees and agents to offer or give money or any other item of value to win or retain business or to influence any act or decision of any foreign official. The Company adopted a Code of Business Conduct and Ethics (the "**Code**") which 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.

The Subconcession

The Concession Regime

The Macau government conducted an international tender process for gaming concessions in Macau in 2001, and granted three gaming concessions to 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. These subconcessionaires were thus granted the right to operate casino games and other games of chance in Macau. No further granting of subconcessions is permitted unless specifically authorized by the Macau government. Though there are no restrictions on the number of casinos or gaming areas that may be operated under each concession or subconcession, Macau government approval is required for the commencement of operations of any casino or gaming area.

The subconcessionaires that entered into subconcession contracts with Wynn Macau, SJM and Galaxy are Melco 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 Subconcession Contract

The Subconcession Contract 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, pursuant to the Subconcession Contract.

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 operation of gaming-related activities is also permitted, subject to the prior approval from the Macau government.

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.

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. Termination of the Subconcession Contract may be enforced by agreement between Melco Crown Macau and Wynn Macau, but is independent of Wynn Macau's concession. A mutual agreement between the Macau government and Melco Crown Macau can also result in termination of the subconcession. 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;
- bankruptcy or insolvency of Melco Crown Macau;
- fraudulent activity harming the 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 he deemed it necessary.

Redemption. Under the Subconcession Contract, beginning in 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 in 2017, we would be unable to operate casino gaming in Macau."

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. However, we cannot assure you that it will be extended beyond the expiration date. We remain subject to Macau complementary tax on our non-gaming profits.

Pursuant to the proposed terms issued by the Macau government in December 2013 which was accepted by Melco Crown Macau in January 2014, 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 from gaming profits.

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 purpose 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 tax holiday, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau complementary tax. The 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 grant of further vehicle tax holiday is subject to the satisfaction by us of certain criteria determined 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 Value Added Tax ("VAT") on certain transactions. One of the Philippine subsidiaries, 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.

Our subsidiary incorporated in New Jersey in the United States, which was dissolved in June 2013, is subject to U.S. federal and relevant state and local taxes up to the date of dissolution.

Dividend Distribution

Restrictions on Distributions. The 2011 Credit Facilities contain restrictions which apply on and from June 30, 2011 on paying dividends to our Company or persons who are not members of the Borrowing Group, unless certain financial tests and conditions are satisfied. Dividends may be paid from (i) excess cash flow as defined in the 2011 Credit Facilities generated by the Borrowing Group, subject to compliance with the financial covenants under the 2011 Credit Facilities; or (ii) cash held by the Borrowing Group in an amount not exceeding the aggregate cash and cash equivalents investments of the Borrowing Group as of 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 indentures governing the 2013 Senior Notes and the Studio City Notes, and the Studio City Project Facility also contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for MCE Finance and its restricted subsidiaries or Studio City Finance and its restricted subsidiaries or Studio City Investments Limited and its restricted subsidiaries, respectively.

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, 2013 and 2012, the balance of the reserve amounted to US$31.2 million for both years.

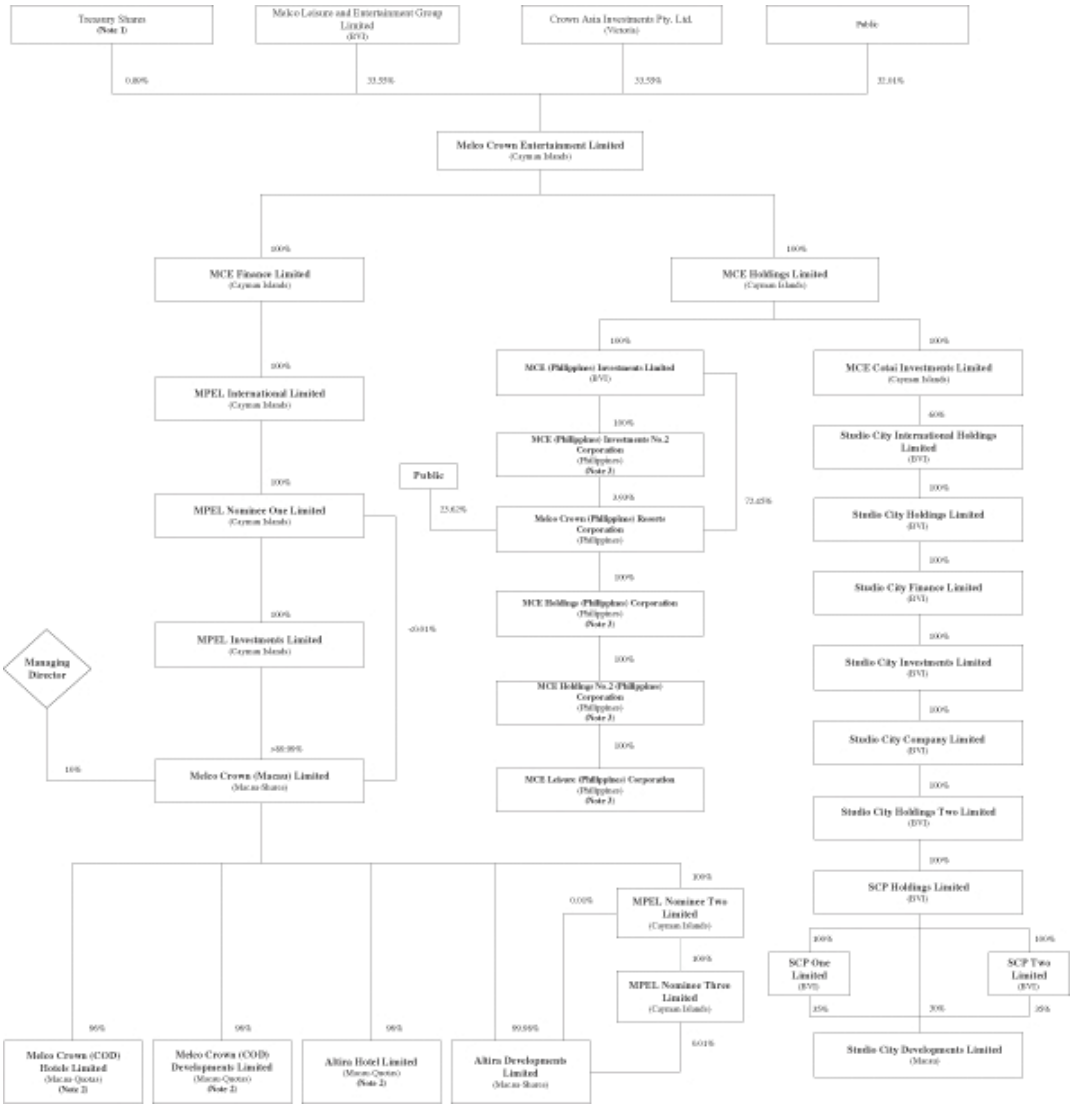
On February 25, 2014, the Company announced a proposal of declaration and payment of a special dividend of US$0.1147 per share (or US$0.3441 per ADS) subject to the approval of our shareholders, which was subsequently obtained at our extraordinary general meeting held on March 26, 2014, and the adoption of a new dividend policy. See "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy".

On February 28, 2014, Melco Crown Macau's board of directors proposed the final dividend of approximately US$420 million subject to the approval from Melco Crown Macau's shareholders, which was subsequently obtained at Melco Crown Macau's annual general meeting held on March 21, 2014.

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 interest in our Studio City development project; and (3) a majority interest in MCP, a company listed on the Philippine Stock Exchange.

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 3, 2014:



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; and 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.”

(2) The shares of these companies are owned 96% by Melco Crown Macau and 4% by MPEL Nominee Two Limited.
(3) The shares of these companies are owned 0.01% by 5 nominee directors of these companies respectively.

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.

D. PROPERTY, PLANT AND EQUIPMENT

See "Item 4. Information on the Company — B. Business Overview" 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 that, through our subsidiaries, develops, owns and operates casino gaming and entertainment 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, 2013, featured a casino area of approximately 448,000 square feet with a total of approximately 480 gaming tables and approximately 1,400 gaming machines, approximately 1,400 hotel rooms and suites, over 20 restaurants and bars, approximately 70 retail outlets, a wet stage performance theater, audio visual multimedia experience, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spas and salons and banquet and meeting facilities. A wet stage performance theater with approximately 2,000 seats features *The House of Dancing Water* show produced by Franco Dragone. The Club Cubic nightclub features approximately 26,210 square feet of live entertainment space. City of Dreams targets premium market and rolling chip players from regional markets across Asia.

We are moving forward with the development of the fifth hotel tower at City of Dreams, which according to our current development schedule is anticipated to open in early 2017, helping us extend our leading position at the premium end of the market.

Before we commenced our new development of the fifth hotel tower at City of Dreams, we have considered various aspects and requirements, including, among others, Macau government approval, general market conditions, other business opportunities and the availability of additional financing. For the years ended December 31, 2013, 2012 and 2011, net revenues generated from City of Dreams amounted to US$3,857.0 million, US$2,920.9 million and US$2,491.4 million representing 75.8%, 71.6% and 65.0% of our total net revenues, respectively.

Altira Macau

Altira Macau, as of December 31, 2013, featured a casino area of approximately 173,000 square feet with a total of approximately 140 gaming tables, 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, 2013, 2012 and 2011, net revenues generated from Altira Macau amounted to US$1,033.8 million, US$966.8 million and US$1,173.9 million representing 20.3%, 23.7% and 30.6% of our total net revenues, respectively.

Mocha Clubs

As of December 31, 2013, we operated eight Mocha Clubs with a total of 1,369 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, 2013, 2012 and 2011, net revenues generated from Mocha Clubs amounted to US$148.7 million, US$143.3 million and US$131.9 million representing 2.9%, 3.5% and 3.4% of our total net revenues, respectively. The source of revenues was substantially all from gaming machines. For the years ended December 31, 2013, 2012 and 2011, gaming machine revenues represented 98.8%, 98.0% and 98.4% 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, 2013, 2012 and 2011, net revenues generated from Corporate and Others amounted to US$46.6 million, US$46.9 million and US$33.6 million representing 0.9%, 1.2% and 0.9% of our total net revenues, respectively.

Studio City

On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City, which we envision as a large-scale integrated entertainment, retail and gaming resort located in Cotai, with gaming areas, four-star and/or five-star hotel offerings, and various entertainment, retail and food and beverage outlets to attract a wide range of customers, with a particular focus on the mass market segment in Asia and, in particular, from Greater China. Studio City is currently in the development stage, and as a result there is no revenue and cash provided by its intended operations.

City of Dreams Manila

On December 19, 2012, we completed the acquisition of a majority interest in the issued share capital of MCP in connection with our Philippines casino hotel resort project, “City of Dreams Manila”. City of Dreams Manila is currently under development. For the year ended December 31, 2013 and 2012, no revenue was generated from City of Dreams Manila.

Summary of Financial Results

For the year ended December 31, 2013, our total net revenues were US$5.09 billion, an increase of 24.7% from US$4.08 billion of net revenues for the year ended December 31, 2012. Net income attributable to Melco Crown Entertainment for the year ended December 31, 2013 was US$637.5 million, as compared to net income of US$417.2 million for the year ended December 31, 2012. Our improvement in profitability was attributable to substantially improved group-wide mass table games and rolling chip revenues.

	Year Ended December 31,		
	2013	2012	2011
	(in thousands of US$)		
Net revenues	$5,087,178	$ 4,078,013	$ 3,830,847
Total operating costs and expenses	(4,247,354)	(3,570,921)	(3,385,737)
Operating income	839,824	507,092	445,110
Net income attributable to Melco Crown Entertainment	$ 637,463	$ 417,203	$ 294,656

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

- 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 a top-up placement on the Philippine Stock Exchange raising net proceeds of approximately US$338.5 million, including the over-allotment option

Factors Affecting Our Current and Future Results

Our results of operations are and will be affected most significantly by:

- The growth of the gaming and leisure market in Macau, which is facilitated by a number of key drivers and initiatives including, among others, favorable population demographics and economic growth in major Asian tourism markets, substantial private capital investment in Macau, particularly in developing diversified destination resort properties, and the commitment and support of the PRC central and Macau governments to improve and develop infrastructure both within, and connecting to, Macau;
- The current economic and operating environment, including the impact of global and local economic conditions, changes in capital market conditions; and the impact of visa and other regulatory policies of the PRC central and Macau governments, as discussed under “Item 4. Information on the Company — B. Business Overview — Market and Competition”;
- The competitive landscape in Macau, which is expected to evolve as more gaming and non-gaming facilities are developed in Macau, including the expected new supply of integrated resorts in the Cotai region of Macau, as well as the impact of recent or future expansion of gaming markets throughout Asia;
- The different mix of table and machine games at our casinos, such as the mix between rolling chip and mass market table game segments, and customer playing habits; as well as changes in the mix of rolling chip business sourced through gaming promoters or via our direct VIP relationships;

- Our relationships with gaming promoters, which contribute a significant portion of our casino revenues, expose us to credit risk (given the majority of these gaming promoters are provided with credit as part of the ordinary course of business) and to any change in the gaming promoter commission environment in Macau. For the years ended December 31, 2013, 2012 and 2011, approximately 49.8%, 53.4% and 61.0% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters, respectively. For the year ended December 31, 2013, our top five customers and the largest customer were gaming promoters and accounted for approximately 20.7% and 6.3% of our casino revenues, respectively. We believe we have good relationships with our gaming promoters. Commissions paid to our rolling chip gaming promoters (net of amounts indirectly rebated to customers) amounted to US$391.9 million, US$308.6 million and US$321.6 million for the years ended December 31, 2013, 2012 and 2011, respectively;
- Our 2011 Credit Facilities and Aircraft Term Loan, which expose us to interest rate risk, as discussed under "Item 11 Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk"; and
- The currency of our operations, our indebtedness and presentation of our financial statements, which expose us to foreign exchange risk rate, as discussed under "Item 11 Quantitative and Qualitative Disclosures About Market Risk — Foreign Exchange Risk".

Our historical financial results may not be characteristic of our potential future results as we continue to expand and refine our service offerings at our properties and develop and open new properties.

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

Complimentary rooms, for which rates are set at a discount from standard walk-in rates, are included in the calculation of the above room-related KPIs. As not all available rooms are occupied, average daily room rates are normally higher than revenue per available room.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Revenues

Our total net revenues for the year ended December 31, 2013 were US$5.09 billion, an increase of US$1.01 billion, or 24.7%, from US$4.08 billion for the year ended December 31, 2012. The increase in total net revenues was driven by substantially improved mass table games volumes and blended hold percentages, as well as increased volumes in the rolling chip and gaming machines segments.

Our total net revenues for the year ended December 31, 2013 comprised of 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 (total non-casino revenues after deduction of promotional allowances). Our total net revenues for the year ended December 31, 2012 comprised US$3.93 billion of casino revenues, representing 96.5% of our total net revenues, and US$143.3 million of net non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2013 were US$4.94 billion, representing a US$1.01 billion, or 25.6%, increase from casino revenues of US$3.93 billion for the year ended December 31, 2012, primarily due to an increase in casino revenues at City of Dreams and Altira Macau of US$935.2 million, or 33.5%, and US$65.5 million, or 6.9%, respectively. This increase was primarily a result of increased rolling chip volume and mass market table games drop at both City of Dreams and Altira Macau, as well as an improved blended mass market table games hold percentage and rolling chip win rate. Our mass market table games revenues continue to improve reflecting the success of a range of gaming floor efficiency initiatives, improved casino visitation and casino marketing initiatives, together with a strong overall market growth environment in the segment.

Altira Macau. Altira Macau's rolling chip volume for the year ended December 31, 2013 was US$44.9 billion, representing an increase of US$0.9 billion, or 2.2%, from US$44.0 billion for the year ended December 31, 2012. The rolling chip win rate (calculated before discounts and commissions) was 2.96% for the year ended December 31, 2013, within our expected level of 2.7% to 3.0%, and increased slightly from 2.89% for the year ended December 31, 2012. In the mass market table games segment, mass market table games drop was US$724.0 million for the year ended December 31, 2013, representing an increase of 20.4% from US$601.4 million for the year ended December 31, 2012. The mass market table games hold percentage was 15.4% for the year ended December 31, 2013, representing a decrease from 16.7% for the year ended December 31, 2012.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2013 of US$97.0 billion represented an increase of US$15.7 billion, or 19.3%, from US$81.3 billion for the year ended December 31, 2012. The rolling chip win rate (calculated before discounts and commissions) was 2.95% for the year ended December 31, 2013, in line with our expected range of 2.7% to 3.0%, and reflected a slight increase from 2.92% for the year ended December 31, 2012. In the mass market table games segment, mass market table

games drop was US$4.66 billion for the year ended December 31, 2013 which represented an increase of US$1.07 billion, or 30.0%, from US$3.59 billion for the year ended December 31, 2012. The mass market table games hold percentage was 34.6% in the year ended December 31, 2013, demonstrating a large increase from 29.1% for the year ended December 31, 2012. Average net win per gaming machine per day was US$361 for the year ended December 31, 2013, an increase of US$48, or 15.2%, from US$313 for the year ended December 31, 2012.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2013 was US$212, an increase of approximately US$26, or 13.9%, from US$186 for the year ended December 31, 2012.

Rooms. Room revenues for the year ended December 31, 2013 were US$127.7 million, representing a US$9.6 million, or 8.1%, increase from room revenues of US$118.1 million for the year ended December 31, 2012. 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$230, 99% and US$227, respectively, for the year ended December 31, 2013, as compared to US$221, 98% and US$216, respectively, for the year ended December 31, 2012. City of Dreams' average daily rate, occupancy rate and REVPAR were US$189, 97% and US$183, respectively, for the year ended December 31, 2013, as compared to US$185, 93% and US$171, respectively, for the year ended December 31, 2012.

Food, beverage and others. Other non-casino revenues 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. Other non-casino revenues for the year ended December 31, 2012 included food and beverage revenues of US$72.7 million, and entertainment, retail and other revenues of US$90.8 million. The increase of US$19.1 million in food, beverage and other revenues from the year ended December 31, 2012 to the year ended December 31, 2013 was primarily due to higher business volumes associated with an increase in visitation during the year, as well as the improved yield of rental income at City of Dreams.

Operating costs and expenses

Total operating costs and expenses were US$4.25 billion for the year ended December 31, 2013, representing an increase of US$676.4 million, or 18.9%, from US$3.57 billion for the year ended December 31, 2012. The increase in operating costs was primarily due to an increase in operating costs at City of Dreams and Altira Macau which were in-line with the increased gaming volume and associated increase in revenues, as well as the increase in associated costs in connection with MCP after our acquisition of a majority interest in MCP, including fees and costs associated with the corporate reorganization of MCP.

Casino. Casino expenses increased by US$618.0 million, or 21.8%, to US$3.45 billion for the year ended December 31, 2013 from US$2.83 billion for the year ended December 31, 2012 primarily due to additional gaming tax and other levies and commission expenses of US$531.0 million, as well as other operating costs, such as payroll and promotional expenses of US$87.0 million, which increased as a result of increased gaming volume and associated increase in revenues.

Rooms. Room expenses, which represent the costs in operating the hotel facilities at Altira Macau and City of Dreams, decreased by 14.9% to US$12.5 million for the year ended December 31, 2013 from US$14.7 million for the year ended December 31, 2012, primarily due to a higher level of complimentary hotel rooms offered to gaming customers for which the associated costs are included as casino expenses, partially offset by an increase in the operating costs as a result of increased occupancy.

Food, beverage and others. Food, beverage and others expenses were US$93.3 million and US$90.3 million for the years ended December 31, 2013 and 2012, respectively.

General and administrative. General and administrative expenses increased by US$28.8 million, or 12.7%, to US$255.8 million for the year ended December 31, 2013 from US$227.0 million for the year ended December 31, 2012, primarily due to an increase in payroll expenses, share-based compensation, marketing and advertising expenses, as well as professional fees to support continuing and expanding operations.

Pre-opening costs. Pre-opening costs were US$17.0 million for the year ended December 31, 2013 as compared to US$5.8 million for the year ended December 31, 2012. 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 year ended December 31, 2013 primarily related to the payroll expenses, rental and administrative costs in connection with City of Dreams Manila and Studio City. The pre-opening costs for the year ended December 31, 2012 related to the administrative costs in connection with Studio City, the opening of The Tasting Room, Signature Club Lounge and Jade Dragon at City of Dreams, and the introduction of Taboo at Club Cubic.

Development costs. Development costs were US$26.3 million for the year ended December 31, 2013, which predominantly related to fees and costs associated with the corporate reorganization of MCP as well as corporate business development. Development costs for the year ended December 31, 2012 primarily included US$5.7 million excess payment between purchase consideration and direct transaction costs and share of net assets acquired upon completion of the acquisition of MCP in December 2012 and a total of US$5.4 million of professional and consultancy fee for City of Dreams Manila, 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, 2013 and 2012.

Amortization of land use rights. The increase in amortization of land use rights expenses to US$64.3 million for the year ended December 31, 2013 from US$59.9 million for the year ended December 31, 2012 was primarily due to the additional amortization of land use rights expenses associated with amended Studio City land concession contract in July 2012.

Depreciation and amortization. Depreciation and amortization expenses were US$261.3 million and US$261.4 million for the years ended December 31, 2013 and 2012, respectively. The slight decrease was primarily due to fully depreciated assets at City of Dreams and Altira Macau during the year ended December 31, 2013, offset in part by depreciation of assets progressively added to City of Dreams.

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, 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. Property charges and others for the year ended December 31, 2012 were US$8.7 million, which mainly related to the write-off of US$4.4 million for excess payments in relation to a service contract at City of Dreams and US$2.4 million of costs incurred for implementing our streamlined management structure in February 2012.

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 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$7.7 million for the year ended December 31, 2013, as compared to US$11.0 million for the year ended December 31, 2012. The decrease was primarily driven by lower interest income from RMB Bonds proceeds deposit upon the early redemption of RMB Bonds in March 2013.

Interest expenses were US$152.7 million, net of capitalized interest of US$31.0 million for the year ended December 31, 2013, compared to US$109.6 million, net of capitalized interest of US$10.4 million for the year ended December 31, 2012. The increase in net interest expenses (net of interest capitalization) of US$43.1 million was primarily due to: (i) US$65.3 million higher interest expenses upon our issuance of Studio City Notes in November 2012; (ii) US$34.0 million interest on capital lease obligation relating to MCP's building lease payments incurred during the year ended December 31, 2013; partially offset by (iii) lower interest charges of US$10.5 million upon our redemption of our 2010 Senior Notes by our issuance of the lower interest rate 2013 Senior Notes in March 2013 and US$19.5 million upon our repayment and redemption on the Deposit-Linked Loan and RMB Bonds; (iv) a lower interest charge of US$5.0 million as a result of the scheduled repayments of the term loan started from September 2013 and repayment of the drawn revolving credit facility both under 2011 Credit Facilities; and (v) higher interest capitalization of US$20.6 million, primarily associated with the Studio City construction and development projects.

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 loan commitment fees of US$25.6 million. Other finance costs for the year ended December 31, 2012 of US$14.6 million, included US$13.3 million of amortization of deferred financing costs and loan commitment fees of US$1.3 million. The increase in amortization of deferred financing costs compared to the year ended December 31, 2012 was primarily due to the recognition of amortized deferred financing costs incurred for the Studio City Notes issued in November 2012 and the 2013 Senior Notes issued in February 2013, 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 increase in loan commitment fees compared to the year ended December 31, 2012 was primarily associated with the Studio City Project Facility, which became effective from January 28, 2013.

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. There was no loss on extinguishment of debt for the year ended December 31, 2012. See "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness" for more information.

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. Cost associated with debt modification for the year ended December 31, 2012 were US$3.3 million, which were primarily attributable to a consent solicitation fee in relation to the 2010 Senior Notes in October 2012. See "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness" for more information.

Income tax (expense) credit

Income tax expense for the year ended December 31, 2013 was primarily attributable to a lump sum tax payable in lieu of Macau Complementary Tax otherwise due by Melco Crown Macau's shareholders for dividends distributable to them by Melco Crown Macau. The effective tax rate for the year ended December 31, 2013 was 0.4%, as compared to a negative rate of 0.7% for the year ended December 31, 2012. Such rates for the years ended December 31, 2013 and 2012 differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of change in valuation allowance and expenses for which no income tax benefit is receivable for the years ended December 31, 2013 and 2012 and the effect of a tax holiday of US$125.7 million and US$88.5 million on the net income of our Macau gaming operations during the years ended December 31, 2013 and 2012, respectively, which is set to expire in 2016. Our management does not expect to realize a

significant income tax benefit related to deferred tax assets generated by our Macau operations; however, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance through earnings.

Net loss attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests of US$59.5 million for the year ended December 31, 2013, which compared to that of US$18.5 million for the year ended December 31, 2012, was primarily due to the share of the Studio City expenses of US$48.0 million and MCP expenses of US$11.5 million, respectively, by the respective minority shareholders for the year ended December 31, 2013. The year-over-year increase was primarily attributable to the noncontrolling interests' share of Studio City's financing costs and City of Dreams Manila's pre-operating expenses during the year ended December 31, 2013.

Net income attributable to Melco Crown Entertainment

As a result of the foregoing, we had net income of US$637.5 million for the year ended December 31, 2013, compared to US$417.2 million for the year ended December 31, 2012.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Revenues

Our total net revenues for the year ended December 31, 2012 were US$4.08 billion, an increase of US$0.25 billion, or 6.5%, from US$3.83 billion for the year ended December 31, 2011. The increase in total net revenues was primarily driven by substantially improved mass market table games volumes and blended hold percentages, as well as increased volumes in the gaming machines operations, partially offset by lower group-wide rolling chip volumes.

Our total net revenues for the year ended December 31, 2012 comprised US$3.93 billion of casino revenues, representing 96.5% of our total net revenues, and US$143.3 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, 2011 comprised US$3.68 billion of casino revenues, representing 96.0% of our total net revenues, and US$151.4 million of net non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2012 were US$3.93 billion, representing a US$0.25 billion, or 6.9%, increase from casino revenues of US$3.68 billion for the year ended December 31, 2011, primarily due to an increase in casino revenues at City of Dreams of US$439.3 million, or 18.6%, which was partially offset by a decrease in casino revenues at Altira Macau of US$207.3 million, or 17.9%. This increase was primarily attributable to substantial growth in the mass market table games segment, particularly at City of Dreams, driven by improvements in both the mass market table games hold percentage together with increased mass market table games drop. Our mass market table games revenues continue to improve reflecting the success of a range of gaming floor efficiency initiatives, improved casino visitation and casino marketing initiatives, together with a strong overall market growth environment in the segment.

Altira Macau. Altira Macau's rolling chip volume for the year ended December 31, 2012 was US$44.0 billion, representing a decrease of US$7.2 billion, or 14.1%, from US$51.2 billion for the year ended December 31, 2011. Altira Macau's rolling chip volumes were impacted by a slow-down in the market-wide rolling chip segment and various group-wide table efficiency initiatives which, among other things, resulted in a reduction in the number of rolling chip gaming tables in operation at Altira Macau for the year ended December 31, 2012 when compared to 2011. The rolling chip win rate (calculated before discounts and commissions) was 2.89% for the year ended December 31, 2012, within our expected level of 2.7% to 3.0%, and decreased from 3.03% for the year ended December 31, 2011. In the mass market table games segment, mass market table games drop was US$601.4 million for the year ended December 31, 2012, representing an increase

of 3.4% from US$581.8 million for the year ended December 31, 2011. The mass market table games hold percentage was 16.7% for the year ended December 31, 2012 and represented a slight increase from 16.6% for the year ended December 31, 2011.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2012 of US$81.3 billion represented an increase of US$2.5 billion, or 3.2%, from US$78.8 billion for the year ended December 31, 2011. The rolling chip win rate (calculated before discounts and commissions) was 2.92% for the year ended December 31, 2012, which is within our expected range of 2.7% to 3.0%, and slightly improved from 2.89% for the year ended December 31, 2011. In the mass market table games segment, mass market table games drop was US$3.59 billion for the year ended December 31, 2012 which represented an increase of US$0.65 billion, or 22.0%, from US$2.94 billion for the year ended December 31, 2011. The increase in mass market table games drop was positively impacted by an increase in casino visitation and improvements in casino marketing initiatives, together with the overall market growth in the mass market table games segment. The mass market table games hold percentage was 29.1% in the year ended December 31, 2012 and demonstrated a significant increase from 24.4% for the year ended December 31, 2011. Average net win per gaming machine per day was US$313 for the year ended December 31, 2012, an increase of US$45, or 16.8%, from US$268 for the year ended December 31, 2011.

Mocha Clubs. Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2012 was US$186, a decrease of approximately US$31, or 14.3%, from US$217 for the year ended December 31, 2011. The average net win per gaming machine was impacted by the addition of over 500 gaming machines as a result of the opening of two new Mocha Clubs venues in late 2011 and early 2012. The number of gaming machines in operation at Mocha Clubs averaged approximately 2,100 for the year ended December 31, 2012, compared to approximately 1,700 for the year ended December 31, 2011.

Rooms. Room revenues for the year ended December 31, 2012 were US$118.1 million, representing a US$15.1 million, or 14.6%, increase from room revenues of US$103.0 million for the year ended December 31, 2011, 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$221, 98% and US$216, respectively, for the year ended December 31, 2012, as compared to US$196, 98% and US$191, respectively, for the year ended December 31, 2011. City of Dreams' average daily rate, occupancy rate and REVPAR were US$185, 93% and US$171, respectively, for the year ended December 31, 2012, as compared to US$172, 91% and US$156, respectively, for the year ended December 31, 2011.

Food, beverage and others. Other non-casino revenues for the year ended December 31, 2012 included food and beverage revenues of US$72.7 million, and entertainment, retail and other revenues of US$90.8 million. Other non-casino revenues for the year ended December 31, 2011 included food and beverage revenues of US$61.8 million, and entertainment, retail and other revenues of US$86.2 million. The increase of US$15.5 million in food, beverage and other revenues from the year ended December 31, 2011 to the year ended December 31, 2012 was primarily due to higher business volumes associated with an increase in visitation during the year and an improved yield of rental income at City of Dreams.

Operating costs and expenses

Total operating costs and expenses were US$3.57 billion for the year ended December 31, 2012, representing an increase of US$185.2 million, or 5.5%, from US$3.39 billion for the year ended December 31, 2011. The increase was primarily due to an increase in operating costs at City of Dreams, which was in line with the increased gaming volume and associated increase in revenues, as well as the increase in associated costs in connection with Studio City after our acquisition of a 60% interest in SCI, including amortization of land use rights and pre-opening costs.

Casino. Casino expenses increased by US$135.8 million, or 5.0%, to US$2.83 billion for the year ended December 31, 2012 from US$2.70 billion for the year ended December 31, 2011, primarily due to

additional gaming tax and other levies and commission expenses of US$78.6 million; as well as other operating costs, such as payroll and promotional expenses of US$57.2 million, which increased as a result of increased gaming volume and associated increase in revenues.

Rooms. Room expenses, which represent the costs in operating the hotel facilities at Altira Macau and City of Dreams, decreased by 19.5% to US$14.7 million for the year ended December 31, 2012 from US$18.2 million for the year ended December 31, 2011, primarily due to a higher level of complimentary hotel rooms offered to gaming customers for which the associated costs are included as casino expenses, partially offset by an increase in the operating costs as a result of increased occupancy.

Food, beverage and others. Food, beverage and others expenses were US$90.3 million and US$92.6 million for the years ended December 31, 2012 and 2011, respectively.

General and administrative . General and administrative expenses increased by US$6.8 million, or 3.1%, to US$227.0 million for the year ended December 31, 2012 from US$220.2 million for the year ended December 31, 2011, primarily due to an increase in payroll expenses, utilities costs and repair and maintenance costs to support continuing and expanding operations.

Pre-opening costs. Pre-opening costs were US$5.8 million for the year ended December 31, 2012 as compared to those of US$2.7 million for the year ended December 31, 2011. Such costs relate primarily to personnel training, marketing, advertising and other administrative costs in connection with new or start-up operations. Pre-opening costs for the year ended December 31, 2012 related to the administrative costs in connection with Studio City after MCE's acquisition of a 60% interest in SCI on July 27, 2011, the opening of The Tasting Room, Signature Club Lounge and Jade Dragon at City of Dreams, and the introduction of Taboo at Club Cubic during 2012, while the pre-opening costs for the year ended December 31, 2011 related primarily to the opening of Club Cubic at City of Dreams in April 2011.

Development costs. Development costs for the year ended December 31, 2012 primarily included US$5.7 million excess payment between purchase consideration and direct transaction costs and share of net assets acquired upon completion of the acquisition of MCP in December 2012 and a total of US$5.4 million of professional and consultancy fee for City of Dreams Manila; as well as corporate business development. Development costs for the year ended December 31, 2011 were associated with the acquisition of a 60% equity interest in Studio City.

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, 2012 and 2011.

Amortization of land use rights. Amortization of land use rights expenses increased by US$25.5 million, or 74.2%, to US$59.9 million for the year ended December 31, 2012 from US$34.4 million for the year ended December 31, 2011, primarily due to the additional amortization of land use rights expenses associated with amended Studio City land concession contract in July 2012.

Depreciation and amortization. Depreciation and amortization expenses increased by US$2.2 million, or 0.9%, to US$261.4 million for the year ended December 31, 2012 from US$259.2 million for the year ended December 31, 2011, mainly due to depreciation of assets progressively added to City of Dreams since the third quarter of 2011; as well as depreciation of a newly acquired aircraft since July 2012, offset in part by fully depreciated assets at City of Dreams during the year ended December 31, 2012.

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, 2012 were US$8.7 million, which primarily

included a write-off of US$4.4 million for the excess payments in relation to a service contract at City of Dreams and US$2.4 million costs incurred for implementing our streamlined management structure in February 2012.

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 fees, foreign exchange gain (loss), net, costs associated with debt modification, loss on extinguishment of debt, reclassification of accumulated losses of interest rate swap agreements from accumulated other comprehensive losses, change in fair value of interest swap agreements, listing expenses and other non-operating income, net.

Interest income was US$11.0 million for the year ended December 31, 2012, as compared to US$4.1 million for the year ended December 31, 2011. The significant increase was primarily driven by effective cash management and improvements in our operating cash flows as a result of the improvements in operating performance during 2012.

Interest expenses were US$109.6 million, net of capitalized interest of US$10.4 million for the year ended December 31, 2012, compared to US$113.8 million, net of capitalized interest of US$3.2 million for the year ended December 31, 2011. The decrease in net interest expenses (net of interest capitalization) of US$4.2 million resulted from higher interest capitalization of US$7.2 million associated with the Studio City construction and development projects which resumed after our acquisition of a 60% interest in SCI on July 27, 2011, together with a decrease in interest charges of US$9.7 million and US$5.2 million, associated with the expiration of interest rate swaps agreements throughout the year, as well as a lower interest rate margin and lower outstanding balance on our 2011 Credit Facilities as a result of a repayment made during the year ended December 31, 2011, respectively, which were offset in part by a higher interest expenses of US$8.8 million due to a full year of interest charges incurred on the RMB Bonds and the Deposit-Linked Loan issued in May 2011 and US$5.8 million interest expenses for the Studio City Notes issued in November 2012.

Other finance costs for the year ended December 31, 2012 of US$14.6 million, included US$13.3 million of amortization of deferred financing costs and loan commitment fees of US$1.3 million. Other finance costs for the year ended December 31, 2011 of US$15.6 million included US$14.2 million of amortization of deferred financing costs and loan commitment fees of US$1.4 million. The decrease in amortization of deferred financing costs was primarily due to lower deferred costs incurred with the amendment of our City of Dreams Project Facility on June 30, 2011 as the 2011 Credit Facilities, which were offset in part by the recognition of a full year of amortization of additional costs capitalized as deferred financing costs relating to the RMB Bonds issued in May 2011.

The amendment of the City of Dreams Project Facility completed on June 30, 2011 was primarily accounted for as an extinguishment of debt resulting in a loss on extinguishment of US$25.2 million for the year ended December 31, 2011. There was no loss on extinguishment of debt for the year ended December 31, 2012.

The reclassification of US$4.3 million related to the accumulated losses of interest rate swap agreements from accumulated other comprehensive losses to consolidated statement of operations for the year ended December 31, 2011 was required as such swap agreements no longer qualified for hedge accounting immediately after the amendment of the City of Dreams Project Facility on June 30, 2011. There was no such reclassification for the year ended December 31, 2012.

Costs associated with debt modification of US$3.3 million for the year ended December 31, 2012 were primarily attributable to a consent solicitation fee related to the 2010 Senior Notes in October 2012. There were no costs associated with debt modification for the year ended December 31, 2011. See “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness” for more information regarding the cash tender and consent solicitation in respect of the 2010 Senior Notes.

Listing expenses of US$9.0 million for the year ended December 31, 2011 related to the listing of our shares on the HKSE in December 2011. There was no listing expenses incurred for the year ended December 31, 2012.

Income tax credit (expense)

The effective tax rate for the year ended December 31, 2012 was a negative rate of 0.7%, as compared to a negative rate of 0.6% for the year ended December 31, 2011. Such rates for the years ended December 31, 2012 and 2011 differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of change in valuation allowance on the net deferred tax assets for the years ended December 31, 2012 and 2011, with the effect of a tax holiday of US$88.5 million and US$69.7 million on the net income of our Macau gaming operations during the year ended December 31, 2012 and 2011, respectively, due to our income tax exemption in Macau, which is set to expire in 2016. Our management does not anticipate recording an income tax benefit related to deferred tax assets generated by our Macau operations; however, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance through earnings.

Net loss attributable to noncontrolling interests

Our net loss attributable to noncontrolling interests of US$18.5 million for the year ended December 31, 2012, compared to US$5.8 million for the year ended December 31, 2011, was primarily due to the share of New Cotai Holdings, which owns a 40% interest in SCI, in expenses of the Studio City project, upon the completion of our acquisition of a 60% equity interest in SCI on July 27, 2011. The year-over-year increase was primarily attributable to interest expenses relating to the Studio City Notes incurred during the fourth quarter of 2012.

Net income attributable to Melco Crown Entertainment

As a result of the foregoing, we had net income of US$417.2 million for the year ended December 31, 2012, compared to that of US$294.7 million for the year ended December 31, 2011.

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, Corporate and Others expenses and other non-operating income and expenses, or adjusted property EBITDA were US$1,379.1 million, US$995.3 million and US$880.9 million for the years ended December 31, 2013, 2012 and 2011, respectively. Adjusted property EBITDA of Altira Macau, City of Dreams and Mocha Clubs were US$147.3 million, US$1,193.2 million and US$40.2 million, respectively, for the year ended December 31, 2013, US$154.7 million, US$805.7 million and US$36.1 million, respectively, for the year ended December 31, 2012 and US$246.3 million, US$594.4 million and US$40.5 million, respectively, for the year ended December 31, 2011.

Our earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation and other non-operating income and expenses, or adjusted EBITDA, were US$1,287.8 million, US$920.2 million and US$809.4 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Our management uses adjusted property EBITDA to measure the operating performance of our Altira Macau, City of Dreams 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,		
	2013	2012	2011
	(in thousands of US$)		
Adjusted property EBITDA	$1,379,111	$ 995,335	$ 880,915
Corporate and Others expenses	(91,299)	(75,135)	(71,494)
Adjusted EBITDA	1,287,812	920,200	809,421
Pre-opening costs	(17,014)	(5,785)	(2,690)
Development costs	(26,297)	(11,099)	(1,110)
Depreciation and amortization	(382,806)	(378,597)	(350,862)
Share-based compensation	(14,987)	(8,973)	(8,624)
Property charges and others	(6,884)	(8,654)	(1,025)
Interest and other non-operating expenses, net	(259,370)	(111,363)	(157,902)
Income tax (expense) credit	(2,441)	2,943	1,636
Net income	578,013	398,672	288,844
Net loss attributable to noncontrolling interests	59,450	18,531	5,812
Net income attributable to Melco Crown Entertainment	$ 637,463	$ 417,203	$ 294,656

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 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 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 assets are periodically reviewed, including when changes in our business and the operating environment could result in a change in our use of those assets.

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 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 maximum useful life of assets at Altira Macau, City of Dreams and Studio City is therefore deemed to be the remaining life of the land concession contract. The amortization of land use rights is recognized from the date construction commences.

We will evaluate whether the term of the land concession contract is to be extended when it is probable that definitive registration will be obtained prior to the end of the land grant term.

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, 2013, 2012 and 2011 were US$912.4 million, US$284.0 million, and US$785.6 million, respectively, of which US$800.7 million, US$116.2 million and US$713.3 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 acquisition and development of Studio City during the years ended December 31, 2013, 2012 and 2011 and to the development and construction of City of Dreams Manila during the year ended December 31, 2013. During the year ended December 31, 2012, we acquired an aircraft for use primarily by rolling chip players to enhance our competitive positioning in the higher-end rolling chip market. Refer to notes 24 and 25 to the consolidated financial statements included elsewhere in this annual report for further details of these capital expenditures. For a preliminary cost estimate of our future development and construction costs in connection with Studio City, see "Item 4. Information on the Company — B. Business Overview — Our Development Projects."

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, 2013, 2012 and 2011.

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 our reporting units through internal analysis and external valuations, which utilize income and market valuation approaches through the application of capitalized earnings, discounted cash flow and market comparable 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, 2013 and 2012 and each computed fair value of our reporting unit was significantly 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, 2013 and 2012.

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, 2013 and 2012. 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.

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 restricted shares and share options. Because of our limited trading history in the United States as a public company, we estimate the expected volatility based on the historical volatility of a peer group of publicly traded companies, 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 restricted shares and share options we granted. For 2013 awards, a 10% change in the volatility assumption would have resulted in a US$1.2 million change in fair value and a 10% change in the expected term assumption would have resulted in a US$0.6 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.

We follow the accounting standards on reporting revenue gross as a principal versus net as an agent, when accounting for the operations of the Taipa Square Casino and the Grand Hyatt Macau hotel. 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, we are the principal and casino revenues are therefore recognized on a gross basis. For the operations of Grand Hyatt Macau hotel, we are the owner of the hotel property and Hyatt operates the hotel under a management agreement as hotel manager, providing management services to us, and we receive all rewards and take substantial risks associated with the hotel business. As such, we are the principal and the transactions of the hotel 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. 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, 2013, 2012 and 2011, approximately 49.8%, 53.4% and 61.0% of our casino revenues were derived from customers sourced through our rolling chip gaming promoters, respectively.

As of December 31, 2013 and 2012, 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, 2013, 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$4.2 million.

Refer to note 3 to the consolidated financial statements included elsewhere in this annual report for analysis of accounts receivable by age presented based on payment due date, net of allowance.

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, 2013 and 2012, we recorded valuation allowances of US$88.6 million and US$66.1 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. We account for derivative financial instruments in accordance with applicable accounting standards. 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 annual report for discussion of recent 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, 2013, we held unrestricted cash and cash equivalents, bank deposits with original maturity over three months and restricted cash of approximately US$1,381.8 million, US$626.9 million and US$1,143.7 million, respectively, and HK$3.12 billion (approximately US$401.1 million) of the 2011 Credit Facilities remained available for future drawdown.

In addition, under our Studio City Project Facility, 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 million) revolving credit facility. The entire Studio City Project Facility remains available for future drawdown, subject to satisfaction of certain conditions precedent.

On December 19, 2013, MCE Leisure Philippines priced its PHP15 billion (equivalent to approximately US$340.0 million at date of pricing) aggregate principal amount of Philippine Notes, at par, with an interest rate of 5.00% per annum and a maturity date of January 24, 2019. The issuance of the Philippine Notes was completed on January 24, 2014. We intend to use the net proceeds from the issuance of Philippine Notes for the development of City of Dreams Manila.

Since January 2013, one of our Taiwan branch office's deposit accounts has been presented as restricted cash because the funds in the account have been frozen pursuant to an investigation of certain of our Taiwan branch employees by the Taiwanese authorities. We are taking action to request the Taiwanese authorities to unfreeze the account. See "Item 8. Financial Information — A. Consolidated and Other Financial Information — Legal and Administrative Proceedings" for more information.

MCP's restricted cash represented cash in escrow account as required in the Provisional License issued by PAGCOR for the development of City of Dreams Manila. Under the Provisional 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 will be closed at completion of City of Dreams Manila.

The Studio City cash and cash equivalents is comprised of net proceeds from offering of the Studio City Notes and the unspent cash from the capital injection for the Studio City project from our Company and SCI minority shareholder in accordance with our shareholder agreement, both of which were 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 2011 Credit Facilities and Studio City Project 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,		
	2013	2012	2011
	(in thousands of US$)		
Net cash provided by operating activities	$ 1,151,934	$ 950,233	$ 744,660
Net cash used in investing activities	(1,209,270)	(1,335,718)	(585,388)
Net cash (used in) provided by financing activities	(264,967)	934,735	557,910
Effect of foreign exchange on cash and cash equivalents	(5,149)	1,935	(1,081)
Net (decrease) increase in cash and cash equivalents	(327,452)	551,185	716,101
Cash and cash equivalents at beginning of year	1,709,209	1,158,024	441,923
Cash and cash equivalents at end of year	$ 1,381,757	$ 1,709,209	$1,158,024

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$1,151.9 million for the year ended December 31, 2013, compared to US$950.2 million for the year ended December 31, 2012. The increase in net cash provided by operating activities was mainly attributable to strong growth in underlying operating performance as described in the foregoing section. Net cash provided by operating activities was US$950.2 million for the year ended December 31, 2012, compared to US$744.7 million for the year ended December 31, 2011. The increase in net cash provided in operating activities was mainly attributable to increased gaming volume and associated increase in revenues.

Investing Activities

Net cash used in investing activities was US$1,209.3 million for the year ended December 31, 2013, compared to net cash used in investing activities of US$1,335.7 million for the year ended December 31, 2012, primarily due to an increase in bank deposits with original maturity over three months of US$626.9 million, capital expenditure payment of US$575.2 million, advance payments for construction costs of US$161.6 million, the land use rights payment of US$64.3 million, payment for contract acquisition costs and security deposit of US$32.0 million and deposits for acquisition of property and equipment of US$17.2 million, which were offset in part by the decrease in restricted cash of US$268.4 million.

The net decrease of US$268.4 million in the amount of restricted cash for the year ended December 31, 2013 was primarily due to (i) the release of deposit of proceeds from the issuance of the RMB Bonds of US$368.2 million pledged for the Deposit-Linked Loan upon our early redemption in March 2013; (ii) a decrease

in Studio City restricted cash of US$53.1 million primarily due to withdrawal and payment of Studio City project costs of US$682.0 million and payment of Studio City Notes interest of US$71.1 million, partially offset by the capital injection for the Studio City project from our Company and our SCI minority shareholder of US$700.0 million; (iii) the US$50.0 million deposited to an escrow account as required by PAGCOR in March 2013; and (iv) the restricted Taiwan branch office's deposit account of US$102.9 million.

Our total capital expenditure payments for the year ended December 31, 2013 were US$575.2 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. We also paid US$44.7 million and US$17.1 million for the scheduled installment of Studio City's and City of Dreams' land premium payments, respectively, and US$2.5 million for the land use right payment for Altira Macau, during the year ended December 31, 2013.

As of December 31, 2013, we have placed bank deposits of US$626.9 million with their original maturity over three months for a better yield.

Net cash used in investing activities was US$1,335.7 million for the year ended December 31, 2012, compared to US$585.4 million for the year ended December 31, 2011, primarily due to an increase in restricted cash of US$1,047.0 million, capital expenditure payment of US$220.5 million and the land use rights payments of US$53.8 million.

For the year ended December 31, 2012, there was a net increase of US$1,047.0 million in the amount of restricted cash, primarily due to the deposit of net proceeds from the issuance of Studio City Notes of US$812.0 million and unspent cash from the capital injection for the Studio City project from our Company and our SCI minority shareholder, of US$235.0 million, both of which are restricted for Studio City's construction cost payment only in accordance with Studio City Notes and Studio City Project Facility terms. We also paid US$2.8 million for the acquisition of a majority interest in the issued share capital of MCP (net of cash and cash equivalents acquired of US$27.9 million) and US$2.5 million for the transaction costs for acquisition of Studio City in July 2011 during the year ended December 31, 2012.

Our total capital expenditure payments for the year ended December 31, 2012 were US$220.5 million. Such expenditures were mainly associated with enhancements to our integrated resort offerings and for the development of Studio City as well as an aircraft acquired for primarily by rolling chip players to enhance our competitive positioning in the higher-end rolling chip market. We also paid US$35.4 million and US$16.0 million for the scheduled installment of Studio City's and City of Dreams' land premium payment, respectively, during the year ended December 31, 2012.

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

The following table sets forth our capital expenditures incurred by segment on an accrual basis for the years ended December 31, 2013, 2012 and 2011.

	Year Ended December 31,		
	2013	2012	2011
	(in thousands of US$)		
Macau:			
Mocha Clubs	$ 6,515	$ 5,951	$ 23,558
Altira Macau	5,464	7,105	6,662
City of Dreams	97,654	99,416	39,774
Studio City	440,826	115,385	713,253
Sub-total	550,459	227,857	783,247
The Philippines:			
City of Dreams Manila	359,854	817	—
Corporate and Others	2,042	55,324	2,387
Total capital expenditures	$912,355	$283,998	$785,634

Our capital expenditures for the year ended December 31, 2013 increased significantly from that of the year ended December 31, 2012 primarily due to the development of Studio City and City of Dreams Manila. Our capital expenditures for the year ended December 31, 2012 decreased sharply from that of the year ended December 31, 2011 primarily due to the acquisition of Studio City completed during the year ended December 31, 2011, partially offset with the acquisition of the aircraft and development of City of Dreams and Studio City during the year ended December 31, 2012.

Advance payments for construction costs of US$161.6 million were incurred primarily for the development of Studio City for the year ended December 31, 2013. There was no such payment made for the year ended December 31, 2012.

Our payment for contract acquisition costs and security deposit for the year ended December 31, 2013 were US$27.7 million and US$4.3 million, respectively, both of which were paid to Belle Corporation, one of the Philippine Parties, in relation to the closing arrangement agreement as well as the lease agreement of City of Dreams Manila. There was no such payment made for the year ended December 31, 2012.

Financing Activities

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 RMB Bonds and Deposit-Linked Loan of US$721.5 million; (iii) the repayment of the drawn revolving credit facility under 2011 Credit Facilities of US$212.5 million; (iv) the scheduled repayments of the term loan under 2011 Credit Facilities of US$128.4 million; (v) prepaid debt issuance costs of US$56.5 million associated with Studio City Project Facility; (vi) the payment of debt issuance costs associated with 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 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 SCI minority shareholder, in accordance with our shareholder agreement.

Net cash provided by financing activities amounted to US$934.7 million for the year ended December 31, 2012, primarily from the proceeds of the issuance of Studio City Notes totaling US$825.0 million in November 2012, the proceeds from the drawdown of Aircraft Term Loan totaling US$43.0 million in June 2012, capital injection of US$140.0 million from SCI minority shareholder in accordance with our shareholder

agreement and proceeds from the exercise of share options totaling US$3.6 million. These were offset in part by the payment of debt issuance costs of US$30.3 million, primarily associated with Studio City Notes and consent solicitation fee for the 2010 Senior Notes, the settlement of the scheduled Studio City acquisition cost installment of US$25.0 million and prepaid debt issuance costs of US$18.8 million associated with Studio City Project Facility as well as repayment of the Aircraft Term Loan of US$2.8 million.

Net cash provided by financing activities amounted to US$557.9 million for the year ended December 31, 2011, primarily from the proceeds of the issuance of the RMB Bonds and drawdown of the Deposit-Linked Loan totaling US$706.6 million in May 2011 and proceeds from the exercise of share options totaling US$4.6 million, offset in part by the repayment of the City of Dreams Project Facility of US$117.1 million and payment of debt issuance costs primarily associated with the RMB Bonds, the Deposit-Linked Loan and the 2011 Credit Facilities of US$36.1 million.

Indebtedness

The following table presents a summary of our indebtedness as of December 31, 2013:

	As of December 31,2013 (in thousands of US$)
2013 Senior Notes	$ 1,000,000
Studio City Notes	825,000
2011 Credit Facilities	673,883
Aircraft Term Loan	34,577
	$ 2,533,460

Major changes in our indebtedness during the year ended and subsequent to December 31, 2013 are summarized below.

In January 2013, we commenced a cash tender offer of the 2010 Senior Notes and repurchased approximately US$599.1 million aggregate principal amount of the 2010 Senior Notes. On March 28, 2013, we redeemed all of the remaining 2010 Senior Notes, following which, the 2010 Senior Notes were cancelled in late March 2013. No 2010 Senior Notes are currently outstanding. A portion of the proceeds from the 2013 Senior Notes offering was used for the cash tender offer and redemption of the 2010 Senior Notes. Prior to such cash tender offer and full redemption, we had completed a consent solicitation process in connection with the 2010 Senior Notes in October 2012 and paid approximately US$15.0 million to the holders who had validly delivered the relevant consent.

On January 28, 2013, we entered into an agreement for the Studio City Project Facility, a senior secured project facility for a total sum of 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 million) revolving credit facility. Borrowings under the Studio City Project Facility bear interest at HIBOR plus a margin of 4.50% per annum until the last day of the second full fiscal quarter after the opening date of the Studio City project. After that, interest will accrue at HIBOR plus a margin ranging from 3.75% to 4.50% per annum, depending on the total leverage ratio of Studio City Investments Limited, Studio City Company Limited and its subsidiaries.

On February 7, 2013, we issued US$1.0 billion aggregate principal amount of 2013 Senior Notes with an interest rate of 5.00% per annum and the maturity date of February 15, 2021. 2013 Senior Notes were priced at par and listed on the Official List of the Singapore Exchange Securities Trading Limited. The net proceeds were partly used to repurchase the 2010 Senior Notes in full.

In March 2013, we repaid in full the Deposit-Linked Loan with accrued interest and redeemed, in full, the RMB Bonds following which, the RMB Bonds were cancelled. No RMB Bonds are currently outstanding. The redemption was partly funded by the proceeds from the offering of 2013 Senior Notes.

In late March 2013, we repaid the drawn revolving credit facility under the 2011 Credit Facilities of HK$1.7 billion (equivalent to approximately US$212.5 million) in full.

On December 19, 2013, MCE Leisure Philippines priced its PHP15 billion (equivalent to approximately US$340.0 million at date of pricing) aggregate principal amount of Philippine Notes, at par, with an interest rate of 5.00% per annum and a maturity date of January 24, 2019. The issuance of the Philippine Notes was completed on January 24, 2014. We intend to use the net proceeds from the issuance of Philippine Notes for the development of City of Dreams Manila.

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) (and, in the case of the decline of the shareholding of Melco Crown Macau under the 2011 Credit Facilities, which is accompanied by a ratings decline) 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) 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, please refer to note 12 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. Please also refer to “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 Macau and Philippines properties, in particular, Studio City, City of Dreams Manila and the fifth hotel tower at City of Dreams.

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.

We currently estimate the construction cost for Studio City will be approximately US$2.0 billion. However, this cost estimate may be revised depending on a number of variables, including receipt of all necessary governmental approvals, the final design and development plan, funding costs, the availability of financing on terms acceptable to us, and prevailing market conditions. As of December 31, 2013, we had incurred capital expenditure of approximately US$580.1 million for the development of Studio City since our acquisition of a 60% equity interest in SCI.

For the purpose of financing the Studio City project, we successfully offered the US$825.0 million Studio City Notes and obtained the HK$10.9 billion Studio City Project Facility, in November 2012 and January 2013, respectively. As of the date of this annual report, MCE and SCI minority shareholder have contributed US$1,050.0 million to the Studio City project in accordance with the shareholder agreement, including a completion guarantee support cash of US$225.0 million as required under the Studio City Project Facility.

The total budget for the City of Dreams Manila project up to the time of opening is estimated to be approximately US$680.0 million, consisting of funds primarily for capital expenditures, working capital for initial opening and other pre-opening expenses. However, this estimate may be revised depending on a range of variables, including the final design and development plans, funding costs, the availability of financing on terms acceptable to us, and prevailing market conditions.

MCP completed a top-up placement on the Philippine Stock Exchange raising approximately US$338.5 million in net proceeds, including the over-allotment option, in April 2013 and the issuance of the Philippine Notes in January 2014.

The Company is also moving forward with the development of the fifth hotel tower at City of Dreams and the development was commenced in 2013, targeting to open in early 2017.

The development of City of Dreams Manila, the fifth hotel tower at City of Dreams and next phase of Studio City may be subject to further financing and a number of other factors, many of which are beyond our control. Our investment plans are preliminary and subject to change based upon the execution of our business plan, the progress of our capital projections, market conditions and outlook on future business.

As of December 31, 2013, we had capital commitments contracted for, but not provided, totaling US$1,231.7 million mainly for the construction and acquisition of property and equipment for City of Dreams, Studio City and City of Dreams Manila. In addition, we have contingent liabilities arising in the ordinary course of business. For further details for our commitments and contingencies, please refer to note 22 to the consolidated financial statements included elsewhere in this annual report.

As of December 31, 2013 and December 31, 2012, our gearing ratios (total indebtedness divided by total assets) were 28.7% and 40.2%, respectively. Our gearing ratio decreased as of December 31, 2013, primarily as a result of the improvement of our business and the decreased indebtedness from the redemption of the 2010 Senior Notes and RMB Bonds and repayment of the Deposit-Linked Loan, repayment of the drawn revolving credit facility and scheduled repayment of the term loan both under 2011 Credit Facilities, offset by issuance of 2013 Senior Notes.

In January 2013, the Taiwanese authorities commenced investigating certain alleged violations of Taiwan banking laws by certain employees of our Taiwan branch office and froze one of the office's deposit accounts in Taiwan. The 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 and was treated as restricted cash. We are

taking action to request the Taiwanese authorities to unfreeze the account. As of December 31, 2013, the investigations had no material impact on our financial position and results of operations. Investigation is on-going and no definitive information is available. Management is currently unable to determine the probability of the outcome of this matter, the extent of materiality, or the range of reasonably possible losses.

Melco Crown Macau has a rating of "BB" by Standard & Poor's and MCE Finance has a rating of "Ba3" by Moody's Investors Service. 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 — Dividend Distribution." See also "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information — Dividend Policy" and note 20 to the consolidated financial statements included elsewhere in this annual report.

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

We have entered into license or hotel management agreements with the following entities or groups 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;
- 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 and for the operations of a hotel at City of Dreams Manila;
- Hard Rock Holdings Limited in relation to the use of the Hard Rock brand in Macau at the 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; and
- Hyatt International Corporation and MCE Leisure Philippines, under which various trademarks owned by Hyatt will be licensed to MCE Leisure Philippines for its operation of a hotel at City of Dreams Manila.

We also have entered into a trademark license agreement with MCP pursuant to which we granted an exclusive right to use certain of our trademarks such as "City of Dreams Manila" and "Melco Crown Philippines" to MCP, which in turn sub-licensed the same to MCE Leisure Philippines.

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, please see "Item 4. Information on the Company — B. Business Overview — Intellectual Property".

D. TREND INFORMATION

Other than as disclosed in "Item 4. Information on the Company — B. Business Overview," "Item 5. Operating and Financial Review and Prospects" and elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

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, 2013.

	Payments Due by Period				
	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	(in millions of US$)				
Long-term debt obligations(1)***:***					
2011 Credit Facilities	$ 256.7	$ 417.2	$ —	$ —	$ 673.9
2013 Senior Notes	—	—	—	1,000.0	1,000.0
Studio City Notes	—	—	—	825.0	825.0
Aircraft Term Loan	5.9	12.2	13.0	3.5	34.6
Fixed interest payments	120.1	240.3	240.3	240.6	841.3
Variable interest payments(2)	12.3	9.0	0.7	—	22.0
Capital lease obligations(3)	29.6	67.0	79.7	812.0	988.3
Operating lease obligations:					
Operating leases, including City of Dreams Manila and Mocha Clubs locations	16.1	22.1	17.4	77.1	132.7
Construction retention payables	0.3	20.7	—	—	21.0
Other contractual commitments:					
Government annual land use fees(4)	1.9	3.7	4.0	29.1	38.7
Fixed interest on land premium(4)	3.4	1.1	—	—	4.5
Construction, plant and equipment acquisition commitments	998.0	233.7	—	—	1,231.7
Gaming subconcession premium(5)	22.2	44.5	44.5	77.4	188.6
Total contractual obligations	$1,466.5	$1,071.5	$399.6	$3,064.7	$6,002.3

(1) See note 12 to the consolidated financial statements included elsewhere in this annual report for further details on these debt facilities.

(2) Amounts for all periods represent our estimated future interest payments on our debt facilities based upon amounts outstanding and one-month HIBOR and three-month LIBOR as at December 31, 2013 plus the applicable interest rate spread in accordance with the respective debt agreements. Actual rates will vary.

(3) See note 13 to the consolidated financial statements included elsewhere in this annual report for further details on capital lease obligations.

(4) The City of Dreams and Altira Macau 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 up to ten years each, until December 19, 2049. The land concession for the Studio City site, in which we hold a 60% equity interest, located on a land parcel in which we have received a land concession from the Macau government for a 25-year term from October 17, 2001, is renewable for further consecutive periods of ten years each until December 19, 2049. Renewal of the land concessions are subject to obtaining approval from the Macau government. See "Item 4. Information on the Company – B. Business Overview – Our Properties" for further details of the land concession obligations.

(5) 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, 2013 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.

Name	Age	Position/Title
Lawrence Yau Lung Ho	37	Co-chairman, chief executive officer and executive director
James Douglas Packer	46	Co-chairman and non-executive director
John Peter Ben Wang	53	Non-executive director
Clarence Yuk Man Chung	51	Non-executive director
William Todd Nisbet	46	Non-executive director
Rowen Bruce Craigie	58	Non-executive director
James Andrew Charles MacKenzie	60	Independent non-executive director
Thomas Jefferson Wu	41	Independent non-executive director
Alec Yiu Wa Tsui	64	Independent non-executive director
Robert Wason Mactier	49	Independent non-executive director
Geoffrey Stuart Davis	45	Executive vice president and chief financial officer
Stephanie Cheung	51	Executive vice president and chief legal officer
Akiko Takahashi	60	Executive vice president and chief human resources/corporate social responsibility officer
Ying Tat Chan	42	Chief operating officer
Kelvin Hai Ching Tan	47	Executive vice president, international marketing
Ching Hui Hsu	40	General manager of Altira Macau
Jaya Jesudason	72	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, Member of the Executive Committee, 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; Board of Governors of The Canadian Chamber of Commerce in Hong Kong; Honorary Lifetime Director of The Chinese General Chamber of Commerce, 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 the Macao Chamber of Commerce. In recognition of Mr. Ho's excellent directorship and entrepreneurial spirit, *Institutional Investor* honored him as the "Best CEO" in 2005. He was also granted the "5th China Enterprise Award for Creative Businessmen" by the China Marketing Association and *China Enterprise News*, "Leader of Tomorrow" by *Hong Kong Tatler* and the "Directors of the Year Award" by the Hong Kong Institute of Directors in 2005. As a socially responsible young entrepreneur in Hong Kong, Mr. Ho was elected as one of the "Ten Outstanding Young Persons Selection 2006," organized by the Junior Chamber International Hong Kong. In 2007, he was elected as a finalist in the "Best Chairman" category in the "Stevie International Business Awards" and one of the "100 Most Influential People across Asia Pacific" by *Asiamoney* magazine. In 2008, he was granted the "China Charity Award" by the Ministry of Civil Affairs of the People's Republic of China. 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. Mr. Ho was selected by *FinanceAsia* as one of the "Best CEOs in Hong Kong" for four consecutive years, from 2009 to 2012. He was also awarded "Asia's Best CEO" at the Asian Excellence Awards by *Corporate Governance Asia* magazine for the second time in 2013, and was honored as one of the recipients of the Asian Corporate Director Recognition Awards in 2012 and 2013. 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 chairman of Crown, an operator of casinos and integrated resorts, having been appointed on its formation in 2007, and a member of the Crown Investment Committee since February 2008. Mr. Packer is also the chairman of Consolidated Press Holdings 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 and Consolidated Media Holdings Limited from December 2007 to November 2012.

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 Stock Exchange, and before that, he was the chairman of Summit Ascent from March 2011 to July 2013. He is also a non-executive director of Anxin-China Holdings Limited, a company

listed on the HKSE. He previously held non-executive directorships in MelcoLot Limited, Oriental Ginza Holdings Limited and China Precious Metal Resources Holdings Co., Ltd., 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. Mr. Chung 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 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 project development and new business opportunities for Crown. From August 2000 through July 2007, Mr. Nisbet held the position of executive vice president — project director 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 was responsible for all project development and construction operations undertaken by Wynn. 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. Rowen Bruce Craigie was appointed as our non-executive director on March 8, 2005. Mr. Craigie has also been appointed as a director of our subsidiaries in various different jurisdictions. Mr. Craigie is the chief executive officer and managing director of Crown, an operator of casinos and integrated resorts, having been appointed on its formation in 2007. Mr. Craigie is also a director of Crown Melbourne Limited, a casino and integrated resort operator, having been appointed in January 2001, and Burswood Limited, a casino and integrated resort operator, having been appointed in September 2004. Mr. Craigie previously served as the chief executive officer of PBL Gaming from 2006 to 2007 and as the chief executive officer of Crown Melbourne Limited from 2002 to 2007. Mr. Craigie was a director of Consolidated Media Holdings Limited from January 2002 to April 2009. Mr. Craigie joined Crown Melbourne Limited in 1993, was appointed as the executive general manager of its Gaming Machines department in 1996, and was promoted to chief operating officer in 2000. Prior to joining Crown Melbourne Limited, Mr. Craigie was the group general manager for gaming at the TAB in Victoria from 1990 to 1993, and held senior economic policy positions in Treasury and the Department of Industry in Victoria from 1984 to 1990. He obtained a bachelor of economics (honors) degree from Monash University, Melbourne, Australia in 1976.

Mr. James Andrew Charles MacKenzie was appointed as an independent non-executive director on April 24, 2008 and an independent non-executive director of MCP, a company listed on the Philippine Stock Exchange, since December 19, 2012. He is the chairman of our audit committee. He has extensive experience as a company director and 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 and prior to 2005 he held senior executive positions with ANZ Banking Group, Standard Chartered Bank and Norwich Union plc. A chartered accountant by profession since 1977, Mr. MacKenzie was, prior to 2005, 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. 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.

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 10th 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 and a member of its Steering Committee on the Promotion of Electric Vehicles, as well as a member of the Board of Directors of the Community Chest of Hong Kong, the Hong Kong Sports Institute and the Asian Youth Orchestra Limited. He is also a member of the Council of the Hong Kong Baptist University and a member of Business School Advisory Council of Hong Kong University of Science and Technology. Previously, he was a council member of The Hong Kong Polytechnic 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 the Hong Kong Amateur Ice Hockey Club and the Hong Kong Academy of Ice Hockey. He is also the honorary president of the Hong Kong Ice Hockey Association — the national sports association of ice hockey in Hong Kong, the vice-president of the Chinese Ice Hockey Association, honorary president of the Macau Ice Sports Federation and honorary chairman of the 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* magazine 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 Greentown China Holdings Limited from June 2006 to June 2010, China Huiyuan Juice Group Limited from September 2006 to July 2010, China BlueChemical Limited from April 2006 to June 2012 and China Chengtong Development Group Limited from March 2003 to November 2013, 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. Mr. Tsui 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, China Oilfield Services Limited since 2009, Summit Ascent Holdings Limited since March 2011 and MCP since December 2012. 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 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 bachelors 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. Kelvin Hai Ching Tan is our executive vice president, international marketing. Mr. Tan joined our Company in January 2009 and responsible for our Company's international marketing business, which includes overseeing the VIP Services operations, managing an international marketing network, and managing junkets operating at both City of Dreams and Altira Macau. Mr. Tan spent the earlier years of his gaming career in the Philippines and worked for companies including Genting International Resorts Inc. and Waterfront Properties Inc. Before arriving in Macau, he founded and ran a consultancy offering strategic planning, feasibility studies, valuations and junket development programs for casinos across Asia. Prior to joining our Company, Mr. Tan was the vice president of Business Development for Venetian Macau Ltd. Mr. Tan holds a bachelor's degree in science and business administration and a master of business administration degree from Indiana University of Pennsylvania in the United States. He is also a graduate of the executive development program of the University of Nevada, Reno.

Ms. Ching Hui Hsu is our general manager of Altira Macau, and she was appointed to her current role in December 2013. Ms. Hsu has worked for Mocha Clubs since September 2003. She was Mocha Club's former

financial controller from September 2003 to September 2006, its chief operating officer from December 2006 to November 2008 and its president from December 2008 to December 2013, overseeing finance, treasury, audit, legal compliance, procurement and administration and human resources functions. Ms. Hsu obtained her bachelor of arts degree in business administration with major in accounting in 1997 from Seattle University and a master's degree in business administration (with concentration on financial services) from The Hong Kong University of Science and Technology in 2002 and a doctorate degree in economics from Beijing Normal University in 2013. Ms. Hsu was qualified as a Certified Public Accountant in the state of Washington, United States in 1998, a member of the American Institute of Certified Public Accountants in 1999, and an associate member of the Hong Kong Institute of Certified Public Accountants in 2001.

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 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$32.9 million for the year ended December 31, 2013. Details of the emoluments paid or payable to the directors during the year ended December 31, 2013 were as follows:

	Directors' Fees	Salaries and Other Benefits	Performance Bonuses (1)	Retirement Benefit Scheme Contributions	Share-based Compensation	Total
			(In thousands of US$)			
Co-chairman, executive director						
Lawrence Yau Lung Ho (2)	$ —	$ 2,216	$ 9,000	$ 2	$ 3,674	$ 14,892
Co-chairman, non-executive director						
James Douglas Packer	—	—	—	—	502	502
Non-executive directors						
John Peter Ben Wang	—	—	—	—	112	112
Clarence Yuk Man Chung	—	200	—	—	507	707
William Todd Nisbet	—	100	—	—	277	377
Rowen Bruce Craigie	—	—	—	—	26	26
Independent non-executive directors						
James Andrew Charles MacKenzie	125	184	—	—	175	484
Thomas Jefferson Wu	113	—	—	—	112	225
Alec Yiu Wa Tsui	112	189	—	—	175	476
Robert Wason Mactier	85	—	—	—	112	197
	$ 435	$ 2,889	$ 9,000	$ 2	$ 5,672	$17,998

Notes

(1) Performance bonuses are determined with reference to the individuals' performance and the organizational and financial performance of the Company.

(2) Mr. Lawrence Yau Lung Ho is also the chief executive officer of our Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

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

In 2013, we issued options to acquire 823,515 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$8.42 per share, or US$25.26 per ADS, and 527,799 restricted shares with grant date fair value at US$8.2733 per share, or US$24.82 per ADS. The options expire ten years after the date of grant. In 2013, no options or restricted shares held by the directors and senior executive officers were forfeited. No further awards will be granted under our share incentive plan adopted on December 1, 2009 by our Company, or the 2006 Share Incentive Plan and all subsequent awards will be issued under the 2011 Share Incentive Plan. See "— E. Share Ownership" for descriptions of the 2006 Share Incentive Plan and the 2011 Share Incentive Plan.

Pension, Retirement or Similar Benefits

For the year ended December 31, 2013, 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.

Our board adopted Hong Kong corporate governance guidelines, which took effect upon the listing of our Company in Hong Kong, to satisfy the requirements of the HKSE, with the intention of strengthening our corporate governance practice. Such guidelines are periodically reviewed and amended to ensure that they are responsive to developing legal requirements.

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board of directors. 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 in December 2013 and the latest version of the compensation committee charter adopted in July 2013 to satisfy the requirements of the HKSE. 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;
- 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; and
- the integrity and effectiveness of our internal audit function and 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 half-year and annual reports;
- approving all material related party transactions brought to its attention, without further approval of our board except for those which are non-exempt connected transactions under the listing rules of the HKSE;
- 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 and approving any 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;
- 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
- cooperating 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 that at least three of the board members are independent non-executive directors as required under the listing rules of the HKSE, 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, Nasdaq and the HKSE;
- the development and recommendation to our board of a set of corporate governance principles applicable to our Company; and
- the disclosure, in accordance with our relevant policies, of any material information (other than that regarding the quality or integrity of our financial statements), 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, the listing rules of the HKSE, 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, pursuant to the listing rules of the HKSE;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors, pursuant to the listing rules of the HKSE;
- 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.

Interested Transactions

A director may vote in respect of any contract or transaction in which he or she is interested, provided that the nature of the interest of any directors in such contract or transaction is disclosed by him or her at or prior to its consideration and any vote in that matter.

Remuneration and Borrowing

The directors may recommend remuneration to be paid to the directors. The compensation committee assists the directors in reviewing and approving the compensation structure for the directors. The directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whether outright or as security for any debt obligations of our Company or of any third party.

Qualification

There is no shareholding qualification for directors.

Benefits Upon Termination

Our directors are not currently entitled to benefits when they cease to be directors.

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.

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 Asia or Australasia or any other country or region in which our Company operates.

D. EMPLOYEES

Employees

We had 11,958 and 11,769 employees as of December 31, 2013 and 2012, 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, 2013 and 2012. 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,			
	2013		2012	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs	618	5.2%	835	7.1%
Altira Macau	2,264	18.9%	2,338	19.9%
City of Dreams	8,292	69.3%	8,062	68.5%
Corporate and centralized services (1)	784	6.6%	534	4.5%
Total	11,958	100.0%	11,769	100.0%

Note:

(1) Includes staff for Studio City and City of Dreams Manila.

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, scholarship awards, as well as fast track promotion training initiatives jointly coordinated with the School of Continuing Study of Macau University of Science & Technology and Macao Technology Committee.

We provide defined contribution plans for our employees and executive officers in Macau, Hong Kong, the Philippines and certain other jurisdictions.

Macau

Our Macau employees participate in government-managed Social Security Fund Scheme (the "SSF Scheme") operated by the Macau government. We are required to pay a monthly fixed contribution to the SSF Scheme to fund the benefits. Our obligation with respect to the SSF Scheme operated by the Macau government is only to make the required contributions under the scheme.

During the year ended December 31, 2013, we provided option for our qualifying employees in Macau to enroll in a voluntary defined contribution scheme (the "Macau VC Scheme") operated by us. With effect from July 1, 2013, the monthly voluntary contributions of the employer and the enrolled employees to the Macau VC Scheme to fund the benefits are set at different range of percentage of the relevant monthly income selected by the enrolled employees. Our voluntary contributions to the Macau VC Scheme are graded vesting to the enrolled employees according to a vesting scale with full vesting in 10 years from date of employment. The Macau VC Scheme was established under trust with the assets of the funds held separately from ours by an independent trustee in Macau.

Hong Kong

Our Hong Kong employees participate in Mandatory Provident Fund Scheme (the "MPF Scheme") operated by us. With effect from June 1, 2012, the maximum monthly contribution (the "Mandatory Contributions") by both employee and employer was increased from HK$1,000 to HK$1,250. With this increase, the employer's and the employees' Mandatory Contributions to the MPF Scheme are each set at 5% of the employees' relevant income up to a maximum of HK$1,250 per employee per month. Our Mandatory Contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid. For executive officers, their contributions to the MPF Scheme in Hong Kong are set at 5% of the executive officers' relevant income up to a maximum of HK$1,250 per executive officer per month. Our contribution to the MPF Scheme is set at 10% of the executive officers' base salaries. The excess of contributions over the employer's mandatory portion, which is 5% of the executive officers' relevant income up to a maximum of HK$1,250 per executive officer per month, are treated as the employer's voluntary contribution and are vested to executive officers at 10% per year with full vesting in 10 years. The MPF Scheme for executive officers was established under trust with the assets of the funds held separately from ours by an independent trustee in Hong Kong.

During the year ended December 31, 2013, we provided option for its qualifying employees in Hong Kong to enroll in a voluntary defined contribution scheme (the "Hong Kong VC Scheme") operated by us. With effect from July 1, 2013, the monthly voluntary contributions of the employer and the enrolled employees to the Hong Kong VC Scheme to fund the benefits are set at different range of percentage of the monthly earned base salaries selected by the enrolled employees, after deducting the monthly Mandatory Contributions made by the employer and the employees respectively. Our voluntary contributions to the Hong Kong VC Scheme are graded vesting to the enrolled employees according to a vesting scale with full vesting in 10 years from date of employment.

Our MPF Scheme and the Hong Kong VC Scheme was established under trust with the assets of the funds held separately from ours by an independent trustee in Hong Kong.

The Philippines

Our Philippines employees participate in government-managed Social Security System Scheme (the "SSS Scheme") operated by the Philippines government. We are required to pay at a certain percentage of the employees' relevant income and met the minimum mandatory requirements to fund the benefits. Our obligation with respect to the SSS Scheme operated by the Philippines government is only to make the required contributions under the scheme.

Other Jurisdictions

Our subsidiaries in certain other jurisdiction 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' payroll and met the minimum mandatory requirements.

Total contributions made into the defined contribution plans for the years ended December 31, 2013, 2012 and 2011 were US$8.5 million, US$5.3 million and US$5.4 million, respectively.

E. SHARE OWNERSHIP

Share Ownership of Directors and Members of Senior Management

Except as disclosed in Item 7, each of our directors and members of senior management individually owns less than 1% of our outstanding ordinary shares.

For the ownership of our ordinary shares pursuant to options and restricted shares granted to directors under our 2006 Share Incentive Plan and our 2011 Share Incentive Plan, see "— Share Incentive Plans" below.

None of our directors or members of senior management who are shareholders have different voting rights from other shareholders of our Company.

Share Incentive Plans

2006 Share Incentive Plan

We adopted the 2006 Share Incentive Plan to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentives to employees, directors and consultants and to promote the success of our business. 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.

The following paragraphs describe the principal terms included in the 2006 Share Incentive Plan.

Types of Awards. The awards permitted to be granted under our 2006 Share Incentive Plan included options to purchase our shares and restricted shares.

Eligibility. We were permitted to grant awards to employees, directors and consultants of our Company or any of our related entities, including Melco, Crown, other joint venture entities of Melco or Crown, our own subsidiaries or any entities in which we hold a substantial ownership interest. However, we could grant options that are intended to qualify as incentive share options only to our employees.

Maximum Number of Shares. Under the 2006 Share Incentive Plan, the maximum aggregate number of shares which could be issued pursuant to all awards (including shares issuable upon exercise of options) was 100,000,000 over 10 years.

Plan Administration. Our compensation committee would administer the 2006 Share Incentive Plan and determine the provisions and terms and conditions of each award grant.

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

Exercise Price and Term of Awards. In general, the plan administrator would determine the exercise price of an option and set forth the price in the award agreement. The exercise price could be a fixed or variable price related to the fair market value of our shares. If we granted an incentive share option to an employee who, at the time of that grant, owned shares representing more than 10% of the voting power of all classes of our share capital, the exercise price could not be less than 110% of the fair market value of our shares on the date of that grant. The term of each award would be stated in the award agreement, and would not exceed 10 years from the date of the grant.

Vesting Schedule. In general, the plan administrator determined, or the award agreement would specify, the vesting schedule.

See "— B. Compensation of Directors and Executive Officers" for awards granted to our directors and executive officers under the 2006 Share Incentive Plan.

As of December 31, 2013 the unvested share options granted under the 2006 Share Incentive Plan represented approximately 0.097% of our issued share capital. If all the unvested share options were to be exercised and vested during the year ended December 31, 2013 on an unaudited pro-forma basis, there would be a dilution effect on the shareholdings of our shareholders of approximately 0.097% and basic earnings per share of US$0.0004.

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 succeeds the 2006 Share Incentive Plan.

The following paragraphs summarize the principal terms of the 2011 Share Incentive Plan.

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

Eligibility. We may grant awards to employees, directors 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 this plan. Our compensation committee may from time to time select from among eligible individuals those to whom awards shall be granted. However, only employees of our Company or of a parent or subsidiary of our Company are eligible to receive incentive share option awards.

Maximum Number of Shares. The maximum aggregate number of shares which may be issued pursuant to all awards under the 2011 Share Incentive Plan is 100,000,000 shares. This limit may be increased from time to time, but by no more than 10% of the shares then in issue as of the date of the shareholders' meeting to approve such increase. The shares which may be issued upon exercise of all outstanding awards granted and yet to be exercised under the plan shall not exceed 30% of the shares in issue from time to time, as prescribed under relevant listing rules of the HKSE.

Maximum Entitlement of Option Holders. The maximum aggregate number of shares underlying an option grant shall not, in any 12-month period up to the date of grant, exceed 1% of the number of shares in issue on the date of grant, unless shareholder approval is obtained in accordance with the listing rules of the HKSE. The maximum aggregate number of shares to be issued upon exercise of options granted to a substantial shareholder or an independent non-executive director of our Company, or any of their respective associates, shall not exceed 0.1% of the shares in issue on the offer date or have an aggregate value, based on the official closing price of the shares as quoted by the HKSE on the offer date, in excess of HK$5 million, unless shareholder approval is obtained in accordance with the listing rules of the HKSE. Such limits may be amended from time to time by the HKSE. Our compensation committee may not grant options to a director, chief executive or substantial shareholder of our Company, or any of their respective associates, without approval by independent non-executive directors on the compensation committee at the time of such determination.

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; and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

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 grant.

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

Exercise Price. In general, the compensation committee may establish the exercise price or purchase price, if any, of any award. The exercise price of an option may be a fixed or variable price related to the fair market value of our ordinary shares, but in any event shall not be less than the highest of: the official closing price quoted on the HKSE on the date such option is offered in writing to a participant, or the offer date; the average of the official closing prices as quoted on the HKSE for the five business days immediately preceding the offer date; and the nominal value of an ordinary share. 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, and may not exceed 10 years from the date of the grant. 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. For a participant granted an incentive share option, upon three months of termination of employment as an employee, the right to exercise the incentive share option shall be revoked.

Transferability. Rights in awards are personal to participants and, except as otherwise provided by our compensation 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.

Adjustments. In the event of any share split, combination or exchange of shares, spin-off, recapitalization, reorganization, merger, consolidation or any other change affecting our share capital, our compensation committee shall make proportionate and equitable adjustments to reflect such change with respect to: (i) the aggregate number and types of shares that may be issued under the plan; (ii) the terms and conditions of any outstanding awards; and (iii) the grant price or exercise price per share for any outstanding awards.

Change in Control Transactions. In the event of a change in the control of our Company, our compensation committee may in its sole discretion provide for termination, purchase or realization of awards, or

replacement of awards with other rights or property. Upon the consummation of a merger or consolidation in which our Company is not the surviving entity, 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 successory 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. Subject to applicable laws, our compensation committee may terminate, amend or modify the plan upon obtaining the approval of our board and the approval of the shareholders for the amended plan. However, no amendment, modification or termination shall adversely affect in any material way any award previously granted under the 2011 Share Incentive Plan or any previous plans, without the prior written consent of the participant.

Expiration. The 2011 Share Incentive Plan will expire 10 years after the date it became effective. No awards may be granted pursuant to the 2011 Share Incentive Plan after that time.

As of the date of this annual report, we have granted to certain employees (i) share options to subscribe for a total of 3,323,367 shares and (ii) restricted shares in respect of a total of 1,987,680 shares, pursuant to the 2011 Share Incentive Plan.

As of December 31, 2013 the unvested share options granted under the 2011 Share Incentive Plan represented approximately 0.153% of our issued share capital. If all the unvested share options were to be exercised and vested during the year ended December 31, 2013 on an unaudited pro-forma basis, there would be a dilution effect on the shareholdings of our shareholders of approximately 0.153% and basic earnings per share of US$0.0006.

On May 15, 2013, we announced our giving 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, 2013, the trustee purchased on Nasdaq a total of 373,946 ADSs (equivalent to 1,121,838 shares) and the total cost for acquiring these ADSs was approximately US$8.8 million which, was fully paid during the year ended December 31, 2013.

A summary of the outstanding awards granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan as of December 31, 2013, is presented below:

	Exercise price/ grant date fair value per ADS (US$)	Number of unvested share options/restricted shares	Vesting period
Share Options (1)			
2010 Long Term Incentive Plan	3.98	150,000	4 years
2011 Long Term Incentive Plan	7.57	1,465,101	3 years
2012 Long Term Incentive Plan	14.09	1,200,981	3 years
2013 Long Term Incentive Plan	25.26	1,346,445	3-4 years
		4,162,527	
Restricted Shares (1)			
2010 Long Term Incentive Plan	3.75	75,000	4 years
2011 Long Term Incentive Plan	7.57	827,670	3 years
2012 Long Term Incentive Plan	13.28	736,065	3 years
2013 Long Term Incentive Plan	24.82	795,894	3-4 years
		2,434,629	

Note:

(1) Awards granted before the year of 2012 are under the 2006 Share Incentive Plan and awards granted during or after the year of 2012 are and will be under the 2011 Share Incentive Plan.

Details of the movement in share options granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan during the year ended December 31, 2013 are as follows:

					Number of share options					
Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
Directors:										
Lawrence Yau Lung Ho	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	724,692	—	—	—	—	724,692
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	724,692	—	—	—	—	724,692
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	724,692	—	—	—	—	724,692
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	724,698	—	—	—	—	724,698
	November 25, 2009	November 25, 2010 to March 17, 2018	1.43	1.43	188,763	—	—	—	—	188,763
	November 25, 2009	November 25, 2011 to March 17, 2018	1.43	1.43	188,763	—	—	—	—	188,763
	November 25, 2009	November 25, 2012 to March 17, 2018	1.43	1.43	188,763	—	—	—	—	188,763
	November 25, 2009	November 25, 2013 to March 17, 2018	1.43	1.43	188,769	—	—	—	—	188,769
	March 23, 2011	March 23, 2012 to March 22, 2021	2.52	2.52	482,115	—	—	—	—	482,115
	March 23, 2011	March 23, 2013 to March 22, 2021	2.52	2.52	482,115	—	—	—	—	482,115
	March 23, 2011	March 23, 2014 to March 22, 2021	2.52	2.52	482,268	—	—	—	—	482,268
	March 29, 2012	March 29, 2013 to March 28, 2022	4.70	4.43	158,133	—	—	—	—	158,133
	March 29, 2012	March 29, 2014 to March 28, 2022	4.70	4.43	158,133	—	—	—	—	158,133
	March 29, 2012	March 29, 2015 to March 28, 2022	4.70	4.43	158,133	—	—	—	—	158,133
	May 10, 2013	May 10, 2014 to May 9, 2023	8.42	8.27 (18)	—	120,870	—	—	—	120,870
	May 10, 2013	May 10, 2015 to May 9, 2023	8.42	8.27 (18)	—	120,870	—	—	—	120,870
	May 10, 2013	May 10, 2016 to May 9, 2023	8.42	8.27 (18)	—	120,870	—	—	—	120,870
Sub-total:					5,574,729	362,610	—	—	—	5,937,339

Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Number of share options					
					Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
Clarence Yuk Man Chung	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2010 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2011 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2012 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
Sub-total:					194,664	—	—	—	—	194,664
Alec Yiu Wa Tsui	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	5,982	—	(5,982)	—	—	—
	September 10, 2007	September 10, 2009 to September 9, 2017	5.06	4.42	11,967	—	(11,967)	—	—	—
	September 10, 2007	September 10, 2010 to September 9, 2017	5.06	4.42	17,952	—	(17,952)	—	—	—
	September 10, 2007	September 10, 2011 to September 9, 2017	5.06	4.42	23,946	—	(23,946)	—	—	—
	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	14,157	—	(14,157)	—	—	—
	March 18, 2008	March 18, 2010 to March 17, 2018	4.01	4.01	14,157	—	(14,157)	—	—	—
	March 18, 2008	March 18, 2011 to March 17, 2018	4.01	4.01	14,157	—	(14,157)	—	—	—
	March 18, 2008	March 18, 2012 to March 17, 2018	4.01	4.01	14,157	—	(14,157)	—	—	—
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
Sub-total:					254,511	—	(254,511)	—	—	—

Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Number of share options					
					Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
John Peter Ben Wang	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2010 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2011 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2012 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
Sub-total:					194,664	—	—	—	—	194,664
Robert Wason Mactier	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	5,982	—	—	—	—	5,982
	September 10, 2007	September 10, 2009 to September 9, 2017	5.06	4.42	11,967	—	—	—	—	11,967
	September 10, 2007	September 10, 2010 to September 9, 2017	5.06	4.42	17,952	—	—	—	—	17,952
	September 10, 2007	September 10, 2011 to September 9, 2017	5.06	4.42	23,946	—	—	—	—	23,946
	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2010 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2011 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2012 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
Sub-total:					254,511	—	—	—	—	254,511

Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Number of share options					
					Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
Thomas Jefferson Wu	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	5,982	—	—	—	—	5,982
	September 10, 2007	September 10, 2009 to September 9, 2017	5.06	4.42	11,967	—	—	—	—	11,967
	September 10, 2007	September 10, 2010 to September 9, 2017	5.06	4.42	17,952	—	—	—	—	17,952
	September 10, 2007	September 10, 2011 to September 9, 2017	5.06	4.42	23,946	—	—	—	—	23,946
	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2010 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2011 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 18, 2008	March 18, 2012 to March 17, 2018	4.01	4.01	14,157	—	—	—	—	14,157
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	—	—	—	34,509
Sub-total:					254,511	—	—	—	—	254,511

Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Number of share options					
					Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
James Andrew Charles MacKenzie	September 30, 2008	April 24, 2009 to September 29, 2018	4.69	1.33	8,334	—	(8,334)	—	—	—
	September 30, 2008	April 24, 2010 to September 29, 2018	4.69	1.33	8,336	—	(8,336)	—	—	—
	September 30, 2008	April 24, 2011 to September 29, 2018	4.69	1.33	8,336	—	(8,336)	—	—	—
	September 30, 2008	April 24, 2012 to September 29, 2018	4.69	1.33	8,336	—	(8,336)	—	—	—
	March 17, 2009	March 17, 2010 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2011 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2012 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
	March 17, 2009	March 17, 2013 to March 16, 2019	1.09	1.09	34,509	—	(34,509)	—	—	—
Sub-total:					171,378	—	(171,378)	—	—	—
Sub-total:					6,898,968	362,610	(425,889)	—	—	6,835,689

Name or category of participants	Date of grant of share options (1)	Exercisable period (2)	Exercise price of share options (per share) US$	Share price at date of grant of share options US$	Number of share options					
					Outstanding as of January 1, 2013	Granted during the year	Exercised during the year (3)	Cancelled during the year	Lapsed during the year	Outstanding as of December 31, 2013
Employees (4)	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	77,211	—	(17,955)	—	—	59,256
Employees (5)	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	18,657	—	—	—	—	18,657
Employees (6)	November 25, 2008	November 25, 2010 to November 24, 2018	1.01	1.01	4,700,616	—	(1,572,330)	—	(4,989)	3,123,297
Employees (7)	January 20, 2009	January 20, 2010 to January 19, 2019	1.01	1.01	789,474	—	—	—	—	789,474
Employees (8)	November 25, 2009	November 25, 2010 to September 9, 2017	1.43	1.43	550,641	—	(214,914)	(2,997)	—	332,730
Employees (9)	November 25, 2009	November 25, 2010 to March 17, 2018	1.43	1.43	495,102	—	(189,273)	(2,751)	—	303,078
Employees (10)	November 25, 2009	November 25, 2010 to April 10, 2018	1.43	1.43	140,400	—	—	—	—	140,400
Employees (11)	May 26, 2010	May 26, 2013 to May 25, 2020	1.25	1.25	156,624	—	(45,648)	(24,465)	—	86,511
Employees (12)	May 26, 2010	May 26, 2012 to May 25, 2020	1.25	1.25	218,658	—	(83,829)	—	—	134,829
Employees (13)	August 16, 2010	August 16, 2012 to August 15, 2020	1.33	1.25	300,000	—	—	—	—	300,000
Employees (14)	March 23, 2011	March 23, 2012 to March 22, 2021	2.52	2.52	2,960,202	—	(417,534)	(52,167)	—	2,490,501
Employees (15)	March 29, 2012	March 29, 2013 to March 28, 2022	4.70	4.43	1,426,737	—	(96,930)	(78,486)	(1,830)	1,249,491
Employees (16)	May 10, 2013	May 10, 2014 to May 9, 2023	8.42	8.27 (18)	—	988,977	—	(42,348)	—	946,629
Employees (17)	May 10, 2013	November 12, 2014 to May 9, 2023	8.42	8.27 (18)	—	37,206	—	—	—	37,206
Sub-total:					11,834,322	1,026,183	(2,638,413)	(203,214)	(6,819)	10,012,059
Total					**18,733,290**	**1,388,793**	**(3,064,302)**	**(203,214)**	**(6,819)**	**16,847,748**

Notes:

(1) Awards granted before the year of 2012 are under the 2006 Share Incentive Plan and awards granted during or after the year of 2012 are, and will be, under the 2011 Share Incentive Plan.

(2) The vesting period of the share options is from the date of grant until the commencement of exercisable period.

(3) In respect of the share options exercised during the period, the weighted average closing price of the Shares immediately before and at the dates on which the options were exercised was US$8.26.

(4) Among the 59,256 share options, 5,391 share options may be exercised during the period from September 10, 2008 to September 9, 2017, 11,970 share options may be exercised during the period from September 10, 2009 to September 9, 2017, 17,955 share options may be exercised during the period from September 10, 2010 to September 9, 2017 and 23,940 share options may be exercised during the period from September 10, 2011 to September 9, 2017.

(5) Among the 18,657 share options, 4,662 share options may be exercised during the period from March 18, 2009 to March 17, 2018, 4,662 share options may be exercised during the period from March 18, 2010 to March 17, 2018, 4,662 share options may be exercised during the period from March 18, 2011 to March 17, 2018 and 4,671 share options may be exercised during the period from March 18, 2012 to March 17, 2018.

(6) Among the 3,123,297 share options, 1,386,570 share options may be exercised during the period from November 25, 2010 to November 24, 2018 and 1,736,727 share options may be exercised during the period from November 25, 2011 to November 24, 2018.

(7) Among the 789,474 share options, 197,367 share options may be exercised during the period from January 20, 2010 to January 19, 2019, 197,367 share options may be exercised during the period from January 20, 2011 to January 19, 2019, 197,367 share options may be exercised during the period from January 20, 2012 to January 19, 2019 and 197,373 share options may be exercised during the period from January 20, 2013 to January 19, 2019.

(8) Among the 332,730 share options, 58,347 share options may be exercised during the period from November 25, 2010 to September 9, 2017, 62,337 share options may be exercised during the period from November 25, 2011 to September 9, 2017, 72,309 share options may be exercised during the period from November 25, 2012 to September 9, 2017 and 139,737 share options may be exercised during the period from November 25, 2013 to September 9, 2017.

(9) Among the 303,078 share options, 55,080 share options may be exercised during the period from November 25, 2010 to March 17, 2018, 56,328 share options may be exercised during the period from November 25, 2011 to March 17, 2018, 71,400 share options may be exercised during the period from November 25, 2012 to March 17, 2018 and 120,270 share options may be exercised during the period from November 25, 2013 to March 17, 2018.

(10) Among the 140,400 share options, 35,100 share options may be exercised during the period from November 25, 2010 to April 10, 2018, 35,100 share options may be exercised during the period from November 25, 2011 to April 10, 2018, 35,100 share options may be exercised during the period from November 25, 2012 to April 10, 2018 and 35,100 share options may be exercised during the period from November 25, 2013 to April 10, 2018.

(11) The 86,511 share options may be exercised during the period from May 26, 2013 to May 25, 2020.

(12) Among the 134,829 share options, 44,331 share options may be exercised during the period from May 26, 2012 to May 25, 2020 and 90,498 share options may be exercised during the period from May 26, 2013 to May 25, 2020.

(13) Among the 300,000 share options, 150,000 share options may be exercised during the period from August 16, 2012 to August 15, 2020 and 150,000 share options may be exercised during the period from August 16, 2014 to August 15, 2020.

(14) Among the 2,490,501 share options, 699,576 share options may be exercised during the period from March 23, 2012 to March 22, 2021, 808,098 share options may be exercised during the period from March 23, 2013 to March 22, 2021 and 982,827 share options may be exercised during the period from March 23, 2014 to March 22, 2021.

(15) Among the 1,249,491 share options, 364,776 share options may be exercised during the period from March 29, 2013 to March 28, 2022, 442,335 share options may be exercised during the period from March 29, 2014 to March 28, 2022 and 442,380 share options may be exercised during the period from March 29, 2015 to March 28, 2022.

(16) Among the 946,629 share options, 315,531 share options may be exercised during the period from May 10, 2014 to May 9, 2023, 315,531 share options may be exercised during the period from May 10, 2015 to May 9, 2023 and 315,567 share options may be exercised during the period from May 10, 2016 to May 9, 2023.

(17) Among the 37,206 share options, 18,603 share options may be exercised during the period from November 12, 2014 to May 9, 2023 and 18,603 share options may be exercised during the period from November 12, 2016 to May 9, 2023.

(18) Share price on the day before of the grant of share option is US$8.24.

Details of the movement in restricted shares granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan during the year ended December 31, 2013 are as follows:

				Number of restricted shares				
Name or category of participants	Date of grant of restricted shares (1)	Vesting date	Share price at date of grant of restricted shares US$	Outstanding as of January 1, 2013	Granted during the year	Vested during the year	Cancelled during the year	Outstanding as of December 31, 2013
Directors:								
Lawrence Yau Lung Ho	March 17, 2009	March 17, 2013	1.09	241,566	—	(241,566)	—	—
	March 23, 2011	March 23, 2013	2.52	241,056	—	(241,056)	—	—
	March 23, 2011	March 23, 2014	2.52	241,137	—	—	—	241,137
	March 29, 2012	March 29, 2013	4.43	79,065	—	(79,065)	—	—
	March 29, 2012	March 29, 2014	4.43	79,065	—	—	—	79,065
	March 29, 2012	March 29, 2015	4.43	79,068	—	—	—	79,068
	May 10, 2013	May 10, 2014	8.27	—	60,435	—	—	60,435
	May 10, 2013	May 10, 2015	8.27	—	60,435	—	—	60,435
	May 10, 2013	May 10, 2016	8.27	—	60,435	—	—	60,435
Sub-total:				960,957	181,305	(561,687)	—	580,575
Clarence Yuk Man Chung	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	22,590	—	(22,590)	—	—
	March 29, 2012	March 29, 2014	4.43	22,590	—	—	—	22,590
	March 29, 2012	March 29, 2015	4.43	22,590	—	—	—	22,590
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				110,982	14,505	(49,944)	—	75,543
Alec Yiu Wa Tsui	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	9,036	—	(9,036)	—	—
	March 29, 2012	March 29, 2014	4.43	9,036	—	—	—	9,036
	March 29, 2012	March 29, 2015	4.43	9,036	—	—	—	9,036
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				70,320	14,505	(36,390)	—	48,435

Name or category of participants	Date of grant of restricted shares (1)	Vesting date	Share price at date of grant of restricted shares US$	Number of restricted shares				
				Outstanding as of January 1, 2013	Granted during the year	Vested during the year	Cancelled during the year	Outstanding as of December 31, 2013
John Peter Ben Wang	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	9,036	—	(9,036)	—	—
	March 29, 2012	March 29, 2014	4.43	9,036	—	—	—	9,036
	March 29, 2012	March 29, 2015	4.43	9,036	—	—	—	9,036
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				70,320	14,505	(36,390)	—	48,435
Robert Wason Mactier	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	9,036	—	(9,036)	—	—
	March 29, 2012	March 29, 2014	4.43	9,036	—	—	—	9,036
	March 29, 2012	March 29, 2015	4.43	9,036	—	—	—	9,036
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				70,320	14,505	(36,390)	—	48,435
Thomas Jefferson Wu	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	9,036	—	(9,036)	—	—
	March 29, 2012	March 29, 2014	4.43	9,036	—	—	—	9,036
	March 29, 2012	March 29, 2015	4.43	9,036	—	—	—	9,036
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				70,320	14,505	(36,390)	—	48,435

Name or category of participants	Date of grant of restricted shares (1)	Vesting date	Share price at date of grant of restricted shares US$	Number of restricted shares				
				Outstanding as of January 1, 2013	Granted during the year	Vested during the year	Cancelled during the year	Outstanding as of December 31, 2013
James Andrew Charles MacKenzie	March 17, 2009	March 17, 2013	1.09	11,505	—	(11,505)	—	—
	March 23, 2011	March 23, 2013	2.52	15,849	—	(15,849)	—	—
	March 23, 2011	March 23, 2014	2.52	15,858	—	—	—	15,858
	March 29, 2012	March 29, 2013	4.43	9,036	—	(9,036)	—	—
	March 29, 2012	March 29, 2014	4.43	9,036	—	—	—	9,036
	March 29, 2012	March 29, 2015	4.43	9,036	—	—	—	9,036
	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				70,320	14,505	(36,390)	—	48,435
William Todd Nisbet	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				—	14,505	—	—	14,505
Rowen Bruce Craigie	May 10, 2013	May 10, 2014	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2015	8.27	—	4,836	—	—	4,836
	May 10, 2013	May 10, 2016	8.27	—	4,833	—	—	4,833
Sub-total:				—	14,505	—	—	14,505
Sub-total:				1,423,539	297,345	(793,581)	—	927,303
Employees	May 26, 2010	May 26, 2013	1.25	78,315	—	(66,081)	(12,234)	—
Employees	May 26, 2010	May 26, 2013	1.25	79,827	—	(79,827)	—	—
Employees	August 16, 2010	August 16, 2014	1.25	75,000	—	—	—	75,000
Employees	March 23, 2011	March 23, 2013	2.52	511,269	—	(505,248)	(6,021)	—
Employees	March 23, 2011	March 23, 2014	2.52	511,443	—	—	(20,058)	491,385
Employees	March 29, 2012	March 29, 2013	4.43	237,717	—	(231,744)	(5,973)	—
Employees	March 29, 2012	March 29, 2014	4.43	237,792	—	—	(19,356)	218,436
Employees	March 29, 2012	March 29, 2015	4.43	237,873	—	—	(13,917)	223,956
Employees	May 10, 2013	May 10, 2014	8.27	—	164,823	—	(7,062)	157,761
Employees	May 10, 2013	May 10, 2015	8.27	—	164,823	—	(7,062)	157,761
Employees	May 10, 2013	May 10, 2016	8.27	—	164,823	—	(7,050)	157,773
Employees	May 10, 2013	November 12, 2014	8.27	—	12,627	—	—	12,627
Employees	May 10, 2013	November 12, 2016	8.27	—	12,627	—	—	12,627
Sub-total:				1,969,236	519,723	(882,900)	(98,733)	1,507,326
Total				**3,392,775**	**817,068**	**(1,676,481)**	**(98,733)**	**2,434,629**

Note:

(1) Awards granted before the year of 2012 are under the 2006 Share Incentive Plan and awards granted during or after the year of 2012 are, and will be, under the 2011 Share Incentive Plan.

A summary of the details in relation to the share options granted to participants under the 2011 Share Incentive Plan during 2013, is set out below:

Date of grant	May 10, 2013
Exercise price	US$8.42 per share
Number of shares involved	1,388,793
Closing price of the shares on the date of grant	US$8.2733 per share
Validity period of the share options	10 years from the date of grant

Among the share options granted above, share options to subscribe for 362,610 shares were granted, with the approval of our compensation committee, to Mr. Lawrence Ho, our co-chairman, chief executive officer and executive director.

A summary of the details in relation to restricted shares granted to participants under the 2011 Share Incentive Plan during 2013, is set out below:

Date of grant	May 10, 2013
Number of shares involved	817,068
Vesting period	3 years and 4 years from the date of grant

Among the restricted shares granted above, 297,345 shares were granted, with the approval of our compensation committee, to the following directors of our Company, with details as follows:

Name	Position	Number of restricted shares	Number of underlying shares involved	Vesting date		
				May 10, 2014	May 10, 2015	May 10, 2016
Mr. Lawrence Yau Lung Ho	Co-chairman, chief executive officer and executive director	181,305	181,305	60,435	60,435	60,435
Mr. Clarence Yuk Man Chung	Non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. John Peter Ben Wang	Non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. Rowen Bruce Craigie	Non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. William Todd Nisbet	Non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. James Andrew Charles MacKenzie	Independent non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. Robert Wason Mactier	Independent non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. Alec Yiu Wa Tsui	Independent non-executive director	14,505	14,505	4,836	4,836	4,833
Mr. Thomas Jefferson Wu	Independent non-executive director	14,505	14,505	4,836	4,836	4,833

MCP Share Incentive Plan

Apart from the 2006 Share Incentive Plan and the 2011 Share Incentive Plan, our subsidiary, MCP, also operates a share incentive plan, or 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 by providing such individuals with an incentive for outstanding performance to generate superior returns to MCP's stockholders. The MCP Share

Incentive Plan, with amendments, was approved by MCP shareholders at the annual stockholders meeting held, and became effective, on June 21, 2013. The MCP Share Incentive Plan was also approved by our Company shareholders at our extraordinary general meeting on June 21, 2013. The Philippine Securities and Exchange Commission approved such amendments on June 24, 2013.

A summary of the outstanding awards granted under the MCP Share Incentive Plan as of December 31, 2013 is presented below:

	Exercise price/grant date fair value per MCP Share (PHP)	Number of unvested MCP share options/ restricted MCP Shares	Vesting period
MCP Share Options			
2013 Long Term Incentive Plan	8.3	116,144,153	Within 3 years
Restricted MCP Shares			
2013 Long Term Incentive Plan	8.3	58,072,076	Within 3 years

Details of the movement in MCP share options granted under the MCP Share Incentive Plan during the year ended December 31, 2013 are as follows :

Name or category of participants	Date of grant of MCP share options	Exercisable period(1)	Exercise price of MCP share options (per MCP Share) PHP	Share price at date of grant of MCP share options (3) PHP	Number of MCP share options					
					Outstanding as at January 1, 2013	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at December 31, 2013
Directors:										
Lawrence Yau Lung Ho	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	5,202,425	—	—	—	5,202,425
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	5,202,425	—	—	—	5,202,425
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	5,202,426	—	—	—	5,202,426
Sub-total:					—	15,607,276	—	—	—	15,607,276
James Douglas Packer	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	5,202,425	—	—	—	5,202,425
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	5,202,425	—	—	—	5,202,425
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	5,202,426	—	—	—	5,202,426
Sub-total:					—	15,607,276	—	—	—	15,607,276
Clarence Yuk Man Chung	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	3,468,284	—	—	—	3,468,284
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	3,468,284	—	—	—	3,468,284
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	3,468,283	—	—	—	3,468,283
Sub-total:					—	10,404,851	—	—	—	10,404,851
Alec Yiu Wa Tsui	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
Sub-total:					—	1,950,909	—	—	—	1,950,909
James Andrew Charles MacKenzie	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	650,303	—	—	—	650,303
Sub-total:					—	1,950,909	—	—	—	1,950,909

Name or category of participants	Date of grant of MCP share options	Exercisable period(1)	Exercise price of MCP share options (per MCP Share) PHP	Share price at date of grant of MCP share options (3) PHP	Number of MCP share options					
					Outstanding as at January 1, 2013	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at December 31, 2013
William Todd Nisbet	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	2,601,213	—	—	—	2,601,213
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	2,601,213	—	—	—	2,601,213
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	2,601,212	—	—	—	2,601,212
Sub-total:					—	7,803,638	—	—	—	7,803,638
Sub-total:					—	53,324,859	—	—	—	53,324,859
Employees	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2023	8.3	8.3	—	20,939,758	—	(1,560,728)	—	19,379,030
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	20,939,758	—	(1,560,728)	—	19,379,030
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	20,939,776	—	(1,560,727)	—	19,379,049
Sub-total:					—	62,819,292	—	(4,682,183)	—	58,137,109
Others (2)	June 28, 2013	30 days after the opening of City of Dreams Manila to June 27, 2013.	8.3	8.3	—	1,560,728	—	—	—	1,560,728
	June 28, 2013	April 29, 2015 to June 27, 2023	8.3	8.3	—	1.560,728	—	—	—	1,560,728
	June 28, 2013	April 29, 2016 to June 27, 2023	8.3	8.3	—	1,560,729	—	—	—	1,560,729
Sub-total:					—	4,682,185	—	—	—	4,682,185
Total					**—**	**120,826,336**	**—**	**(4,682,183)**	**—**	**116,144,153**

Notes:
(1) The vesting period of the MCP share options is from the date of grant until the commencement of exercisable period.
(2) The category "Others" represents the non-employees of our group.
(3) Share price on the day before of the grant of share option is PHP8.20.

Details of the movement in restricted MCP Shares granted under the MCP Share Incentive Plan during the year ended December 31, 2013 are as follows: :

				Number of restricted MCP Shares				
Name or category of participants	**Date of grant of restricted MCP Shares**	**Vesting date**	**Share price at date of grant of restricted MCP Shares PHP**	**Outstanding as at January 1, 2013**	**Granted during the period**	**Vested during the period**	**Cancelled during the period**	**Outstanding as at December 31, 2013**
Directors:								
Lawrence Yau Lung Ho	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	2,601,213	—	—	2,601,213
	June 28, 2013	April 29, 2015	8.3	—	2,601,213	—	—	2,601,213
	June 28, 2013	April 29, 2016	8.3	—	2,601,212	—	—	2,601,212
Sub-total:				—	7,803,638	—	—	7,803,638
Parker, James Douglas	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	2,601,213	—	—	2,601,213
	June 28, 2013	April 29, 2015	8.3	—	2,601,213	—	—	2,601,213
	June 28, 2013	April 29, 2016	8.3	—	2,601,212	—	—	2,601,212
Sub-total:				—	7,803,638	—	—	7,803,638
Clarence Yuk Man Chung	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	1,734,142	—	—	1,734,142
	June 28, 2013	April 29, 2015	8.3	—	1,734,142	—	—	1,734,142
	June 28, 2013	April 29, 2016	8.3	—	1,734,141	—	—	1,734,141
Sub-total:				—	5,202,425	—	—	5,202,425
Alec Yiu Wa Tsui	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	325,152	—	—	325,152
	June 28, 2013	April 29, 2015	8.3	—	325,152	—	—	325,152
	June 28, 2013	April 29, 2016	8.3	—	325,151	—	—	325,151
Sub-total:				—	975,455	—	—	975,455
James Andrew Charles MacKenzie	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	325,152	—	—	325,152
	June 28, 2013	April 29, 2015	8.3	—	325,152	—	—	325,152
	June 28, 2013	April 29, 2016	8.3	—	325,151	—	—	325,151
Sub-total:				—	975,455	—	—	975,455
William Todd Nisbet	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	1,300,606	—	—	1,300,606
	June 28, 2013	April 29, 2015	8.3	—	1,300,606	—	—	1,300,606
	June 28, 2013	April 29, 2016	8.3	—	1,300,607	—	—	1,300,607
Sub-total:				—	3,901,819	—	—	3,901,819
Sub-total:				—	26,662,430	—	—	26,662,430

Name or category of participants	Date of grant of restricted MCP Shares	Vesting date	Share price at date of grant of restricted MCP Shares PHP	Number of restricted MCP Shares				
				Outstanding as at January 1, 2013	Granted during the period	Vested during the period	Cancelled during the period	Outstanding as at December 31, 2013
Employees	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	10,469,886	—	(780,365)	9,689,521
	June 28, 2013	April 29, 2015	8.3	—	10,469,886	—	(780,365)	9,689,521
	June 28, 2013	April 29, 2016	8.3	—	10,469,874	—	(780,361)	9,689,513
Sub-total:				—	31,409,646	—	(2,341,091)	29,068,555
Others (1)	June 28, 2013	30 days after the opening of City of Dreams Manila	8.3	—	780,363	—	—	780,363
	June 28, 2013	April 29, 2015	8.3	—	780,363	—	—	780,363
	June 28, 2013	April 29, 2016	8.3	—	780,365	—	—	780,365
Sub-total:				—	2,341,091	—	—	2,341,091
Total				—	**60,413,167**	—	**(2,341,091)**	**58,072,076**

Note:
(1) The category "Others" represents the non-employees of our group.

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 3, 2014 by all persons who are known to us to be the beneficial owners of 5% or more of our share capital.

	Ordinary shares beneficially owned (1)	
Name	Number	%
Melco Leisure (2)(3)	599,229,043	33.55
Crown Asia Investments (4)	599,229,043	33.55
The Capital Group Companies, Inc. (5)	99,062,352	5.94

(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) 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 20,512,612 ordinary shares of Melco, representing approximately 1.33% of Melco's ordinary shares outstanding. In addition, 115,509,024 ordinary shares of Melco are held by Lasting Legend Ltd., 288,532,606 ordinary shares of Melco are held by Better Joy Overseas Ltd., 18,587,447 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 7.52%, 18.78%, 1.21% 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 298,982,187 ordinary shares of Melco, representing 19.46% of Melco's shares. Therefore, we believe that Mr. Ho beneficially owns an aggregate of 749,417,876 ordinary shares of Melco, representing approximately 48.77% of Melco's ordinary shares outstanding.

(4) The address of Crown and Crown Asia Investments is Level 3, Crown Towers, 8 Whiteman Street, Southbank, Victoria 3006, Australia. Crown is listed on the Australian Stock Exchange. As of April 3, 2014, Crown was approximately 50.01% owned by Consolidated Press Holdings Group, which is a group of companies owned by the Packer family.

(5) Capital Research and Management Company is a wholly-owned subsidiary of The Capital Group Companies, Inc. The Capital Group Companies, Inc. is deemed or taken to be interested in 77,239,452 ordinary shares held by Capital Research and Management Company. 11,829,300 ordinary shares are held by Capital International, Inc., 4,700,100 ordinary shares are held by Capital International Sarl, 4,457,700 ordinary shares are held by Capital Guardian Trust Company, and 835,800 ordinary shares are held by Capital International Limited, representing approximately 0.710%, 0.282%, 0.267% and 0.050% ordinary shares outstanding. All of these companies are owned by Capital Group International, Inc., which is a wholly-owned subsidiary of The Capital Group Companies, Inc. Therefore, we believe that The Capital Group Companies, Inc. beneficially owns an aggregate of 21,822,900 ordinary shares held by these companies.

As of December 31, 2013, a total of 1,666,633,448 ordinary shares were outstanding, of which 556,361,916 ordinary shares were registered in the name of a nominee of Deutsche Bank Trust Company Americas, the depositary 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 depositary. In October 2007, we appointed BOCI Securities Limited to assist us in the administration of our 2006 Share Incentive Plan.

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 Crown and Melco.

Original and Amended Shareholders' Deed

Under the original shareholders' deed, projects and activities of the joint venture in Greater China were to be undertaken by MCE Holdings Three Limited (formerly known as "MPEL (Greater China) Limited"), which is effectively owned 60% by Melco and 40% by PBL, with projects in the Territory outside Greater China to be undertaken by one or more other of our subsidiaries which are effectively owned 60% by PBL and 40% by Melco.

Memorandum of Agreement

Simultaneously with PBL entering into an agreement with Wynn Macau to obtain a subconcession on March 4, 2006, Melco and PBL executed a memorandum of agreement on March 5, 2006, relating to the amendment of certain provisions of the shareholders' deed and other commercial agreements between Melco and PBL in connection with their joint venture. Melco and PBL supplemented the memorandum of agreement by entering into a supplemental agreement to the memorandum of agreement on May 26, 2006. Under the memorandum of agreement, as amended, Melco and PBL agreed in principle to share on a 50/50 basis the risks, liabilities, commitments, capital contributions and economic value and benefits with respect to gaming projects in the Territory, including in Macau, subject to PBL obtaining the subconcession and the transfer of control of Melco Crown Macau to us. The principal terms and conditions of the shareholders' deed, as amended by the memorandum of agreement and the supplemental agreement to the memorandum of agreement, are:

- Melco and PBL are to share on a 50/50 basis all the economic value and benefits with respect to all gaming projects in the Territory;
- Melco and PBL are to appoint an equal number of members to our board, with no casting vote in the event of a deadlock or other deadlock resolution provisions;
- All of the class A shares of Melco Crown Macau, representing 28% of all the outstanding capital stock of Melco Crown Macau, are to be owned by PBL Asia Limited (as to 18%) and the Managing Director

of Melco Crown Macau (as to 10%), respectively. Mr. Lawrence Yau Lung Ho has been appointed to serve as the Managing Director of Melco Crown Macau. The holders of the class A shares, as a class, will have the right to one vote per share, receive an aggregate annual dividend of MOP1 and return of capital of an aggregate amount of MOP1 on a wind up or liquidation, but will have no right to participate in the winding up or liquidation assets;

- All of the class B shares of Melco Crown Macau, representing 72% of all the outstanding capital stock of Melco Crown Macau are to be owned by MPEL Investments, our wholly owned subsidiary. As the holder of class B shares, we will have the right to one vote per share, receive the remaining distributable profits of Melco Crown Macau after payment of dividends on the class A shares, to return of capital after payment on the class A shares on a winding up or liquidation of Melco Crown Macau, and to participate in the winding up and liquidation assets of Melco Crown Macau;
- The shares of Altira Developments and Melco Crown (COD) Developments and the operating assets of Mocha would be transferred to Melco Crown Macau;
- MCE Holdings Three Limited (formerly known as "MPEL (Greater China) Limited") and Mocha Slot Group Limited are to be liquidated or remain dormant; and
- The provisions of the shareholders' deed relating to the operation of our Company are to apply to Melco Crown Macau.

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.

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, 2013, 2012 and 2011, 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. 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.

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.

In January 2013, the Taiwanese authorities commenced investigating certain alleged violations of Taiwan banking laws by certain employees of our subsidiary's branch office in Taiwan, which may pose reputational and other risks to us. To facilitate the investigation, the Taiwanese authorities have frozen one of our deposit accounts in Taiwan, which had a balance of approximately TWD2.98 billion (equivalent to approximately US$102.2 million) at the time the account was frozen. We are taking actions to request the Taiwanese authorities to unfreeze the account.

Dividend Policy

On February 25, 2014, the Company's board of directors announced a proposal of declaration and payment of a special dividend of US$0.1147 per share (or US$0.3441 per ADS), to shareholders of record at the close of business on April 4, 2014, subject to shareholders' approval, which was subsequently obtained on March 26, 2014. Pursuant to the new dividend policy, we intend to distribute quarterly dividends in an aggregate amount per year of approximately 30% of annual consolidated net income attributable to Melco Crown Entertainment, 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.

Our board retains complete discretion on whether to pay dividends, subject to the approval of our shareholders in the case of annual dividends and special dividends if paid out of funds other than profits. Even if our board decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our board may deem relevant. Dividends will be declared and paid in Hong Kong dollars for holders of ordinary shares and U.S. dollars for holders of ADSs.

All of our 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 or period in which it is approved by the boards of directors of the relevant subsidiaries.

Our 2011 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 Amended and Restated Articles of Association, 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. The share premium included in our additional paid-in capital as of December 31, 2013 and 2012 amounted to approximately US$2.6 billion. We recorded accumulated losses as of December 31, 2013 and 2012.

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.

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	Low	High	Low
	(in US$)		*(in HK$)*	
Monthly High and Low				
April 2014 (through April 3)	41.90	37.32	105.00	98.00
March 2014	45.70	35.06	117.00	93.60
February 2014	43.95	36.60	112.50	99.75
January 2014	45.48	37.38	126.80	98.00
December 2013	39.42	35.25	102.50	91.00
November 2013	35.88	33.00	92.00	85.85
October 2013	37.00	31.20	96.75	83.00
Quarterly High and Low				
First Quarter 2014	45.70	35.06	126.80	93.60
Fourth Quarter 2013	39.42	31.20	102.50	83.00
Third Quarter 2013	32.24	21.32	85.00	55.70
Second Quarter 2013	25.20	20.46	65.50	55.65
First Quarter 2013	23.39	17.32	59.80	42.40
Fourth Quarter 2012	16.98	12.74	43.20	33.10
Third Quarter 2012	13.56	9.13	34.90	24.50
Second Quarter 201	16.02	10.68	43.00	27.80
First Quarter 2012	14.26	9.46	37.35	24.25
Annual High and Low				
2013	39.42	17.32	102.50	42.40
2012	16.98	9.13	43.20	24.25
2011	16.15	6.46	—	—
2010	7.13	3.30	—	—
2009	8.45	2.27	—	—

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 have been listed on the HKSE under the stock code "6883" since December 7, 2011.

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 the summary description of our amended and restated memorandum and articles of association, as conferred by 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.

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 the Pataca is in turn pegged to the H.K. dollar. The majority of our revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Patacas. In addition, a significant portion of our indebtedness, as a result of the 2010 Senior Notes, 2013 Senior Notes, Studio City Notes and certain expenses, have been and are denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars. We accept foreign currencies from our customers and therefore, in addition to H.K. dollars and Patacas, 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. dollars or any other currency from Macau and Hong Kong to persons not resident in Macau and Hong Kong for the purpose of paying dividends or otherwise.

With regard to our subsidiaries registered in the Philippines, the currency primarily used for transactions, gaming or otherwise, is the Philippine Peso. 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 even adopted the floating exchange rate regime. 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 Pesos in excess of PHP10,000.00 must be with prior authorization of BSP, while foreign currency in excess of USD10,000.00 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;
- 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 depositary, in the case of ADSs, or on the date of receipt by you, in the case of ordinary shares, but only to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Any such dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations. To the extent the amount of the distribution exceeds our current

and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess amount will be treated first as a tax-free return of your tax basis in your ADSs or ordinary shares, and then, to the extent such excess amount exceeds your tax basis in your ADSs or ordinary shares, as capital gain. We currently do not, and we do not intend to, calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that any distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, any dividends may be taxed at the lower capital gains rate applicable to "qualified dividend income," provided (1) the ADSs or ordinary shares, as applicable, are readily tradable on an established securities market in the United States, (2) we are neither a PFIC nor treated as such with respect to you (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) 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, 2013. 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.

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.

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.

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 depositary bank, Deutsche Bank. In addition, we intend to post our annual report on our website http://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, 2013, we are subject to fluctuations in HIBOR and LIBOR as a result of our 2011 Credit Facilities and the Aircraft Term Loan.

We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and we may supplement by hedging activities in a manner we deem prudent. We cannot be sure that these risk management strategies have had the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

As of December 31, 2013 and 2012, approximately 72% and 67%, respectively, of our total indebtedness was based on fixed rates. The increase was primarily due to the issuance of 2013 Senior Notes, the repayment of the drawn revolving credit facility and scheduled repayment of the term loan both under 2011 Credit Facilities, partially offset the redemption of the 2010 Senior Notes and RMB Bonds and repayment of the Deposit-Linked Loan. Based on December 31, 2013 and 2012 indebtedness levels, an assumed 100 basis point change in HIBOR and LIBOR would cause our annual interest cost to change by approximately US$7.1 million and US$10.5 million, respectively.

Interests in 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. dollars. The majority of our revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Patacas. 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. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars. We also have a certain portion of our assets and liabilities, including the issuance of Philippine Notes in January 2014, denominated in Philippine Pesos.

The value of the H.K. dollar, Patacas 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. dollars, Patacas or Philippine Pesos to U.S. dollars may have a material adverse effect on our revenues and financial condition.

We accept foreign currencies from our customers and as of December 31, 2013, in addition to H.K. dollars and Patacas, 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, 2013 and 2012. 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.

During the years ended December 31, 2012, we entered RMB forward exchange rate contracts for settlement of interest on the RMB Bonds to hedge our exchange rate exposure. The forward contracts are primarily cash flow hedging instruments, the hedged item being the forecasted cash flows in H.K. dollars associated with a portion of the first two Renminbi interest payments on the RMB Bonds payable in November 2011 and May 2012, respectively. As of December 31, 2012, all RMB forward exchange rate contracts had expired. We will consider our overall procedure for managing our foreign exchange risk from time to time.

See note 12 to the consolidated financial statements included elsewhere in this annual report for further details related to our indebtedness and foreign currency exposure as of December 31, 2013.

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, 2013 were U.S. dollars, H.K. dollars, New Taiwan dollars, Philippine Pesos and Patacas. Based on the cash and bank balances (excluding restricted cash balances from the RMB2.3 billion in proceeds from the RMB Bonds, for which currency fluctuations will be offset by the associated currency fluctuations of the RMB Bonds for 2012) as of December 31, 2013 and 2012, an assumed 1% change in the exchange rates between currencies other than U.S. dollars against the U.S. dollars would cause a maximum foreign transaction gain or loss of approximately US$21.6 million and US$18.3 million for the years ended December 31, 2013 and 2012, respectively.

Based on the balances of long-term indebtedness denominated in currencies other than U.S. dollars as of December 31, 2013, an assumed 1% change in the exchange rates between H.K. dollar against the U.S. dollar would cause a foreign transaction gain or loss of approximately US$6.7 million for the year ended December 31, 2013. Based on the balances of long-term indebtedness denominated in currencies other than U.S. dollars and restricted cash from the RMB2.3 billion in proceeds from the RMB Bonds as of December 31, 2012, an assumed 1% change in the exchange rates between H.K. dollar and Renminbi against the U.S. dollar would cause a foreign transaction gain or loss of approximately US$13.7 million for the year ended December 31, 2012.

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 US$5.00 for each 100 ADSs, or any portion 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 of US$2.00 per 100 ADSs for distribution of cash proceeds pursuant to a cash distribution, sale of rights and other entitlements or otherwise. The depositary may also charge an annual fee of US$2.00 per 100 ADSs for the operation and maintenance costs in administering the facility. Persons depositing shares also may be charged the following expenses:

- Taxes and other governmental charges incurred by the depositary or the custodian on any ADR or share underlying an ADR, including any applicable interest and penalties thereon, and any share transfer or other taxes and other governmental charges;
- Cable, telex and facsimile transmission and delivery charges;
- Transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities including those of a central depository for securities (where applicable);
- Expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars;
- 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 other fees, charges, costs or expenses that may be incurred by the depositary from time to time.

We will pay all other charges and expenses of the depositary and any agent of the depositary, except the custodian, pursuant to agreements from time to time between us and the depositary. We and the depositary may amend the fees described above from time to time.

Depositary fees payable upon the issuance and cancellation of ADSs are generally paid to the depositary by the brokers receiving the newly issued ADSs from the depositary and by the brokers delivering the ADSs to the depositary for cancellation. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary service fee are charged by the depositary to the holders of record of ADSs as of the applicable ADS record date.

In the case of cash distributions, service fees are generally deducted from the cash being distributed. In the case of distributions other than cash, such as stock dividends or certain rights, the depositary charges the applicable ADS record date holder concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or in The Depository Trust Company (“DTC”)), the depositary sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary generally collects the fees through the settlement systems provided by DTC (whose

nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the service fees paid to the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See "Item 10. Additional Information" for a description of the rights of securities holders, which remain unchanged.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this annual report, our management, with the participation of our chief executive officer and our chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, it should be noted that any controls and procedures, no matter how well designed and operated, can only provide reasonable, but not absolute, assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms, and accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act.

Our Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our Company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our Company's assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that our Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Company's management assessed the effectiveness of our Company's internal control over financial reporting as of December 31, 2013. 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 (1992)* ("1992 framework").

Based on this assessment, management concluded that, as of December 31, 2013, our Company's internal control over financial reporting is effective based on this 1992 framework.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of our Company's internal control over financial reporting as of December 31, 2013, 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, 2013 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 ethics was last amended on December 3, 2013. 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 auditors, for the years indicated. We did not pay any other fees to our auditor during the years indicated below.

	Year Ended December 31,	
	2013	2012
	(In thousands of US$)	
Audit fees (1)	$957	$1,147
Audit-related fees (2)	103	75
Tax fees (3)	63	83
All other fees (4)	324	471

(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, 2013.
(3) "Tax fees" include fees billed for tax consultations.
(4) "All other fees" primarily include the aggregate fees billed in respect of the review of certain documents associated with the issuance of the Studio City Notes in November 2012 and the issuance of the 2013 Senior Notes in February 2013, which amounted to US$100,000 and US$160,000, respectively.

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

None.

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 depositary 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.

In September 2011, our board adopted Hong Kong corporate governance guidelines, which took effect upon the listing of our Company in Hong Kong, and were received from time to time with the last updated made in December 2013. As a company listed on the HKSE, we are expected to comply with applicable corporate governance and related requirements of the listing rules of the HKSE, including the Code on Corporate Governance Practices, unless an exemption is available. If we deviate from these corporate governance provisions, we are required to disclose the reasons for such deviation, if any, in our interim and annual reports.

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

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association adopted on May 23, 2012 (incorporated by reference to Exhibit 3.1 from our registration statement on Form F-3 (File No. 333-178215), filed with the SEC on May 23, 2012)
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	Holdco 1 Subscription Agreement dated December 23, 2004 among our Company (formerly known as Melco PBL Holdings Limited), Melco, PBL and PBL Asia Investments Limited (incorporated by reference to Exhibit 4.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.5	Supplemental Agreement to the Memorandum of Agreement dated May 26, 2006 between Melco and PBL (incorporated by reference to Exhibit 4.7 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.6	Deed of Variation and Amendment dated July 27, 2007 between our Company (formerly known as Melco PBL Holdings Limited), 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)
2.7	Amended and Restated Shareholders' Deed dated December 12, 2007 among our Company (formerly known as Melco PBL Holdings Limited), 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)
2.8	Form of Post-IPO Shareholders' Agreement among our Company (formerly known as Melco PBL Holdings Limited), Melco Leisure and Entertainment Group Limited, Melco, PBL Asia Investments Limited and PBL (incorporated by reference to Exhibit 4.9 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.9	Form of Registration Rights Agreement among our Company (formerly known as Melco PBL Holdings Limited), 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)
2.10	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)

Exhibit Number	Description of Document
2.11	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)
2.12	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)
2.13	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)
2.14	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)
2.15	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)
2.16	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)
2.17	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)
2.18	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)

Exhibit Number	Description of Document
2.19 *	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
2.20 *	Guaranty, dated January 24, 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
2.21 *	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.
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 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 (Macau) Limited 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 (Macau) Limited 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)

Exhibit Number	Description of Document
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated October 8, 2009, between Melco Crown (Macau) Limited 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)
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 Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited and Melco Hotel and Resorts (Macau) 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 Crown Macau (formerly known as Melco PBL Gaming) 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)

Exhibit Number	Description of Document
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco PBL Gaming (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 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 Crown Macau (formerly known as Melco PBL Gaming) 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 (Macau) Limited 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 (Macau) Limited (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, Lawrence Yau Lung Ho and Melco PBL Gaming (Macau) Limited (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 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)

Exhibit Number	Description of Document
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, 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	2011 Share Incentive Plan, adopted by EGM on October 6, 2011 (incorporated by reference to Exhibit 4.40 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)
4.35	Amendment No. 1 the Shareholders' Agreement relating to Studio City International Holdings Limited (formerly known as Cyber One Agents Limited), dated September 25, 2012, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (formerly known as Cyber One Agents 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)
4.36	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)
4.37	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)

Exhibit Number	Description of Document
4.38	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)
4.39	Purchase Agreement, dated November 16, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited as specified therein and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, BOCI Asia Limited, Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, Merrill Lynch International and UBS AG, Hong Kong Branch as initial purchasers (incorporated by reference to Exhibit 4.39 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	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)
4.41	Purchase Agreement, dated January 29, 2013, among MCE Finance Limited, certain subsidiaries of MCE Finance Limited as specified therein and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Citigroup Global Markets Inc. and Merrill Lynch International as initial purchasers (incorporated by reference to Exhibit 4.41 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)
4.42	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)
4.43	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)
4.44 *	Amendment No. 2 to the Shareholders' Agreement relating to Studio City International Holdings Limited (formerly known as Cyber One Agents Limited), dated May 17, 2013, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (formerly known as Cyber One Agents Limited)
4.45 *	Fifth Amendment Agreement in Respect of the Senior Facilities Agreement, dated June 22, 2011, among Melco Crown (Macau) Limited, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent
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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

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Co-Chairman and Chief Executive Officer

Date: April 15, 2014

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1	Amended and Restated Memorandum and Articles of Association adopted on May 23, 2012 (incorporated by reference to Exhibit 3.1 from our registration statement on Form F-3 (File No. 333-178215), filed with the SEC on May 23, 2012)
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	Holdco 1 Subscription Agreement dated December 23, 2004 among our Company (formerly known as Melco PBL Holdings Limited), Melco, PBL and PBL Asia Investments Limited (incorporated by reference to Exhibit 4.4 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.5	Supplemental Agreement to the Memorandum of Agreement dated May 26, 2006 between Melco and PBL (incorporated by reference to Exhibit 4.7 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.6	Deed of Variation and Amendment dated July 27, 2007 between our Company (formerly known as Melco PBL Holdings Limited), 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)
2.7	Amended and Restated Shareholders' Deed dated December 12, 2007 among our Company (formerly known as Melco PBL Holdings Limited), 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)
2.8	Form of Post-IPO Shareholders' Agreement among our Company (formerly known as Melco PBL Holdings Limited), Melco Leisure and Entertainment Group Limited, Melco, PBL Asia Investments Limited and PBL (incorporated by reference to Exhibit 4.9 from our registration statement on Form F-1 (File No. 333-139088), as amended, initially filed with the SEC on December 1, 2006)
2.9	Form of Registration Rights Agreement among our Company (formerly known as Melco PBL Holdings Limited), 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)
2.10	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)

Exhibit Number	Description of Document
2.11	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)
2.12	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)
2.13	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)
2.14	Intercompany Note, dated November 26, 2012, issued by Studio City Investments Limited (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)
2.15	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 2.13 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)
2.16	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)
2.17	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)
2.18	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)

Exhibit Number	Description of Document
2.19 *	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
2.20 *	Guaranty, dated January 24, 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
2.21 *	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.
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 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 (Macau) Limited 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 (Macau) Limited 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)

Exhibit Number	Description of Document
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated October 8, 2009, between Melco Crown (Macau) Limited 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)
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 Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited and Melco Hotel and Resorts (Macau) 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 Crown Macau (formerly known as Melco PBL Gaming) 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)

Exhibit Number	Description of Document
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco PBL Gaming (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 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 Crown Macau (formerly known as Melco PBL Gaming) 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 (Macau) Limited 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 (Macau) Limited (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, Lawrence Yau Lung Ho and Melco PBL Gaming (Macau) Limited (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 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)

Exhibit Number	Description of Document
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, 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	2011 Share Incentive Plan, adopted by EGM on October 6, 2011 (incorporated by reference to Exhibit 4.40 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)
4.35	Amendment No. 1 to the Shareholders' Agreement relating to Studio City International Holdings Limited (formerly known as Cyber One Agents Limited), dated September 25, 2012, among MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and Studio City International Holdings Limited (formerly known as Cyber One Agents 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)
4.36	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)
4.37	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)

Exhibit Number	Description of Document
4.38	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)
4.39	Purchase Agreement, dated November 16, 2012, among Studio City Finance Limited, certain subsidiaries of Studio City Finance Limited as specified therein and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, BOCI Asia Limited, Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, Merrill Lynch International and UBS AG, Hong Kong Branch as initial purchasers (incorporated by reference to Exhibit 4.39 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	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)
4.41	Purchase Agreement, dated January 29, 2013, among MCE Finance Limited, certain subsidiaries of MCE Finance Limited as specified therein and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, Citigroup Global Markets Inc. and Merrill Lynch International as initial purchasers (incorporated by reference to Exhibit 4.41 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)
4.42	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)
4.43	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)
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* Filed with this annual report on Form 20-F

MELCO CROWN ENTERTAINMENT LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013, 2012 AND 2011

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, 2013 and 2012, 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, 2013. 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, 2013 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, 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, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 26, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 26, 2014

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, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* 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, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* 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, 2013 of the Company and our report dated March 26, 2014 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 26, 2014

MELCO CROWN ENTERTAINMENT LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data)

	December 31,	
	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$1,381,757	$ 1,709,209
Bank deposits with original maturity over three months	626,940	—
Restricted cash (Note 12)	770,294	672,981
Accounts receivable, net (Note 3)	287,880	320,929
Amounts due from affiliated companies (Note 23(a))	23	1,322
Income tax receivable	18	266
Inventories	18,169	16,576
Prepaid expenses and other current assets	54,898	27,743
Assets held for sale (Note 4)	8,468	—
Total current assets	3,148,447	2,749,026
PROPERTY AND EQUIPMENT, NET (Note 5)	3,308,846	2,684,094
GAMING SUBCONCESSION, NET (Note 6)	485,031	542,268
INTANGIBLE ASSETS, NET (Note 7)	4,220	4,220
GOODWILL (Note 7)	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS (Note 8)	345,667	88,241
RESTRICTED CASH (Note 12)	373,371	741,683
DEFERRED TAX ASSETS (Note 17)	93	105
DEFERRED FINANCING COSTS	114,431	65,930
LAND USE RIGHTS, NET (Note 9)	951,618	989,984
TOTAL ASSETS	$8,813,639	$ 7,947,466
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable (Note 10)	$ 9,825	$ 13,745
Accrued expenses and other current liabilities (Note 11)	928,751	850,841
Income tax payable	6,584	1,191
Capital lease obligations, due within one year (Note 13)	27,265	—
Current portion of long-term debt (Note 12)	262,566	854,940
Amounts due to affiliated companies (Note 23(b))	2,900	949
Amount due to a shareholder (Note 23(c))	79	—
Total current liabilities	1,237,970	1,721,666
LONG-TERM DEBT (Note 12)	2,270,894	2,339,924
OTHER LONG-TERM LIABILITIES (Note 14)	28,492	7,412
DEFERRED TAX LIABILITIES (Note 17)	62,806	66,350
CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR (Note 13)	253,029	—
LAND USE RIGHTS PAYABLE (Note 22(c))	35,466	71,358
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,	
	2013	2012
SHAREHOLDERS' EQUITY		
Ordinary shares at US$0.01 par value per share (Authorized – 7,300,000,000 shares as of December 31, 2013 and 2012 and issued – 1,666,633,448 and 1,658,059,295 shares as of December 31, 2013 and 2012, respectively (Note 16))	$ 16,667	$ 16,581
Treasury shares, at cost (16,222,246 and 11,267,038 shares as of December 31, 2013 and 2012, respectively (Note 16))	(5,960)	(113)
Additional paid-in capital	3,479,399	3,235,835
Accumulated other comprehensive losses	(15,592)	(1,057)
Retained earnings	772,156	134,693
Total Melco Crown Entertainment Limited shareholders' equity	4,246,670	3,385,939
Noncontrolling interests	678,312	354,817
Total equity	4,924,982	3,740,756
TOTAL LIABILITIES AND EQUITY	$8,813,639	$7,947,466

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,		
	2013	2012	2011
OPERATING REVENUES			
Casino	$ 4,941,487	$ 3,934,761	$ 3,679,423
Rooms	127,661	118,059	103,009
Food and beverage	78,880	72,718	61,840
Entertainment, retail and others	103,739	90,789	86,167
Gross revenues	5,251,767	4,216,327	3,930,439
Less: promotional allowances	(164,589)	(138,314)	(99,592)
Net revenues	5,087,178	4,078,013	3,830,847
OPERATING COSTS AND EXPENSES			
Casino	(3,452,736)	(2,834,762)	(2,698,981)
Rooms	(12,511)	(14,697)	(18,247)
Food and beverage	(29,114)	(27,531)	(34,194)
Entertainment, retail and others	(64,212)	(62,816)	(58,404)
General and administrative	(255,780)	(226,980)	(220,224)
Pre-opening costs	(17,014)	(5,785)	(2,690)
Development costs	(26,297)	(11,099)	(1,110)
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(64,271)	(59,911)	(34,401)
Depreciation and amortization	(261,298)	(261,449)	(259,224)
Property charges and others	(6,884)	(8,654)	(1,025)
Total operating costs and expenses	(4,247,354)	(3,570,921)	(3,385,737)
OPERATING INCOME	839,824	507,092	445,110
NON-OPERATING INCOME (EXPENSES)			
Interest income	7,660	10,958	4,131
Interest expenses, net of capitalized interest	(152,660)	(109,611)	(113,806)
Reclassification of accumulated losses of interest rate swap agreements from accumulated other comprehensive losses (Note 12)	—	—	(4,310)
Change in fair value of interest rate swap agreements	—	363	3,947
Amortization of deferred financing costs	(18,159)	(13,272)	(14,203)
Loan commitment fees	(25,643)	(1,324)	(1,411)
Foreign exchange (loss) gain, net	(10,756)	4,685	(1,771)
Other income, net	1,661	115	3,664
Listing expenses	—	—	(8,950)
Loss on extinguishment of debt (Note 12)	(50,935)	—	(25,193)
Costs associated with debt modification (Note 12)	(10,538)	(3,277)	—
Total non-operating expenses, net	(259,370)	(111,363)	(157,902)
INCOME BEFORE INCOME TAX	580,454	395,729	287,208
INCOME TAX (EXPENSE) CREDIT (Note 17)	(2,441)	2,943	1,636
NET INCOME	578,013	398,672	288,844
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	59,450	18,531	5,812
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	$ 637,463	$ 417,203	$ 294,656

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,		
	2013	2012	2011
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE:			
Basic	$ 0.386	$ 0.254	$ 0.184
Diluted	$ 0.383	$ 0.252	$ 0.182
WEIGHTED AVERAGE SHARES USED IN NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE CALCULATION:			
Basic	1,649,678,643	1,645,346,902	1,604,213,324
Diluted	1,664,198,091	1,658,262,996	1,616,854,682

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,		
	2013	2012	2011
Net income	$ 578,013	$398,672	$ 288,844
Other comprehensive (loss) income:			
Foreign currency translation adjustment	(23,399)	16	(149)
Change in fair value of interest rate swap agreements	—	—	6,111
Change in fair value of forward exchange rate contracts	—	99	39
Reclassification to earnings upon discontinuance of hedge accounting (Note 12)	—	—	4,310
Reclassification to earnings upon settlement of forward exchange rate contracts	—	(138)	—
Other comprehensive (loss) income	(23,399)	(23)	10,311
Total comprehensive income	554,614	398,649	299,155
Comprehensive loss attributable to noncontrolling interests	68,314	18,540	5,812
Comprehensive income attributable to Melco Crown Entertainment Limited	$622,928	$417,189	$ 304,967

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	(Accumulated Losses) Retained Earnings	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount					
			(Note)						
BALANCE AT JANUARY 1, 2011	1,605,658,111	$ 16,056	(8,409,186)	$ (84)	$ 3,095,730	$ (11,345)	$ (577,166)	$ —	$ 2,523,191
Net income for the year	—	—	—	—	—	—	294,656	(5,812)	288,844
Foreign currency translation adjustment	—	—	—	—	—	(149)	—	—	(149)
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,111	—	—	6,111
Change in fair value of forward exchange rate contracts	—	—	—	—	—	39	—	—	39
Reclassification to earnings upon discontinuance of hedge accounting (Note 12)	—	—	—	—	—	4,310	—	—	4,310
Acquisition of assets and liabilities (Note 25(b))	—	—	—	—	—	—	—	237,309	237,309
Share-based compensation (Note 18)	—	—	—	—	8,624	—	—	—	8,624
Shares issued upon restricted shares vested (Note 16)	310,575	3	—	—	(3)	—	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options (Note 16)	6,920,386	69	(6,920,386)	(69)	—	—	—	—	—
Issuance of shares for restricted shares vested (Note 16)	—	—	941,648	9	(9)	—	—	—	—
Exercise of share options (Note 16)	—	—	3,835,596	38	3,912	—	—	—	3,950
Issuance of shares for conversion of shareholders' loans (Note 16)	40,211,930	403	—	—	115,020	—	—	—	115,423
BALANCE AT DECEMBER 31, 2011	1,653,101,002	16,531	(10,552,328)	(106)	3,223,274	(1,034)	(282,510)	231,497	3,187,652
Net income for the year	—	—	—	—	—	—	417,203	(18,531)	398,672
Capital contribution from noncontrolling interests	—	—	—	—	—	—	—	140,000	140,000
Foreign currency translation adjustment	—	—	—	—	—	16	—	(9)	7
Change in fair value of forward exchange rate contracts	—	—	—	—	—	99	—	—	99
Reclassification to earnings upon settlement of forward exchange rate contracts	—	—	—	—	—	(138)	—	—	(138)
Acquisition of assets and liabilities (Note 25(a))	—	—	—	—	—	—	—	1,860	1,860
Share-based compensation (Note 18)	—	—	—	—	8,973	—	—	—	8,973
Shares issued for future vesting of restricted shares and exercise of share options (Note 16)	4,958,293	50	(4,958,293)	(50)	—	—	—	—	—
Issuance of shares for restricted shares vested (Note 16)	—	—	1,276,634	13	(13)	—	—	—	—
Cancellation of vested restricted shares	—	—	(6)	—	—	—	—	—	—
Exercise of share options (Note 16)	—	—	2,966,955	30	3,601	—	—	—	3,631
BALANCE AT DECEMBER 31, 2012	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 18)	—	—	—	—	14,119	—	—	883	15,002
Shares purchased under trust arrangement for future vesting of restricted shares (Note 16)	—	—	(1,121,838)	(8,770)	—	—	—	—	(8,770)
Transfer of shares purchased under trust arrangement for restricted shares vested (Note 16)	—	—	378,579	2,965	(2,965)	—	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options (Note 16)	8,574,153	86	(8,574,153)	(86)	—	—	—	—	—
Issuance of shares for restricted shares vested (Note 16)	—	—	1,297,902	13	(13)	—	—	—	—
Exercise of share options (Note 16)	—	—	3,064,302	31	4,888	—	—	—	4,919
Change in shareholding of the Philippines subsidiaries (Note 26)	—	—	—	—	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

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; and 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.

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,		
	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 578,013	$ 398,672	$ 288,844
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	382,806	378,597	350,862
Amortization of deferred financing costs	18,159	13,272	14,203
Amortization of deferred interest expense	756	2,138	1,142
Amortization of discount on senior notes payable	71	801	723
Excess payment on acquisition of assets and liabilities	—	5,747	—
Interest accretion on capital lease obligations	16,063	—	—
Loss on disposal of property and equipment	2,483	887	426
Allowance for doubtful debts and direct write off	44,299	28,416	37,803
Written off contract acquisition costs	1,582	—	—
Loss on extinguishment of debt	50,935	—	25,193
Written off deferred financing costs on modification of debt	10,538	—	—
Share-based compensation	14,987	8,973	8,624
Reclassification of accumulated losses of interest rate swap agreements from accumulated other comprehensive losses	—	—	4,310
Reclassification of accumulated income of forward exchange rate contracts from accumulated other comprehensive losses	—	(138)	—
Change in fair value of interest rate swap agreements	—	(363)	(3,947)
Changes in operating assets and liabilities:			
Accounts receivable	(15,261)	(42,367)	(69,741)
Amounts due from affiliated companies	1,299	524	(318)
Amount due from a shareholder	—	6	—
Income tax receivable	—	—	265
Inventories	(1,593)	(1,318)	(268)
Prepaid expenses and other current assets	(25,974)	(3,716)	(9,359)
Long-term prepayments, deposits and other assets	(1,197)	(2,679)	379
Deferred tax assets	12	(81)	1
Accounts payable	(3,920)	1,722	3,143
Accrued expenses and other current liabilities	71,527	164,886	94,182
Income tax payable	5,640	(313)	238
Amounts due to affiliated companies	2,164	(564)	412
Amounts due to shareholders	79	—	(267)
Other long-term liabilities	2,010	809	777
Deferred tax liabilities	(3,544)	(3,678)	(2,967)
Net cash provided by operating activities	1,151,934	950,233	744,660
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in bank deposits with original maturity over three months	(626,940)	—	—
Payment for capitalized construction costs	(496,915)	(79,211)	(18,764)
Advance payments for construction costs	(161,633)	—	—
Payment for acquisition of property and equipment	(78,250)	(141,269)	(71,504)
Payment for land use rights	(64,297)	(53,830)	(15,271)
Payment for contract acquisition costs	(27,722)	—	—
Deposits for acquisition of property and equipment	(17,198)	(7,708)	(3,962)
Payment for security deposit	(4,293)	—	—
Payment for entertainment production costs	(2,064)	(1,788)	(70)
Net payment for acquisition of assets and liabilities	—	(5,315)	(290,058)
Proceeds from sale of property and equipment	343	422	233
Proceeds from deposits on sale of assets held for sale	1,285	—	—
Changes in restricted cash	268,414	(1,047,019)	(185,992)
Net cash used in investing activities	$ (1,209,270)	$ (1,335,718)	$ (585,388)

MELCO CROWN ENTERTAINMENT LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2013	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on long-term debt	$ (1,667,969)	$ (2,755)	$ (117,076)
Payment of deferred financing costs	(129,133)	(30,297)	(36,135)
Prepayment of deferred financing costs	(56,535)	(18,812)	—
Deferred payment for acquisition of assets and liabilities	(25,000)	(25,000)	—
Purchase of shares under trust arrangement for future vesting of restricted shares	(8,770)	—	—
Principal payments on capital lease obligations	(38)	—	—
Proceeds from exercise of share options	4,017	3,599	4,565
Capital contribution from noncontrolling interests	280,000	140,000	—
Net proceeds from issuance of shares of a subsidiary	338,461	—	—
Proceeds from long-term debt	1,000,000	868,000	706,556
Net cash (used in) provided by financing activities	(264,967)	934,735	557,910
EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS	(5,149)	1,935	(1,081)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(327,452)	551,185	716,101
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,709,209	1,158,024	441,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,381,757	$ 1,709,209	$ 1,158,024
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS			
Cash paid for interest (net of capitalized interest)	$ (127,807)	$ (102,015)	$ (111,656)
Cash paid for tax (net of refunds)	$ (333)	$ (1,129)	$ (827)
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Costs of property and equipment funded through capital lease obligations	$ 288,535	$ —	$ —
Costs of property and equipment funded through accrued expenses and other current liabilities and other long-term liabilities	$ 15,744	$ 10,967	$ 6,641
Costs of property and equipment funded through amounts due to affiliated companies	$ 215	$ 428	$ 52
Construction costs funded through accrued expenses and other current liabilities and other long-term liabilities	$ 87,611	$ 49,508	$ 7,989
Land use rights costs funded through accrued expenses and other current liabilities and land use rights payable	$ 14,608	$ 69,057	$ —
Deferred financing costs funded through accrued expenses and other current liabilities	$ 4,522	$ 7,080	$ 778
Entertainment production costs funded through accrued expenses and other current liabilities	$ 448	$ 15	$ —
Acquisition of assets and liabilities funded through accrued expenses and other current liabilities and other long-term liabilities	$ —	$ —	$ 48,473
Settlement of shareholders' loans through issuance of shares	$ —	$ —	$ 115,442

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 on December 17, 2004 and completed an initial public offering of its ordinary shares in the United States of America in December 2006. The Company's American depository shares ("ADS") are traded on the NASDAQ Global Select Market under the symbol "MPEL". On December 7, 2011, the Company completed a dual primary listing in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") and listed its ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") by way of introduction, under the stock code of "6883".

The Company together with its subsidiaries (collectively referred to as the "Group") is a developer and owner of casino gaming and entertainment 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 business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. The Group is also developing Studio City, a cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau. In the Philippines, Melco Crown (Philippines) Resorts Corporation ("MCP"), an indirect majority owned subsidiary of the Company whose common shares are listed on the Philippines Stock Exchange under the stock code of "MCP" together with MCP's subsidiaries (collectively referred to as the "MCP Group"), has been cooperating with certain Philippine Parties as defined in Note 21(a) to develop and operate the Philippines Project which was subsequently branded as City of Dreams Manila, a casino, hotel, retail and entertainment integrated resort in the Entertainment City complex in Manila.

As of December 31, 2013 and 2012, the major shareholders of the Company are Melco International Development Limited ("Melco"), a company listed in Hong Kong, and Crown Resorts Limited (formerly known as Crown Limited, or "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 judgements 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.

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

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. 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, 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 those cash deposited into bank accounts which are restricted as to withdrawal and use and the Group expected those fund 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 fund that will not be released or utilized within the next twelve months. Restricted cash as of December 31, 2013 comprises of i) bank accounts that are restricted for withdrawal and for payment of Studio City project costs in accordance with the terms of the $825,000 8.5% senior notes, due 2020 (the "Studio City Notes") and other associated agreements; ii) a subsidiary's Taiwan branch office's deposit account in Taiwan which was frozen by the Taiwanese authorities in January 2013 for investigation of certain alleged violations of Taiwan banking laws by certain employees of the Taiwan branch office; and iii) cash in escrow account, which was setup in March 2013, that is restricted for payment of City of Dreams Manila project costs in accordance with the terms of the provisional license (the "Provisional License") as disclosed in Note 21(a) issued by the Philippine Amusement and Gaming Corporation ("PAGCOR"). The restricted cash for proceeds on the Renminbi ("RMB") 2,300,000,000 3.75% bonds due 2013 (the "RMB Bonds") deposited into a bank account for securing a Hong Kong dollar deposit-linked loan facility (the "Deposit-Linked Loan") was released upon prepayment in full of the Deposit-Linked Loan by the Group on March 4, 2013 as disclosed in Note 12.

(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, 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, 2013 and 2012, 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.

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

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 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, 2013 and 2012, 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

Property and equipment are stated at cost less accumulated depreciation. 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 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 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:

Classification	Estimated Useful Life
Buildings	7 to 25 years or over the term of the land use right agreement or lease agreement, whichever is shorter
Aircraft	10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 10 years
Motor vehicles	5 years
Plant and gaming machinery	3 to 5 years

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

(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 resort facilities during the active construction period are capitalized. Interest subject to capitalization primarily includes interest paid or payable on loans from shareholders, the Group's senior secured credit facility as entered into on September 5, 2007 (the "City of Dreams Project Facility"), interest rate swap agreements, $600,000 10.25% senior notes, due 2018 (the "2010 Senior Notes"), the RMB Bonds, the Deposit-Linked Loan, the City of Dreams Project Facility amended on June 30, 2011 (the "2011 Credit Facilities"), $1,000,000 5% senior notes, due 2021 (the "2013 Senior Notes"), the Studio City Notes, 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 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 $183,647, $120,021 and $116,963, of which $30,987, $10,410 and $3,157 were capitalized for the years ended December 31, 2013, 2012 and 2011, respectively. No amortization of deferred financing costs were capitalized during the years ended December 31, 2013, 2012 and 2011.

(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"), an indirect subsidiary of the Company, 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, Net

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, 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

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

(l) **Impairment of Long-Lived Assets (Other Than Goodwill)** - continued

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.

(m) **Deferred Financing Costs**

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized over the terms of the related debt agreements using the effective interest method. Approximately $18,159, $13,272 and $14,203 were amortized during the years ended December 31, 2013, 2012 and 2011, respectively.

(n) **Land Use Rights, Net**

Land use rights are recorded at cost less accumulated amortization. Amortization is provided over the estimated lease term of the land on a straight-line basis.

(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 Taipa Square Casino and Grand Hyatt Macau hotel. 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. For the operations of Grand Hyatt Macau hotel, the Group is the owner of the hotel property, and the hotel manager operates the hotel under a management agreement providing management services to the Group, and the Group receives all rewards and takes substantial risks associated with the hotel business, it is the principal and the transactions of the hotel are 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

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

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.

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, 2013, 2012 and 2011 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,		
	2013	2012	2011
Rooms	$ 19,828	$16,819	$12,696
Food and beverage	43,838	39,014	28,653
Entertainment, retail and others	8,301	7,238	6,510
	$71,967	$ 63,071	$ 47,859

(p) Point-loyalty Programs

The Group operates different loyalty programs in certain of its properties to encourage repeat business from loyal slot machine customers and table games patrons. Members earn points 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 redemption value, age and history with expiration of unused points resulting in a reduction of the accruals.

(q) Gaming Taxes

The Group is subject to taxes based on gross gaming revenue in Macau. These gaming taxes are determined 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 totaled $2,479,958, $2,024,697 and $1,948,652 for the years ended December 31, 2013, 2012 and 2011, 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 incurred pre-opening costs in connection with City of Dreams Manila and Studio City since its acquisition by the Group in December 2012 and

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

(r) Pre-opening Costs - continued

July 2011, respectively, as disclosed in Note 25, and continues to incur such costs related to City of Dreams Manila, Studio City and 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.

(t) Advertising Expenses

The Group expenses all advertising costs as incurred. Advertising costs incurred during development periods are included in pre-opening costs. Once a project is completed, advertising costs are mainly included in general and administrative expenses. Total advertising costs were $37,481, $37,096 and $31,556 for the years ended December 31, 2013, 2012 and 2011, 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 issued restricted shares and share options under its share incentive plans during the years ended December 31, 2013, 2012 and 2011. During the year ended December 31, 2013, the Company's subsidiary, MCP, adopted a share incentive plan (the "MCP Share Incentive Plan") and issued restricted shares and share options of MCP.

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, with such estimate updated periodically and with actual forfeitures recognized currently to the extent they differ from the estimate.

Further information on the Group's share-based compensation arrangements is included in Note 18.

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

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 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,		
	2013	2012	2011
Weighted average number of ordinary shares outstanding used in the calculation of basic net income attributable to Melco Crown Entertainment Limited per share	1,649,678,643	1,645,346,902	1,604,213,324
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	14,519,448	12,916,094	12,641,358
Weighted average number of ordinary shares outstanding used in the calculation of diluted net income attributable to Melco Crown Entertainment Limited per share	1,664,198,091	1,658,262,996	1,616,854,682

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

(x) Net Income Attributable to Melco Crown Entertainment Limited Per Share - continued

During the years ended December 31, 2013, 2012 and 2011, nil, 1,901,136 and 5,547,036 outstanding share options as at December 31, 2013, 2012 and 2011, 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 and forward exchange rate contracts to manage its risks associated with interest rate fluctuations in accordance with lenders' requirements under the City of Dreams Project Facility and exchange rate fluctuations for the interest payments of the RMB Bonds. The Group accounts for derivative financial instruments in accordance with applicable accounting standards. 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 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 and forward exchange rate contracts 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 and market forward exchange rates.

All outstanding interest rate swap agreements and forward exchange rate contracts expired during the year ended December 31, 2012. Further information on the Group's interest rate swap agreements and forward exchange rate contracts are included in Note 12.

(z) Comprehensive Income and Accumulated Other Comprehensive Losses

Comprehensive income includes net income, foreign currency translation adjustments, change in the fair value of interest rate swap agreements, change in fair value of forward exchange rate contracts and reclassification to earnings upon settlement of forward exchange rate contracts and is reported in the consolidated statements of comprehensive income. On June 30, 2011, the Group amended the City of Dreams Project Facility and the accumulated losses of interest rate swap agreements were reclassified to earnings as the interest rate swap agreements no longer qualified for hedge accounting immediately after the amendment of the City of Dreams Project Facility. Further information on the amendment of the City of Dreams Project Facility is included in Note 12.

As of December 31, 2013 and 2012, the Group's accumulated other comprehensive losses represented foreign currency translation adjustments.

(aa) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncements:

In July 2012, the Financial Accounting Standards Board ("FASB") issued amended accounting guidance to simplify testing indefinite-lived intangible assets, other than goodwill, for impairment. The amended guidance allows companies to perform a qualitative assessment to determine whether further

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

Newly Adopted Accounting Pronouncements: - continued

impairment testing of indefinite-lived intangible assets is necessary. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is "more-likely-than-not" that the asset is impaired. The adoption of this amended standard was effective for the Group as of January 1, 2013 and did not have a material impact on the Group's consolidated financial results or disclosures.

In February 2013, the FASB issued authoritative guidance on the reporting of reclassifications out of accumulated other comprehensive income. The guidance requires an entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income if the amount is reclassified to net income in its entirety in the same reporting period. The adoption of this guidance was effective for the Group as of January 1, 2013 and did not have a material effect on the Group's consolidated financial results or disclosures.

Recent Accounting Pronouncements Not Yet Adopted:

In February 2013, the FASB issued an authoritative pronouncement related to obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The pronouncement provides guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this pronouncement is fixed at the reporting date, except for obligations addressed within existing guidance in U.S. GAAP. The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in this pronouncement also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The amendments are effective for interim and fiscal years beginning after December 15, 2013, with early adoption permitted. The amendments in this Accounting Standards Updates should be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements within the scope that exist at the beginning of an entity's fiscal year of adoption. An entity may elect to use hindsight for the comparative periods (if it changed its accounting as a result of adopting the amendments in this pronouncement) and should disclose that fact. The adoption of this amended guidance is not expected to have a material impact on the Group's consolidated financial results or disclosures.

In March 2013, the FASB issued an authoritative pronouncement related to parent's accounting for the cumulative translation adjustment upon derecognition of certain subsidiaries or groups of assets within a foreign entity or of an investment in a foreign entity. When a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity, the parent is required to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. The amendments are effective for interim and

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(aa) **Recent Changes in Accounting Standards** - continued

Recent Accounting Pronouncements Not Yet Adopted: - continued

fiscal years beginning after December 15, 2013, with early adoption permitted. The amendments should be applied prospectively to derecognition events occurring after the effective date. Prior periods should not be adjusted. The adoption of this amended guidance is not expected to have a material impact on the Group's consolidated financial results or disclosures.

In July 2013, the FASB issued a pronouncement which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments require an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The amendments are effective for interim and fiscal years beginning after December 15, 2013, with early adoption permitted. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date. Retrospective application is permitted. The adoption of this amended guidance is not expected to have a material impact on the Group's consolidated financial results or disclosures.

3. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2013	2012
Casino	$423,963	$426,796
Hotel	1,353	2,390
Other	5,898	5,007
Sub-total	$ 431,214	$ 434,193
Less: allowance for doubtful debts	(143,334)	(113,264)
	$287,880	$ 320,929

During the years ended December 31, 2013, 2012 and 2011, the Group has provided allowance for doubtful debts of $43,750, $26,566 and $36,871 and has directly written off accounts receivable of $549, $1,850 and $932, respectively.

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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,		
	2013	2012	2011
At beginning of year	$113,264	$ 86,775	$ 41,490
Additional allowance, net of recoveries	43,750	26,566	36,871
Reclassified (to) from long-term receivables, net	(13,680)	(77)	8,414
At end of year	$ 143,334	$113,264	$ 86,775

The Group grants unsecured credit lines to gaming promoters based on pre-approved credit limits. The Group typically issues markers to gaming promoters with a credit period of 30 days. There are some gaming promoters for whom credit is granted on a revolving basis based on the Group's monthly credit risk assessment of such gaming promoters. Credit lines granted to all gaming promoters are subject to monthly review and settlement procedures. For other approved casino customers, the Group typically allows a credit period of 14 days to 28 days on issuance of markers following investigations of creditworthiness. An extended repayment term of typically 90 days may be offered to casino customers with large gaming losses and established credit history. The following is an analysis of accounts receivable by age presented based on payment due date, net of allowance:

	December 31,	
	2013	2012
Current	$187,377	$ 227,534
1-30 days	57,727	51,207
31-60 days	11,607	9,842
61-90 days	11,878	1,941
Over 90 days	19,291	30,405
	$287,880	$320,929

4. ASSETS HELD FOR SALE

On November 20, 2013, one of the Group's subsidiaries entered into a promissory agreement with a third party for planned disposal of its properties in Macau for a total consideration of HK$240,000,000 (equivalent to $30,848) and a cash deposit of HK$10,000,000 (equivalent to $1,285) was received by the Group on the same date. The sale of the properties was completed on February 18, 2014, further details is disclosed in Note 27(c). As of December 31, 2013, the total net carrying value of the properties held for sale amounted to $8,468.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

5. PROPERTY AND EQUIPMENT, NET

	December 31, 2013	December 31, 2012
Cost		
Buildings	$ 2,693,753	$ 2,439,083
Furniture, fixtures and equipment	449,732	430,941
Leasehold improvements	265,808	232,526
Plant and gaming machinery	162,763	153,660
Aircraft	54,632	54,632
Motor vehicles	10,055	7,629
Construction in progress	868,828	338,812
Sub-total	$ 4,505,571	$3,657,283
Less: accumulated depreciation	(1,196,725)	(973,189)
Property and equipment, net	$ 3,308,846	$2,684,094

As of December 31, 2013 and 2012, construction in progress in relation to City of Dreams, Studio City and City of Dreams Manila included interest paid or payable on loans from shareholders, the City of Dreams Project Facility, interest rate swap agreements, RMB Bonds, 2011 Credit Facilities, Studio City Notes and the land premium payable for the land use right and capital lease obligations, amortization of deferred financing costs and other direct incidental costs capitalized (representing insurance, salaries and wages and certain other professional charges incurred) which amounted to $102,246 and $44,824, respectively.

During the years ended December 31, 2013, 2012 and 2011, additions to property and equipment amounted to $912,355, $283,998 and $236,555, respectively and disposals of property and equipment at carrying amount were $2,822, $1,310 and $655, respectively.

Buildings and furniture, fixtures and equipment with net book values amounted to $288,978 and $997, respectively, were held under capital lease as of December 31, 2013. No buildings or furniture, fixtures and equipment were held under capital lease as of December 31, 2012. Further information of the lease arrangement is included in Note 13.

6. GAMING SUBCONCESSION, NET

	December 31, 2013	December 31, 2012
Deemed cost	$ 900,000	$ 900,000
Less: accumulated amortization	(414,969)	(357,732)
Gaming subconcession, net	$ 485,031	$ 542,268

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 2014 through 2021, and approximately $27,135 in 2022.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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7. GOODWILL AND INTANGIBLE ASSETS, NET

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, discounted cash flow and market comparable 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 comparable.

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, 2013, 2012 and 2011.

8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31,	
	2013	2012
Entertainment production costs	$ 72,853	$ 70,356
Less: accumulated amortization	(26,416)	(16,603)
Entertainment production costs, net	$ 46,437	$ 53,753
Advance payments for construction costs	161,633	—
Prepayment of deferred financing costs	79,906	19,450
Deposits and other	51,441	12,655
Long-term receivables, net	6,250	2,383
Long-term prepayments, deposits and other assets	$345,667	$ 88,241

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 useful life of the entertainment show, whichever is shorter.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS - continued

Advance payments for construction costs are connected with the construction and fit-out cost for Studio City and City of Dreams Manila and are not expected to be settled to the Group within the next financial year.

Long-term receivables, net, represent casino receivables from casino customers where settlement is not expected within the next year. Aging of such balances are all over 90 days and include allowance for doubtful debts of $20,321 and $6,641 as of December 31, 2013 and 2012, respectively. During the year ended December 31, 2013, long-term receivables of $868 and allowance for doubtful debts of $868 were reclassified to current; and current accounts receivable of $18,559 and allowance for doubtful debts of $14,548 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.

9. LAND USE RIGHTS, NET

	December 31,	
	2013	2012
Altira Macau — Medium-term lease ("Taipa Land")	$ 146,434	$ 143,985
City of Dreams — Medium-term lease ("Cotai Land")	399,578	376,122
Studio City — Medium-term lease ("Studio City Land")	653,564	653,564
	$1,199,576	$1,173,671
Less: accumulated amortization	(247,958)	(183,687)
Land use rights, net	$ 951,618	$ 989,984

Land use rights are recorded at cost less accumulated amortization. Amortization is provided over the estimated lease term of the land on a straight-line basis. 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.

In January 2013, the Group recognized an additional land premium of approximately $2,449 for Taipa Land upon Altira Developments Limited's ("Altira Developments"), an indirect 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 is 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"), an indirect 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 contemplating the development of an additional five-star hotel areas in replacement of the four-star apartment hotel areas currently contemplated in such land grant, and the extension of the development period of the City of Dreams land grant until the date falling four years after publication of the amendment

MELCO CROWN ENTERTAINMENT LIMITED

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9. LAND USE RIGHTS, NET - continued

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 subsequently completed following the publication in the Macau official gazette of such revision on January 29, 2014. Further details on the proposed land amendment for Cotai Land is disclosed in Note 22(c).

The Studio City Land was acquired upon acquisition of assets and liabilities as disclosed in Note 25(b). The cost of Studio City Land was recognized in accordance with proposed amendment terms of the land concession contract issued by the Macau Government and accepted by Studio City Developments Limited ("Studio City Developments"), an indirect subsidiary of the Company, in November 2006. In June 2012, the Group recognized an additional land premium upon Studio City Developments' acceptance of the final amendment proposal issued by the Macau Government, which was completed with the publication in the Macau official gazette of such proposed amendment on July 25, 2012. Such amendment reflected an increase in the gross floor area for construction and the extension of the development period to 72 months from the date of publication of such amendment contract. Further details on the final amendment for Studio City Land is disclosed in Note 22(c).

10. ACCOUNTS PAYABLE

The following is an aged analysis of accounts payable presented based on payment due date:

	December 31,	
	2013	2012
Within 30 days	$ 8,429	$ 10,786
31-60 days	341	1,157
61-90 days	478	1,289
Over 90 days	577	513
	$ 9,825	$ 13,745

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2013	2012
Construction costs payable	$ 69,057	$ 61,350
Customer deposits and ticket sales	80,421	72,141
Gaming tax accruals	238,920	197,577
Interest expenses payable	30,529	20,254
Land use rights payable	50,500	53,000
Operating expense and other accruals and liabilities	166,504	119,584
Other gaming related accruals	29,157	24,524
Outstanding gaming chips and tokens	263,663	278,167
Payables for acquisition of assets and liabilities (Note 25(b))	—	24,244
	$ 928,751	$ 850,841

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12. LONG-TERM DEBT

Long-term debt consisted of the following:

	December 31,	
	2013	2012
2013 Senior Notes	$ 1,000,000	$ —
Studio City Notes	825,000	825,000
2011 Credit Facilities	673,883	1,014,729
Aircraft Term Loan	34,577	40,245
2010 Senior Notes[(1)]	—	593,967
RMB Bonds	—	367,645
Deposit-Linked Loan	—	353,278
	$ 2,533,460	$ 3,194,864
Current portion of long-term debt	(262,566)	(854,940)
	$ 2,270,894	$ 2,339,924

City of Dreams Project Facility

On September 5, 2007, Melco Crown Macau (the "Borrower") entered into the City of Dreams Project Facility, which was subsequently amended from time to time, with certain lenders in an aggregate amount of $1,750,000 to fund the City of Dreams project. 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"). The Term Loan Facility would have matured on September 5, 2014 and was subject to quarterly amortization payments that commenced on December 5, 2010. The Revolving Credit Facility would have matured on September 5, 2012 or, if earlier, the date of repayment, prepayment or cancellation in full of the Term Loan Facility, and had no interim amortization payments. In addition, the Borrower was also subject to quarterly mandatory prepayments in respect of various amounts within certain affiliates and subsidiaries of the Borrower (together with the Borrower collectively referred to as the "Borrowing Group") under the terms of the City of Dreams Project Facility.

Drawdowns on the Term Loan Facility were subject to satisfaction of conditions precedent specified in the City of Dreams Project Facility and the Revolving Credit Facility was to be made available on a fully revolving basis from the date upon which the Term Loan Facility had been fully drawn, to the date that was one month prior to the Revolving Credit Facility's final maturity date.

The indebtedness under the City of Dreams Project Facility was guaranteed by the Borrowing Group and security for the indebtedness included a first-priority mortgage, security and charges over certain assets and items of the Borrowing Group as well as other customary security in accordance with the terms of the City of Dreams Project Facility. The City of Dreams Project Facility also contained certain covenants customary for such financings and required the Borrowing Group to comply with certain financial covenants. In addition, there were provisions that limited or prohibited payments of certain dividends and other distributions by the Borrowing Group to the Company or persons who are not members of the Borrowing Group (described in further detail in Note 20).

Borrowings under the City of Dreams Project Facility bore interest at the London Interbank Offered Rate ("LIBOR") or Hong Kong Interbank Offered Rate ("HIBOR") plus a margin of 2.75% per annum until substantial completion of the City of Dreams project, at which time the interest rate was reduced to LIBOR

12. LONG-TERM DEBT - continued

City of Dreams Project Facility - continued

or HIBOR plus a margin of 2.50% per annum. The City of Dreams Project Facility also provided for further reductions in the margin if the Borrowing Group satisfied certain prescribed leverage ratio tests upon completion of the City of Dreams project.

The Borrower was obligated to pay a commitment fee quarterly in arrears on the undrawn amount of the City of Dreams Project Facility throughout the availability period. The Borrower recognized loan commitment fees on the City of Dreams Project Facility of $461 during the year ended December 31, 2011.

In connection with the signing of the City of Dreams Project Facility, Melco Crown Macau entered into certain floating-for-fixed interest rate swap agreements during the years 2008 and 2009 to limit its exposure to interest rate risk. All these interest rate swap agreements expired during the years 2011 and 2012. Under the interest rate swap agreements, Melco Crown Macau paid a fixed interest rate ranging from 1.96% to 4.74% per annum of the notional amount, and received variable interest which was based on the applicable HIBOR for each of the payment dates. Before the amendment of the City of Dreams Project Facility on June 30, 2011 as disclosed below, these interest rate swap agreements were expected to remain highly effective in fixing the interest rate and qualify for cash flow hedge accounting. Therefore, there was 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 were recorded as assets or liabilities on the consolidated balance sheets, with an offsetting adjustment to the accumulated other comprehensive loss until the hedged interest expenses were recognized in the consolidated statements of operations. Immediately after the amendment of the City of Dreams Project Facility on June 30, 2011, the interest rate swap agreements no longer qualified for hedge accounting. Accordingly, the Group reclassified the accumulated losses of $4,310 recognized in accumulated other comprehensive losses prior to the discontinuance of hedge accounting to the consolidated statements of operations for the year ended December 31, 2011. The subsequent changes in fair value of the interest rate swap agreements were recognized in the consolidated statements of operations during the years 2011 and 2012.

During the year ended December 31, 2011, the Borrower repaid $89,158 and prepaid $20,896 of the Term Loan Facility, according to the quarterly amortization payments and the quarterly mandatory prepayments, respectively, and the Borrower also made voluntary repayments of $7,022 before the amendment to the City of Dreams Project Facility on June 30, 2011 as described below.

2011 Credit Facilities

On June 30, 2011, the City of Dreams Project Facility was amended pursuant to an amendment agreement entered into by, among others, the Borrower and certain lenders under the City of Dreams Project Facility on June 22, 2011. The 2011 Credit Facilities, which was subsequently amended from time to time, 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 are denominated in Hong Kong dollars; (ii) introduced new lenders and remove 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 MPEL (Delaware) LLC, a wholly-owned subsidiary of the Borrower which was subsequently dissolved on May 31, 2012, from the Borrowing Group (the “2011 Borrowing Group”).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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12. LONG-TERM DEBT - continued

2011 Credit Facilities - continued

The final maturity date of the 2011 Credit Facilities is June 30, 2016. The 2011 Term Loan Facility is repayable in quarterly instalments according to an amortization schedule which commenced on September 30, 2013. Each loan made under the 2011 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 2011 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 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 of certain asset sales, subject to reinvestment rights and certain exceptions, which are in excess of $15,000; (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 to obtain such proceeds under any property insurances, subject to reinvestment rights and certain exceptions, which are in excess of $15,000.

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 is to be made available on a fully revolving basis to the date that is one month prior to the 2011 Revolving Credit Facility's final maturity date.

The indebtedness under the 2011 Credit Facilities is guaranteed by the 2011 Borrowing Group. 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 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 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 are 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.

The 2011 Credit Facilities also contain 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 in accordance 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.

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12. LONG-TERM DEBT - continued

2011 Credit Facilities - continued

Management believes that the 2011 Borrowing Group was in compliance with all financial covenants of the 2011 Credit Facilities as of December 31, 2013.

There are provisions that limit or prohibit certain payments of dividends and other distributions by the 2011 Borrowing Group to the Company or persons who are not members of the 2011 Borrowing Group (described in further detail in Note 20). As of December 31, 2013 and 2012, the net assets of the 2011 Borrowing Group of approximately $3,220,000 and $2,382,000, respectively, were restricted from being distributed under the terms of the 2011 Credit Facilities.

Borrowings under the 2011 Credit Facilities bear interest at 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 may 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 is 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 $2,453, $1,324 and $950 were recognized during the years ended December 31, 2013, 2012 and 2011, respectively.

As of December 31, 2012, the 2011 Term Loan Facility has been fully drawn down and HK$1,653,154,570 (equivalent to $212,488) under the 2011 Revolving Credit Facility has also been drawn down. During the year ended December 31, 2013, the Group repaid HK$998,630,400 (equivalent to $128,358) under the 2011 Term Loan Facility according to the quarterly amortization schedule which commenced on September 30, 2013 and repaid HK$1,653,154,570 (equivalent to $212,488) under the 2011 Revolving Credit Facility. As of December 31, 2013, the Group had total outstanding borrowings of HK$5,242,809,600 (equivalent to $673,883) under the 2011 Credit Facilities. The entire 2011 Revolving Credit Facility of HK$3,120,720,000 (equivalent to $401,121) remains available for future drawdown.

The Group accounted for the amendment of the City of Dreams Project Facility as an extinguishment of debt because the difference between the applicable future cash flows under the 2011 Credit Facilities compared with the applicable future cash flows under the City of Dreams Project Facility as of the amendment date, June 30, 2011 was in excess of 10% of such applicable future cash flows. The Group wrote off the unamortized deferred financing costs of $25,193 upon the extinguishment of the City of Dreams Project Facility as loss on extinguishment of debt in the consolidated statements of operations for the year ended December 31, 2011 and the 2011 Credit Facilities was recognized at fair value upon the extinguishment. In addition, the Group capitalized the third party fees and related issuance costs in relation to the 2011 Credit Facilities of $29,328 as deferred financing costs.

2010 Senior Notes

On May 17, 2010, MCE Finance Limited (“MCE Finance”, a wholly-owned subsidiary of the Company) issued and listed the 2010 Senior Notes of $600,000 on the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”). The purchase price paid by the initial purchasers was 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 (the “Intercompany Note”) representing the on-lending of the gross proceeds from the issuance of the 2010 Senior Notes by MCE Finance to an indirect subsidiary of MCE Finance to reduce the indebtedness under the City of Dreams Project Facility, ranked equally in right of

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12. LONG-TERM DEBT - continued

2010 Senior Notes - continued

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 were 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. The Company and MPEL International Limited (together, the "Senior Guarantors"), fully and unconditionally and jointly and severally guaranteed the 2010 Senior Notes on a senior secured basis. Certain other indirect subsidiaries of MCE Finance (the "Subsidiary Group Guarantors"), including Melco Crown Macau (together with the Senior Guarantors, the "2010 Senior Notes Guarantors"), fully and unconditionally and jointly and severally guaranteed the 2010 Senior Notes on a senior subordinated secured basis. The guarantees provided by the Senior Guarantors were general obligations of the Senior Guarantors, ranked equally in right of payment with all existing and future senior indebtedness of the Senior Guarantors and ranked senior in right of payment to any existing and future subordinated indebtedness of the Senior Guarantors. The guarantees provided by the Subsidiary Group Guarantors are general obligations of the Subsidiary Group Guarantors, ranked subordinated in right of payment to indebtedness of such Subsidiary Group Guarantors' obligations under the designated senior indebtedness described in the related offering memorandum and ranked senior in right of payment to any existing and future subordinated indebtedness of such Subsidiary Group Guarantors. Upon entering of the 2011 Credit Facilities, the guarantees provided under the 2010 Senior Notes were amended with the principal effect being that claims of noteholders under the 2010 Senior Notes against subsidiaries of MCE Finance that are obligors under the 2011 Credit Facilities would rank equally in right of payment with claims of lenders under the 2011 Credit Facilities. 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.

The net proceeds from the offering after deducting the original issue discount of approximately $7,974 and underwriting commissions and other expenses of approximately $14,960 was approximately $577,066. The Group used the net proceeds from the offering to reduce the indebtedness under the City of Dreams Project Facility by approximately $444,066 and deposited the remaining $133,000 in a bank account that was restricted for use to pay future City of Dreams Project Facility's quarterly amortization payments commenced in December 2010. The restriction was released upon the amendment of the City of Dreams Project Facility on June 30, 2011 as described above. The 2010 Senior Notes were reflected net of discount under long-term debt in the consolidated balance sheets. The Group capitalized the underwriting fee and related issuance costs in relation to the 2010 Senior Notes of $14,585 as deferred financing costs.

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 of 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

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12. LONG-TERM DEBT - continued

2010 Senior Notes - continued

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 the Company 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 20). As of December 31, 2012, the net assets of MCE Finance and its respective restricted subsidiaries of approximately $2,500,000 were restricted from being distributed under the terms of the 2010 Senior Notes.

MCE Finance had entered into a registration rights agreement whereby MCE Finance registered the notes to be issued in an exchange offer for the 2010 Senior Notes with the U.S. Securities and Exchange Commission in August 2010 and with further amendments filed in October and November 2010 in connection with the exchange offer, which registration statement was effective on November 12, 2010.

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 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 RMB Bonds of RMB2,300,000,000 (equivalent to $353,278 based on exchange rate on transaction date) on SGX-ST. The RMB Bonds were priced at par. The RMB Bonds were direct, general, unconditional, unsubordinated and unsecured obligations of the Company,

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12. LONG-TERM DEBT - continued

RMB Bonds - continued

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.

The Company capitalized the underwriting fee and related issuance costs in relation to the RMB Bonds of $6,619 as deferred financing costs.

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 the Deposit-Linked Loan with a lender in an amount of HK$2,748,500,000 (equivalent to $353,278 based on exchange 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 the same date, the Company entered into two RMB forward exchange rate contracts in an aggregate amount of RMB52,325,000 (approximately $8,000) for settlement of the RMB Bonds interest payable at fixed exchange rates on November 9, 2011 and May 9, 2012, respectively, and during the year ended December 31, 2012, the Company entered into another RMB forward exchange rate contract of RMB25,845,867 (approximately $4,000) for settlement of the RMB Bonds interest payable at fixed

12. LONG-TERM DEBT - continued

Deposit-Linked Loan - continued

exchange rate on November 9, 2012. During the years ended December 31, 2012 and 2011, the Company settled the outstanding forward exchange rate contracts and the gain on the forward exchange rate contracts of $138 and nil were reclassified from accumulated other comprehensive losses to interest expenses, respectively.

The Company capitalized the underwriting fee and related issuance costs in relation to the Deposit-Linked Loan of $800 as deferred financing costs. As of December 31, 2012, the RMB Bonds proceeds held as a security deposit of RMB2,300,000,000 (equivalent to $367,645), required to be set aside for the duration of this debt was recorded as current portion of restricted cash in the consolidated balance sheets.

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"), an indirect 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 LIBOR 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, 2013, 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, 2013 and 2012, the carrying value of aircraft was $46,437 and $51,900, respectively.

2013 Senior Notes

On February 7, 2013, MCE Finance issued and listed the 2013 Senior Notes of $1,000,000 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

12. LONG-TERM DEBT - continued

2013 Senior Notes - continued

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.

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 of 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, 2013, 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 respective restricted subsidiaries to the Company or persons who are not MCE Finance or members of MCE Finance respective restricted subsidiaries, subject to certain exceptions and conditions (described in further detail in Note 20). As of December 31, 2013, the net assets of MCE Finance and its respective restricted subsidiaries of approximately $3,296,000 were restricted from being distributed under the terms of the 2013 Senior Notes.

12. LONG-TERM DEBT - continued

Studio City Notes

On November 26, 2012, Studio City Finance Limited ("Studio City Finance", an indirect subsidiary which the Company holds 60% interest) issued and listed the Studio City Notes of $825,000 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 wholly-owned direct subsidiary of Studio City Finance and the immediate holding company of Studio City Company Limited ("Studio City Company" or the "Studio City Borrower", a wholly-owned indirect 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 direct and indirect 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 8.50% 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 uses 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 are 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 is restricted for use to pay future interest payments until the opening date (as defined in the Studio City Project Facility, the "Opening Date") of the Studio City project. Concurrent with the submission of the first utilization request under the Studio City Project Facility, an amount equal to the six-month sum of interest due on the Studio City Notes of $35,063 will be released from the Note Interest Reserve Account and be deposited in a bank account (the "Note Debt Service Reserve Account") of Studio City Company, the borrower under the Studio City Project Facility, and the remaining amount in the Note Interest Reserve Account (less an amount equal to the pro-rated portion of interest due on the next interest payment date) will be released and be deposited in a bank account of Studio City Company (the "Revenue Account"). The security agent of the Studio City Project Facility has security over the Note Debt Service Reserve Account and the Revenue Account.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT - continued

Studio City Notes - continued

During the year ended December 31, 2013, Studio City Finance repaid Studio City Notes interest expenses amounting to $71,099 with funds from the Note Interest Reserve Account. As of December 31, 2013, net proceeds of Studio City Notes amounted to $572,206 and $168,495 were placed in the Note Proceeds Account and Note Interest Reserve Account, respectively. The Group classified 12-month sum of interest due on the Studio City Notes of $70,125 in the Note Interest Reserve Account and the entire balance of $572,206 in the Note Proceeds Account as current portion of restricted cash, while the remaining amount in the Note Interest Reserve Account of $98,370 was classified as non-current portion of restricted cash on the consolidated balance sheets.

The Group capitalized the underwriting fee and related issuance costs in relation to the Studio City Notes of $21,669 as deferred financing costs.

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 are 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.

The Studio City Notes are subject to a special mandatory redemption at a redemption price in the event that i) the Studio City Project Facility is not executed on or before March 31, 2013; and ii) the funds are not released from the Note Proceeds Account prior to January 28, 2014, the date that is 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 conditions were subsequently satisfied and the first disbursement funds on the Studio City Notes were released from the Note Proceeds Account to a bank account of Studio City Finance (the “Note Disbursement Account”) for the Studio City project cost payments on January 17, 2014.

Studio City Finance has 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 has 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, Studio City Finance also has the option to redeem in whole, but not in part of the Studio City Notes at fixed redemption prices.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT - continued

Studio City Notes - continued

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, 2013, management believes that Studio City Finance was in compliance with each of the financial restrictions and requirements.

There are provisions under the indenture of the Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its respective restricted subsidiaries to the Company or persons who are not Studio City Finance or members of Studio City Finance respective restricted subsidiaries, subject to certain exceptions and conditions (described in further detail in Note 20). As of December 31, 2013 and 2012, the net assets of Studio City Finance and its respective restricted subsidiaries of approximately $171,000 and $252,000, respectively, were restricted from being distributed under the terms of the Studio City Notes.

Studio City Project Facility

On January 28, 2013, the facility agreement for the senior secured credit facilities (the "Studio City Project Facility") in an aggregate amount of HK$10,855,880,000 (equivalent to $1,395,357) to fund the Studio City project was executed. The Studio City Project Facility contained certain conforming and other minor changes to the terms and conditions set out in a commitment letter (the "Commitment Letter") entered by the Company, New Cotai Investments, LLC ("New Cotai Investments"), the indirect holding company of New Cotai, LLC, the noncontrolling shareholder who owns a 40% interest in Studio City International Holdings Limited ("Studio City International"), an indirect subsidiary in which the Company holds a 60% interest and the Studio City Borrower with certain lenders (the "Studio City Lenders") on October 19, 2012. The Studio City Project Facility is denominated in Hong Kong dollars with an aggregate amount of HK$10,855,880,000 (equivalent to $1,395,357) and 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 the earlier of (i) December 31, 2016, the first fiscal quarter end date falling not less than 45 months after January 28, 2013; and (ii) the end of the second full fiscal quarter after the Opening Date of the Studio City project. Amounts under the Studio City Term Loan Facility may be borrowed from and after the date that certain conditions precedent are satisfied until July 28, 2014, the date falling 18 months after January 28, 2013. 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. Borrowings under the Studio City Project Facility bear interest at HIBOR plus a margin of 4.50% per annum until the last day of the second full fiscal quarter after the Opening Date, 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 Company and its subsidiaries (together, the "Studio City Borrowing Group").

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT - continued

Studio City Project Facility - continued

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 relating solely to the operation of the Studio City gaming area are pledged as security for the Studio City Project Facility.

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) paying dividends and other restricted payments; and (vii) effect a consolidation or merger. The Studio City Project Facility also contains certain financial covenants and the first test date of these financial covenants is the earlier of June 30, 2016 and the end of the second full financial quarter after Opening Date.

The Studio City Borrower is required to hedge not less than 50% of the outstanding indebtedness under the Studio City Term Loan Facility 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 Studio City Project Facility. No hedge agreement has been entered as at December 31, 2013 as the Studio City Borrower has not drawn down on the Studio City Project Facility.

There are provisions that limit or prohibit certain payments of dividends and other distributions by the Studio City Borrowing Group to the Company or persons who are not members of the Studio City Borrowing Group (described in further detail in Note 20). As of December 31, 2013, the net assets of Studio City Investments and its respective restricted subsidiaries of approximately $217,000 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 $23,190 during the year ended December 31, 2013.

In connection with the Studio City Project Facility, Studio City International is 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 (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 has 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, 2013. The Cash Collateral is required to be maintained until the construction completion date of the Studio City has occurred, certain debt service reserve and accrual accounts have been funded to the required balance and the financial covenants have been complied with. As of December 31, 2013, the Cash Collateral is classified as non-current portion of restricted cash in the consolidated balance sheets.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT - continued

Studio City Project Facility - continued

The Studio City Borrower had not drawn down on the Studio City Term Loan Facility and the Studio City Revolving Credit Facility during the year ended December 31, 2013. As of December 31, 2013, the Studio City Term Loan Facility of HK$10,080,460,000 (equivalent to $1,295,689) and the Studio City Revolving Credit Facility of HK$775,420,000 (equivalent to $99,668) remains available for future draw down, subject to satisfaction of certain conditions precedent.

Philippine Notes

On December 19, 2013, MCE Leisure (Philippines) Corporation ("MCE Leisure"), an indirect subsidiary of the Company and MCP, priced its PHP15 billion (equivalent to $340,000 at date of pricing) 5.00% senior notes, due 2019 (the "Philippine Notes") at par of 100% of the principal amount and offered to certain primary institutional lenders as noteholders via a private placement in the Philippines. The issuance of the Philippine Notes, subject to customary closing conditions, was subsequently completed on January 24, 2014.

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 with 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.

The Philippine Notes are guaranteed by MCE, 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 on a senior basis. The guarantees are general obligations of the Philippine Guarantors, rank equally in right of payment with all existing and future senior indebtedness of the 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 5.00% per annum and is payable semi-annually in arrears on January 24 and July 24 of each year, commencing 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 PHP230,769,231 (equivalent to $5,182), was PHP14,769,230,769 (equivalent to $331,643). MCE Leisure will use the net proceeds from the offering to fund the City of Dreams Manila project, refinancing of debt and general corporate purposes.

MCE Leisure has the option to redeem all or a portion of the Philippine Notes at any time prior to January 24, 2015 at additional redemption price 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 redemption 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, 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.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

12. LONG-TERM DEBT - continued

Philippine Notes - continued

The Philippine Notes are exempted from registration with Philippine Securities and Exchange Commission (the "Philippine SEC") under the Philippine Securities Regulation Code Rule ("SRC Rule") 9.2.2(B) promulgated by 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 limits the assignment and transfer of the Philippine Notes to primary institutional lenders only and requires the Philippine Notes to be held by not more than nineteen primary institutional lenders at any time before their maturity.

Total interest on long-term debt consisted of the following:

	Year Ended December 31,		
	2013	2012	2011
Interest for Studio City Notes**	$ 71,099	$ 5,844	$ —
Interest for 2013 Senior Notes**	44,998	—	—
Interest for 2011 Credit Facilities*	16,841	21,849	13,731
Interest for 2010 Senior Notes	6,028	61,500	61,500
Amortization of discount in connection with issuance of 2010 Senior Notes	71	801	723
Interest for RMB Bonds	2,610	13,666	8,647
Interest for Deposit-Linked Loan	1,728	10,064	6,300
Interest for Aircraft Term Loan**	1,191	705	—
Interest for City of Dreams Project Facility	—	—	13,269
	$144,566	$ 114,429	$104,170
Interest capitalized	(25,259)	(7,900)	(3,157)
	$ 119,307	$106,529	$101,013

* Long-term debt repayable within five years
** Long-term debt repayable after five years

During the years ended December 31, 2013, 2012 and 2011, the Group's average borrowing rates were approximately 5.36%, 5.06% and 5.50% per annum, respectively.

Scheduled maturities of the long-term debt as of December 31, 2013 are as follows:

Year ending December 31,	
2014	$ 262,566
2015	262,749
2016	166,667
2017	6,415
2018	6,615
Over 2018	1,828,448
	$2,533,460

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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12. LONG-TERM DEBT - continued

The long-term debt are repayable as follows:

	December 31,	
	2013	2012
Within one year	$ 262,566	$ 854,940
More than one year, but not exceeding two years	262,749	262,559
More than two years, but not exceeding five years	179,697	648,339
More than five years(1)	1,828,448	1,429,026
	$ 2,533,460	$ 3,194,864
Less: Amounts due within one year classified as current liabilities	(262,566)	(854,940)
	$2,270,894	$ 2,339,924

Note
(1) Net of unamortized issue discount for the 2010 Senior Notes of approximately $6,033 as of December 31, 2012.

13. CAPITAL LEASE OBLIGATIONS

On March 13, 2013, a lease agreement (the "MCP Lease Agreement") which was entered on October 25, 2012 between MCE Leisure and Belle Corporation ("Belle", one of the Philippine Parties as disclosed in Note 21(a)) for lease of the land and certain of the building structures for City of Dreams Manila which expected to be expired on July 11, 2033, became effective upon completion of closing arrangement conditions and with minor changes from the original terms. The building structures under capital lease were capitalized at the lower of the fair value or the present value of the future minimum lease payments at lease inception.

Apart from the MCP Lease Agreement, during the year ended December 31, 2013, MCE Leisure signed a service agreement with a third party for setting up certain information technology infrastructure (the "IT Equipment") and providing maintenance and support service for City of Dreams Manila which expire in November 2018. The Group made an assessment at inception of the service agreement and recorded the portion related to the IT Equipment under capital lease.

Future minimum lease payments under capital lease obligations for the Group as of December 31, 2013 are as follows:

Year ending December 31, 2014	$ 29,570
Year ending December 31, 2015	32,371
Year ending December 31, 2016	34,682
Year ending December 31, 2017	37,929
Year ending December 31, 2018	41,762
Over 2018	811,990
Total minimum lease payments	988,304
Less: amounts representing interest	(708,010)
Present value of minimum lease payments	280,294
Current portion	(27,265)
Non-current portion	$ 253,029

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

14. OTHER LONG-TERM LIABILITIES

	December 31,	
	2013	2012
Construction retention payables	$20,679	$ 1,608
Deferred rent liabilities	7,626	5,591
Other deposits received	187	213
	$28,492	$ 7,412

15. 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 and long-term receivables approximated fair value and represented a level 2 measurement. The estimated fair value of long-term debt as of December 31, 2013 and 2012, which included the 2013 Senior Notes, the Studio City Notes, the 2011 Credit Facilities, the Aircraft Term Loan, the 2010 Senior Notes, the RMB Bonds and the Deposit-Linked Loan, were approximately $2,585,768 and $3,330,599, respectively, as compared to its carrying value of $2,533,460 and $3,194,864, respectively. Fair value was estimated using quoted market prices and represented a level 1 measurement for the 2013 Senior Notes, the Studio City Notes, the 2010 Senior Notes and the RMB Bonds. Fair value for the 2011 Credit Facilities, the Aircraft Term Loan and the Deposit-Linked 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 values of land use rights payable and payables for acquisition of assets and liabilities 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, 2013, 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.

16. CAPITAL STRUCTURE

Ordinary and Treasury Shares

Pursuant to the Company's extraordinary general meeting held on October 6, 2011, an increase in the authorized share capital from 2,500,000,000 ordinary shares of a nominal or par value of US$0.01 each to 7,300,000,000 ordinary shares of a nominal or par value of US$0.01 each was approved.

On November 18, 2011, Melco and Crown agreed to convert their respective shareholder loans into equity. Melco and Crown entered into a series of agreements, pursuant to which, Melco and Crown agreed to convert outstanding loan balances amounted to HK$398,577,752 (equivalent to $51,231) and HK$501,157,031 (equivalent to $64,416), respectively, owed by the Company to them into ordinary shares on November 29, 2011. The Company issued a total of 40,211,930 ordinary shares to Melco and Crown in connection with the shareholder loan conversion, based on a conversion price of $2.87 per share.

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; and 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 18.

New Shares Issued by the Company

During the years ended December 31, 2013, 2012 and 2011, the Company issued 8,574,153, 4,958,293 and 6,920,386 ordinary shares to its depository bank for future vesting of restricted shares and exercise of share options, respectively. The Company issued 1,297,902, 1,276,634 and 941,648 of these ordinary shares upon vesting of restricted shares; and 3,064,302, 2,966,955 and 3,835,596 of these ordinary shares upon exercise of share options during the years ended December 31, 2013, 2012 and 2011, respectively. As of December 31, 2013, 2012 and 2011, the Company had a balance of 15,478,987, 11,267,038 and 10,552,328 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.

In connection with the Company's restricted shares granted as disclosed in Note 18, nil, nil and 310,575 ordinary shares were vested and issued during the years ended December 31, 2013, 2012 and 2011, 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 on NASDAQ 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 on 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, 2013, 373,946 ADSs, equivalent to 1,121,838 ordinary shares were purchased under a trust arrangement from NASDAQ at an average market price of $23.42 per ADS or $7.81 per share, and 378,579 ordinary shares purchased under a trust arrangement were delivered to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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16. CAPITAL STRUCTURE - continued

Ordinary and Treasury Shares - continued

Shares Purchased under A Trust Arrangement - continued

Directors and eligible employees to satisfy the vesting of restricted shares. As of December 31, 2013, the shares purchased under trust arrangement has a balance of 743,259 ordinary shares for future issuance upon vesting of restricted shares.

As of December 31, 2013, 2012 and 2011, the Company had 1,666,633,448, 1,658,059,295 and 1,653,101,002, and 16,222,246, 11,267,038 and 10,552,328 issued ordinary shares and treasury shares, respectively, with 1,650,411,202, 1,646,792,257 and 1,642,548,674 issued ordinary shares outstanding.

17. INCOME TAX EXPENSE (CREDIT)

The Company and certain subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands ("BVI"), 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 United States of America, the Philippines and other jurisdictions are subject to Hong Kong Profits Tax, Macau Complementary Tax, income tax in the United States of America, in the Philippines and in other jurisdictions, respectively, during the years ended December 31, 2013, 2012 and 2011.

Pursuant to the approval notices issued by Macau Government dated June 7, 2007, Melco Crown Macau has been exempted from Macau Complementary Tax on income generated from gaming operations for five years commencing from 2007 to 2011 and will continue to benefit from this exemption for another five years from 2012 to 2016 pursuant to the approval notices issued by Macau Government in April 2011.

The Macau Government has granted to Altira Hotel Limited ("Altira Hotel"), in 2007, and Melco Crown (COD) Hotels Limited ("Melco Crown (COD) Hotels"), in 2011 and 2013, the declaration of utility purpose 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 tax holiday, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau Complementary Tax. The 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 5 years from the date of purchase. The grant of further vehicle tax holiday is subject to the satisfaction by the Group of certain criteria determined by the Macau Government.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. INCOME TAX EXPENSE (CREDIT) - continued

The provision for income tax consisted of:

	Year Ended December 31,		
	2013	2012	2011
Income tax provision for current year:			
Macau Complementary Tax	$ 41	$ 203	$ 223
Lump sum in lieu of Macau Complementary Tax on dividend	5,590	—	—
Hong Kong Profits Tax	654	513	822
Profits tax in other jurisdictions	99	238	161
Sub-total	$ 6,384	$ 954	$ 1,206
(Over) under provision of income tax in prior years:			
Macau Complementary Tax	$ (417)	$ (171)	$ 3
Hong Kong Profits Tax	(2)	32	142
Profits tax in other jurisdictions	8	1	(21)
Sub-total	$ (411)	$ (138)	$ 124
Deferred tax (credit) charge:			
Macau Complementary Tax	$ (3,543)	$ (3,676)	$ (2,779)
Hong Kong Profits Tax	12	(81)	(185)
Profits tax in other jurisdictions	(1)	(2)	(2)
Sub-total	$ (3,532)	$ (3,759)	$ (2,966)
Total income tax expense (credit)	$ 2,441	$ (2,943)	$ (1,636)

A reconciliation of the income tax expense (credit) to income before income tax per the consolidated statements of operations is as follows:

	Year Ended December 31,		
	2013	2012	2011
Income before income tax	$ 580,454	$395,729	$ 287,208
Macau Complementary Tax rate	12%	12%	12%
Income tax expense at Macau Complementary Tax rate	69,654	47,487	34,465
Lump sum in lieu of Macau Complementary Tax on dividend	5,590	—	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	(9,642)	(556)	242
(Over) under provision in prior years	(411)	(138)	124
Effect of income for which no income tax expense is payable	(395)	(714)	(575)
Effect of expense for which no income tax benefit is receivable	26,557	17,317	12,191
Effect of tax holiday granted by Macau Government	(125,702)	(88,491)	(69,677)
Change in valuation allowance	36,790	22,152	21,594
	$ 2,441	$ (2,943)	$ (1,636)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. INCOME TAX EXPENSE (CREDIT) - continued

Macau Complementary Tax and Hong Kong Profits Tax have been provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the years ended December 31, 2013, 2012 and 2011, if applicable. Profits tax in other jurisdictions for the years ended December 31, 2013, 2012 and 2011 were provided mainly for the profits of the representative offices and branches set up by a subsidiary in the region where they operate. No provision for income tax in the United States of America and in the Philippines for the years ended December 31, 2013, 2012 and 2011 were provided as the subsidiaries incurred tax losses.

Melco Crown Macau was granted a tax holiday from Macau Complementary Tax for 5 years on gaming profits by the Macau Government in 2007. In April 2011, this tax holiday for Melco Crown Macau was extended for an additional 5 years through 2016. During the years ended December 31, 2013, 2012 and 2011, 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, 2013, 2012 and 2011 would have been decreased by $125,702, $88,491 and $69,677, and basic and diluted net income attributable to Melco Crown Entertainment Limited per share would have reported reduced income of $0.076 and $0.076 per share for the year ended December 31, 2013, $0.054 and $0.053 per share for the year ended December 31, 2012 and $0.043 and $0.043 per share for the year ended December 31, 2011, respectively. Melco Crown Macau's non-gaming profits remain subject to the Macau Complementary Tax and its gaming revenues remain subject to the Macau special gaming tax and other levies in accordance with its gaming subconcession agreement.

During the year ended December 31, 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 for each of the years from 2012 through 2016 coinciding with the 5-year extension of the tax exemption as mentioned in the preceding paragraph, as payments in lieu of Macau Complementary Tax otherwise due by the shareholders of 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 2012 and 2013.

The effective tax rates for the years ended December 31, 2013, 2012 and 2011 were 0.4% and negative rates of 0.7% and 0.6%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of change in valuation allowance and expenses for which no income tax benefit is receivable for the years ended December 31, 2013, 2012 and 2011 and the effect of tax holiday granted by the Macau Government as described in the preceding paragraphs during the years ended December 31, 2013, 2012 and 2011.

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17. INCOME TAX EXPENSE (CREDIT) - continued

The deferred tax assets and liabilities as of December 31, 2013 and 2012 consisted of the following:

	December 31,	
	2013	2012
Deferred tax assets		
Net operating loss carried forwards	$ 66,744	$ 63,022
Depreciation and amortization	11,100	105
Deferred deductible expenses	3,861	3,089
Deferred rents	5,001	—
Others	1,997	—
Sub-total	$ 88,703	$ 66,216
Valuation allowance		
Current	$ (19,415)	$ (21,054)
Long-term	(69,195)	(45,057)
Sub-total	$ (88,610)	$(66,111)
Total net deferred tax assets	$ 93	$ 105
Deferred tax liabilities		
Land use rights	$ (60,090)	$ (64,497)
Intangible assets	(505)	(505)
Unrealized capital allowance	(2,211)	(1,348)
Total deferred tax liabilities	$ (62,806)	$ (66,350)

As of December 31, 2013 and 2012, valuation allowance of $88,610 and $66,111 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, 2013, adjusted operating tax loss carry forwards, amounting to $161,753, $156,249 and $181,201 will expire in 2014, 2015 and 2016, respectively. Adjusted operating tax loss carried forwards of $171,557 has expired during the year ended December 31, 2013.

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.

Aggregate undistributed earnings of the Company's foreign subsidiaries are available for distribution to the Company of approximately $8,567 and $1,150,000 as at December 31, 2013 and 2012, respectively, are considered to be indefinitely reinvested and the amount as of December 31, 2013 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 $1,284 and $138,000 as at December 31, 2013 and 2012, 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.

17. INCOME TAX EXPENSE (CREDIT) - continued

The Group concluded that there was no significant uncertain tax position requiring recognition in the consolidated financial statements for the years ended December 31, 2013, 2012 and 2011 and there is no material unrecognized tax benefit which would favourably affect the effective income tax rate in future periods. As of December 31, 2013 and 2012, 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 United States of America, the Philippines and other jurisdictions until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Hong Kong, Macau, the United States of America and the Philippines are 6 years, 5 years, 3 years and 3 years, respectively.

18. 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 plan administrator would determine the exercise price of an option and set forth the price in the award agreement. The exercise price may be a fixed or variable price related to the fair market value of the Company's ordinary shares. If the Group grants an incentive share option to an employee who, at the time of that grant, owns shares representing more than 10% of the voting power of all classes of the Company's share capital, the exercise price cannot be less than 110% of the fair market value of the Company's ordinary shares on the date of that grant. 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, 2013 and 2012.

Share Options

The Group granted share options to certain personnel under the 2006 Share Incentive Plan during the year ended December 31, 2011 with the exercise price determined at the closing price of the date of grant. The share options became exercisable over vesting period of three years. The share options granted expire 10 years after the date of grant, except for options granted in a one-time share option exchange program in 2009 which have exercise period ranging from 7.7 to 8.3 years.

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. Expected volatility is based on the historical volatility of a peer group of publicly traded companies.

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18. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Share Options - continued

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 2006 Share Incentive Plan was estimated at the date of grant using the following weighted average assumptions during the year ended December 31, 2011:

Expected dividend yield	—
Expected stock price volatility	81.87%
Risk-free interest rate	2.07%
Expected average life of options (years)	5.1

A summary of share options activity under the 2006 Share Incentive Plan as of December 31, 2013, and changes during the years ended December 31, 2013, 2012 and 2011 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, 2011	20,453,493	$ 1.22		
Granted	5,150,946	2.52		
Exercised	(3,835,596)	1.03		
Forfeited	(783,423)	1.52		
Expired	(68,958)	4.40		
Outstanding as at December 31, 2011	20,916,462	$ 1.55		
Exercised	(2,966,955)	1.22		
Forfeited	(1,110,843)	1.63		
Expired	(6,510)	1.01		
Outstanding as at December 31, 2012	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	5.60	$ 157,718
Exercisable as at December 31, 2013	12,162,312	$ 1.52	5.39	$ 140,502

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18. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Share Options - continued

A summary of share options vested and expected to vest under the 2006 Share Incentive Plan at December 31, 2013 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)	12,162,312	$ 1.52	5.39	$ 140,502

Note: 3,426,696 share options vested and 4,989 share options expired during the year ended December 31, 2013.

	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 ($1.33 – $2.52)	1,615,101	$ 2.41	7.18	$ 17,216

The weighted average fair value of share options granted under the 2006 Share Incentive Plan during the year ended December 31, 2011 was $1.67. Share options of 2,967,372, 2,966,955 and 3,835,596 were exercised and proceeds amounted to $4,463, $3,632 and $3,950 were recognized during the years ended December 31, 2013, 2012 and 2011, respectively. The total intrinsic values of share options exercised for the years ended December 31, 2013, 2012 and 2011 were $34,330, $13,022 and $8,348, respectively. As of December 31, 2013, there was $579 unrecognized compensation costs related to unvested share options under the 2006 Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 0.25 years.

Restricted Shares

The Group has also granted restricted shares to certain personnel under the 2006 Share Incentive Plan during the year ended December 31, 2011. The restricted shares have a vesting period of three years. The grant date fair value is determined with reference to the market closing price of the Company's ordinary share at the date of grant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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18. SHARE-BASED COMPENSATION - continued

2006 Share Incentive Plan - continued

Restricted Shares - continued

A summary of the status of the 2006 Share Incentive Plan's restricted shares as of December 31, 2013, and changes during the years ended December 31, 2013, 2012 and 2011 are presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as at January 1, 2011	2,649,059	$ 1.31
Granted	2,908,383	2.52
Vested	(1,252,223)	1.07
Forfeited	(302,716)	1.97
Unvested as at December 31, 2011	4,002,503	$ 2.22
Vested	(1,276,634)	2.49
Forfeited	(486,984)	1.66
Unvested as at December 31, 2012	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

The total fair values at date of grant of the restricted shares under the 2006 Share Incentive Plan vested during the years ended December 31, 2013, 2012 and 2011 were $2,643, $3,181 and $1,339, respectively. As of December 31, 2013, there was $492 of unrecognized compensation costs related to restricted shares under the 2006 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.25 years.

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. There was no share option or restricted share granted during the year ended December 31, 2011. As of December 31, 2013 and 2012, 94,688,953 and 96,894,814 ordinary shares remain available for the grant of various share based awards under the 2011 Share Incentive Plan, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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18. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Share Options

The Group granted share options to certain personnel under the 2011 Share Incentive Plan during the years ended December 31, 2013 and 2012, with the exercise price for share options granted in 2013 determined at the higher of the closing price on 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, while the exercise price for share options granted in 2012 determined at the closing price on the date of grant. These share options became exercisable over vesting periods of three to four years. The share options granted expire 10 years after 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. 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, 2013 and 2012:

	December 31,	
	2013	2012
Expected dividend yield	—	—
Expected stock price volatility	65.50%	67.82%
Risk-free interest rate	0.82%	1.01%
Expected average life of options (years)	5.1	5.1

A summary of share options activity under the 2011 Share Incentive Plan as of December 31, 2013, and changes during the years ended December 31, 2013 and 2012 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, 2012	—	$ —		
Granted	1,934,574	4.70		
Forfeited	(33,438)	4.70		
Outstanding as at December 31, 2012	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	8.74	$ 21,560
Exercisable as at December 31, 2013	522,909	$ 4.70	8.25	$ 4,380

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18. 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, 2013 are presented below:

	Vested			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Exercise price per share ($4.70) (Note)	522,909	$ 4.70	8.25	$ 4,380

Note: 621,669 share options vested and 1,830 share options expired during the year ended December 31, 2013.

	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 ($4.70 – $8.42)	2,547,426	$ 6.66	8.84	$ 17,180

The weighted average fair value of share options granted under the 2011 Share Incentive Plan during the years ended December 31, 2013 and 2012 were $4.50 and $2.44, respectively. Share options of 96,930 was exercised and proceeds amounts to $455 was recognized during the year ended December 31, 2013. The total intrinsic value of share options exercised for the year ended December 31, 2013 was $812. No share option was exercised for the year ended December 31, 2012. As of December 31, 2013, there was $6,563 unrecognized compensation costs related to unvested share options under the 2011 Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 2.06 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, 2013 and 2012. 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.

(In thousands of U.S. dollars, except share and per share data)

18. SHARE-BASED COMPENSATION - continued

2011 Share Incentive Plan - continued

Restricted Shares - continued

A summary of the status of the 2011 Share Incentive Plan's restricted shares as of December 31, 2013, and changes during the years ended December 31, 2013 and 2012 are presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2012	—	$ —
Granted	1,170,612	4.43
Forfeited	(16,722)	4.43
Unvested at December 31, 2012	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

The total fair value at date of grant of the restricted shares under the 2011 Share Incentive Plan vested during the years ended December 31, 2013 and 2012 were $1,676 and nil, respectively. As of December 31, 2013, there was $7,170 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 2.05 years.

MCP Share Incentive Plan

MCP operates 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. The MCP Share Incentive Plan, with amendments, was approved by MCP shareholders at the annual stockholders meeting held, and became effective, on June 21, 2013. The MCP Share Incentive Plan was also approved by the Company's shareholders at its extraordinary general meeting on June 21, 2013. The Philippine SEC approved such amendments on June 24, 2013. 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, 2013, 47,098,936 MCP common shares remain available for the grant of various share-based awards under the MCP Share Incentive Plan.

Share Options

MCP granted share options to certain personnel under the MCP Share Incentive Plan during the year ended December 31, 2013 with the exercise price determined at the higher of the closing price of MCP common shares on the date of grant and the average closing price for the five trading days preceding the date of grant.

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18. SHARE-BASED COMPENSATION - continued

MCP Share Incentive Plan - continued

Share Options - continued

These share options became exercisable over a vesting period of three years, with the first year vesting on 30 days after the opening of City of Dreams Manila. The share options granted expire 10 years after 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. 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 publicly traded companies. 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 year ended December 31, 2013:

Expected dividend yield	—
Expected stock price volatility	45.00%
Risk-free interest rate	3.73%
Expected average life of options (years)	5.0

A summary of share options activity under the MCP Share Incentive Plan as of December 31, 2013, and changes during the year ended December 31, 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	9.50	$ 14,031

As of December 31, 2013, no share options granted under the MCP Share Incentive Plan were vested and exercisable.

A summary of share options expected to vest under the MCP Share Incentive Plan as of December 31, 2013 are presented below:

	Expected to Vest			
	Number of Share Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Exercise price per share ($0.19)	116,144,153	$ 0.19	9.50	$ 14,031

The weighted average fair value of share options granted under the MCP Share Incentive Plan during the year ended December 31, 2013 was $0.09. As of December 31, 2013, there was $7,857 unrecognized

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18. SHARE-BASED COMPENSATION - continued

MCP Share Incentive Plan - continued

Share Options - continued

compensation costs related to unvested share options under the MCP Share Incentive Plan and the costs were expected to be recognized over a weighted average period of 2.33 years.

Restricted Shares

MCP has also granted restricted shares to certain personnel under the MCP Share Incentive Plan during the year ended December 31, 2013. These restricted shares have a vesting period of three years, with the first year vesting on 30 days after the opening of City Of Dreams Manila. The grant date fair value is determined with reference to the market closing price of the MCP's common share at the date of grant.

A summary of the status of the MCP Share Incentive Plan's restricted shares as of December 31, 2013, and changes during the year ended December 31, 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

No restricted shares under the MCP Share Incentive Plan were vested during the year ended December 31, 2013. As of December 31, 2013, there was $8,870 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 2.33 years.

The impact of share options and restricted shares for the Group for the years ended December 31, 2013, 2012 and 2011 recognized in the consolidated financial statements is as follows:

	Year Ended December 31,		
	2013	2012	2011
2006 Share Incentive Plan			
Share options	$ 3,234	$ 4,033	$ 5,570
Restricted shares	2,188	2,464	3,054
Sub-total	$ 5,422	$ 6,497	$ 8,624
2011 Share Incentive Plan			
Share options	$ 2,775	$ 1,179	$ —
Restricted shares	3,052	1,297	—
Sub-total	$ 5,827	$ 2,476	$ —
MCP Share Incentive Plan			
Share options	$ 1,756	$ —	$ —
Restricted shares	1,982	—	—
Sub-total	$ 3,738	$ —	$ —
Total share-based compensation expenses recognized in general and administrative expenses	$14,987	$ 8,973	$ 8,624

19. 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 only obligation of the Group with respect to the SSF Scheme operated by the Macau Government is to make the required contributions under the scheme.

During the year ended December 31, 2013, the Group provided option for its qualifying employees in Macau to enroll in a voluntary defined contribution scheme (the "Macau VC Scheme") operated by the Group. With effect from July 1, 2013, the monthly voluntary contributions of the Group and the enrolled employees to the Macau VC Scheme to fund the benefits are set at different range of percentage of the relevant monthly income selected by the enrolled employees. The Group's voluntary contributions to the Macau VC Scheme are graded vesting to the enrolled employees according to a vesting scale with full vesting in 10 years from date of employment. The Macau VC Scheme was established under trust with the assets of the funds held separately from those of the Group by an independent trustee in Macau.

Hong Kong

Employees employed by the Group in Hong Kong are members of Mandatory Provident Fund Scheme (the "MPF Scheme") operated by the Group. With effect from June 1, 2012, the maximum monthly contribution (the "Mandatory Contributions") by both employee and employer was increased from HK$1,000 to HK$1,250. With this increase, the Group's and the employees' Mandatory Contributions to the MPF Scheme are each set at 5% of the employees' relevant income up to a maximum of HK$1,250 per employee per month. The Group's Mandatory Contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid.

During the year ended December 31, 2013, the Group provided option for its qualifying employees in Hong Kong to enroll in a voluntary defined contribution scheme (the "Hong Kong VC Scheme") operated by the Group. With effect from July 1, 2013, the monthly voluntary contributions of the Group and the enrolled employees to the Hong Kong VC Scheme to fund the benefits are set at different range of percentage of the monthly earned base salaries selected by the enrolled employees, after deducting the monthly Mandatory Contributions made by the Group and the employees respectively. The Group's voluntary contributions to the Hong Kong VC Scheme are graded vesting to the enrolled employees according to a vesting scale with full vesting in 10 years from date of employment.

The Group MPF Scheme and the Hong Kong VC Scheme was established under trust with the assets of the funds held separately from those of the Group by an independent trustee 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 Philippines Government and MCP Group is

MELCO CROWN ENTERTAINMENT LIMITED

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19. EMPLOYEE BENEFIT PLANS - continued

Employees - continued

The Philippines - continued

required to pay at a certain percentage of the employees' relevant income and met the minimum mandatory requirements to fund the benefits. The only obligation of MCP Group with respect to the SSS Scheme operated by the Philippines Government is to make the required contributions under the scheme.

Other Jurisdictions

The Group's subsidiaries in certain other jurisdiction 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' payroll and met the minimum mandatory requirements.

Executive Officers

For executive officers employed by the Group, the executive officers' contributions to the MPF Scheme in Hong Kong are set at 5% of the executive officers' relevant income up to a maximum of HK$1,250 per executive officer per month. The Group's contribution to the MPF Scheme is set at 10% of the executive officers' base salaries. The excess of contributions over the Group's mandatory portion, which is 5% of the executive officers' relevant income up to a maximum of HK$1,250 per executive officer per month, are treated as the Group's voluntary contribution and are vested to executive officers at 10% per year with full vesting in 10 years. The MPF Scheme for executive officers was established under trust with the assets of the funds held separately from those of the Group by an independent trustee in Hong Kong.

During the years ended December 31, 2013, 2012 and 2011, the Group's contributions into the defined contribution plans were $8,522, $5,303 and $5,414, respectively.

20. 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 Board of Directors of the relevant subsidiaries. As of December 31, 2013 and 2012, the balance of the reserve amounted to $31,201 and $31,201, respectively.

The City of Dreams Project Facility contained restrictions on payment of dividends by the Borrowing Group which applied until the City of Dreams Project Facility was amended on June 30, 2011. There was a restriction on paying dividends during the construction phase of the City of Dreams project. Upon completion of the construction of the City of Dreams, the relevant subsidiaries would then be able to pay dividends if they satisfied certain financial tests and conditions.

The 2011 Credit Facilities contain restrictions which apply on and from June 30, 2011 on paying dividends to the Company or persons who are not members of the 2011 Borrowing Group, unless certain financial tests and conditions are satisfied. Dividends may 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

20. DISTRIBUTION OF PROFITS - continued

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 indenture governing the 2013 Senior Notes and the 2010 Senior Notes contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for MCE Finance and its respective restricted subsidiaries.

The indenture governing the Studio City Notes also contain certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for Studio City Finance and its respective restricted subsidiaries.

The Studio City Project Facility contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for Studio City Investments and its respective restricted subsidiaries.

During the years ended December 31, 2013, 2012 and 2011, the Company did not declare or pay any cash dividends on the ordinary shares.

On February 25, 2014, the Company's Board of Directors announced a proposal of declaration and payment of a special dividend and adoption of a new dividend policy, further details are disclosed in Note 27(d).

On February 28, 2014, Melco Crown Macau's Board of Directors proposed the final dividend and was subject to the approval from Melco Crown Macau's shareholders, which was subsequently approved at Melco Crown Macau's annual general meeting held on March 21, 2014, further details are disclosed in Note 27(e).

21. PROVISIONAL LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MCP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

(a) **Provisional License**

On December 12, 2008, PAGCOR issued the Provisional License for the development of City of Dreams Manila to certain Philippine parties including SM Investments Corporation, SM Land, Inc., SM Hotels and Conventions Corporation (formerly SM Hotels Corporation), SM Commercial Properties, Inc. and SM Development Corporation (collectively the "SM Group") and PremiumLeisure and Amusement, Inc. ("PLAI"). On November 23, 2011, PAGCOR approved the inclusion of Belle as a licensee under the Provisional License. SM Group, Belle and PLAI are collectively referred to as the "Philippine Parties". On October 25, 2012, further to the Cooperation Agreement as mentioned in item (b) below, PAGCOR acknowledged the inclusion of, amongst others, MCE Leisure as a co-licensee, as well as the "special purpose entity", to take effect as of the effective date of the Cooperation Agreement, allowing MCE Leisure to be the operator to operate the casino business and as representative for itself and on behalf of the other co-licensees under the Provisional License in their dealings with PAGCOR. The Cooperation Agreement became effective on March 13, 2013, the date on which closing under the Closing Arrangement Agreement as mentioned in item (b) below occurred. As a result, MCE Holdings (Philippines) Corporation, a direct 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. The Provisional License, as well as any regular

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21. PROVISIONAL LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MCP LEASE AGREEMENT FOR CITY OF DREAMS MANILA - continued

(a) **Provisional License** - continued

license to be issued to replace it upon satisfaction of certain conditions, is concurrent with section 13 of Presidential Decree No. 1869, will expire on July 11, 2033. Further details of the terms and commitments under the Provisional License are included in Note 22(c).

(b) **Cooperation Agreement**

On March 13, 2013, a closing arrangement agreement (the "Closing Arrangement Agreement") which was entered on October 25, 2012 between MCE Holdings Group and certain MCE's subsidiaries and the Philippine Parties for City of Dreams Manila became effective (i.e. the date on which the conditions to closing under the Closing Arrangement Agreement were fulfilled or waived). Further to the closing of the Closing Arrangement Agreement, a cooperation agreement (the "Cooperation Agreement") and other related arrangements which were entered on October 25, 2012 between MCE Holdings Group and the Philippine Parties became effective on the same date, 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 Provisional License and the operation and management of City of Dreams Manila until the expiry of the Provisional License (currently expected to be on July 11, 2033 or unless terminated earlier in accordance with its terms). Further details of the commitment under the Cooperation Agreement are included in Note 22(c).

(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 as of March 13, 2013 and ends on the date of expiry of the Provisional License (as that License is extended, restored or renewed), unless terminated earlier in accordance with the terms of the Operating Agreement. The 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 be payable to PLAI upon commencement of operations of City of Dreams Manila, 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 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 between MCE Leisure and Belle became effective upon completion of closing arrangement conditions and with minor

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21. PROVISIONAL LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MCP LEASE AGREEMENT FOR CITY OF DREAMS MANILA - continued

(d) **MCP Lease Agreement** - continued

changes from the original terms under a closing side letter (the "Closing Side Letter") signed by MCE Holdings Group and certain MCE's subsidiaries and the Philippine Parties on March 13, 2013. Under the MCP Lease Agreement, Belle agreed to lease to MCE Leisure the land and certain of the building structures to be used in 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 will be 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.

Under the Closing Side Letter in relation to the MCP Lease Agreement, MCE Leisure agreed to make monthly payments under the MCP Lease Agreement beginning from March 1, 2013. On July 31, 2013, MCE Leisure and Belle signed an addendum to the MCP Lease Agreement to reduce the monthly rental payments with effective from July 1, 2013 with total discount for each twelve month rolling period with a cap of the Philippine peso equivalent to $1,000, with the first twelve month period beginning from March 1, 2013 and subsequent minor changes to the terms of the MCP Lease Agreement were made during the year ended December 31, 2013. Further information in relation to the MCP Lease Agreement was disclosed in Notes 13 and 22(c).

22. COMMITMENTS AND CONTINGENCIES

(a) **Capital Commitments**

As of December 31, 2013, the Group had capital commitments contracted for but not provided mainly for the construction and acquisition of property and equipment for City of Dreams, Studio City and City of Dreams Manila totaling $1,231,735.

(b) **Lease Commitments and Other Arrangements**

Operating Leases - As a Lessee

The Group leases the portion of land to be used for City of Dreams Manila, Mocha Clubs sites, office space, warehouses and staff quarters under non-cancellable operating lease agreements that expire at various dates through July 2033. Those lease agreements provide for periodic rental 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, 2013, 2012 and 2011, the Group incurred rental expenses amounting to $21,815, $18,573 and $16,944, respectively which consisted of minimum rental expenses of $17,586, $15,003 and $16,944 and contingent rental expenses of $4,229, $3,570 and nil, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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22. COMMITMENTS AND CONTINGENCIES - continued

(b) Lease Commitments and Other Arrangements - continued

Operating Leases - As a Lessee - continued

As of December 31, 2013, minimum lease payments under all non-cancellable leases were as follows:

Year ending December 31,	
2014	$ 16,136
2015	12,963
2016	9,172
2017	8,676
2018	8,727
Over 2018	77,086
	$132,760

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 City of Dreams site with various retailers that expire at various dates through February 2022. Certain of the operating and right to use agreements include minimum base fee and operating fee with escalated contingent fee clauses. During the years ended December 31, 2013, 2012 and 2011, the Group received contingent fees amounting to $27,287, $22,906 and $18,053, respectively.

As of December 31, 2013, minimum future fees to be received under all non-cancellable operating and right to use agreements were as follows:

Year ending December 31,	
2014	$ 10,760
2015	7,106
2016	3,478
2017	207
2018	18
	$ 21,569

The total minimum future fees do not include the escalated contingent fee clauses.

(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).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
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22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments** - continued

Gaming Subconcession - continued

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 two bank guarantees issued by a specific bank with the Macau Government as the beneficiary 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 guarantees 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 on which our 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 payment of a special contribution to be defined by the Macau Government, and impose special development conditions. The Company's land holding subsidiaries are required to i) pay an upfront land premium, which is recognized as land use right in the consolidated balance sheets and a nominal annual government land use fee, which is recognized as general and administrative expense and may be adjusted every five years; and ii) place a guarantee deposit upon acceptance of the land lease terms, which is subject to adjustments from time to time in

22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments** - continued

Land Concession Contracts - continued

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. The amendment required an additional land premium of approximately $2,449 which was fully paid by Altira Developments in July 2013 (see Note 9). According to the revised land amendment, the government land use fees was revised from approximately $171 per annum to $186 per annum. As of December 31, 2013, the Group's total commitment for government land use fees for the Altira Macau site to be paid during the remaining term of the land concession contract which expires in March 2031 was $3,189.

City of Dreams

On October 17, 2013, Melco Crown (COD) Developments and Melco Crown Macau accepted the final amendment proposal issued by the Macau Government 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 will be due in four biannual instalments, accruing with 5% interest per annum, with the first instalment to be paid six months from the date the amended contract was subsequently published in the Macau official gazette on January 29, 2014. As of December 31, 2013 and 2012, the total outstanding balance of the land premium was included in accrued expenses and other current liabilities in an amount of $3,518 and $8,281, and in land use rights payable in an amount of $11,090 and nil, respectively. According to the final amendment proposal, the government land use fees will be revised from approximately $1,185 per annum to $1,235 per annum. As of December 31, 2013, the Group's total commitment for government land use fees for the City of Dreams site to be paid during the remaining term of the land concession contract which expires in August 2033 was $23,985.

Studio City

On July 25, 2012, 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 (see Note 9). The amendment revised the land premium to approximately $174,954, with $23,561 paid in 2006 and $35,316 paid in June 2012 upon acceptance of the final amendment proposal and the remaining amount of approximately $116,077 will be due in five biannual instalments, accruing with 5% interest per annum, with the first instalment to be paid six months from July 25, 2012, the date the amended contract published in the Macau official gazette. As of December 31, 2013 and 2012, the total outstanding balance of the land premium was included in accrued expenses and other current liabilities in an amount of $46,982 and $44,719, and in land use right payable in an amount of $24,376 and

22. COMMITMENTS AND CONTINGENCIES - continued

(c) **Other Commitments** - continued

Land Concession Contracts - continued

Studio City - continued

$71,358, respectively. According to the revised land amendment, the government land use fees were revised from approximately $326 per annum to $490 per annum during the development period of Studio City; and from approximately $527 per annum to $1,131 per annum after the development period. As of December 31, 2013, the Group's total commitment for government land use fees for the Studio City site to be paid during the remaining term of the land concession contract which expires in October 2026 was $11,545.

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. 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).

Other commitments required by PAGCOR under the 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 million (equivalent to $2,246) 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 million (equivalent to $2,246) to PAGCOR on February 17, 2012.
- Seven days prior to commencement of operation of the casino, to secure a surety bond in favor of PAGCOR in the amount of PHP100 million (equivalent to $2,246) to ensure prompt and punctual remittance/payment of all license fees.
- 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.

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

Provisional License - continued

- 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.
- 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 Licensees and approved by PAGCOR, of which the foundation was subsequently 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% except rental income received from retail concessionaires.

Grounds for revocation of the 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, 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, 2013, 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 Provisional License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any loss suffered or incurred by that Licensee arising out of, or in connection with, any breach by the indemnifying Licensee of the Provisional License. Each Licensee, however, has the rights to charge the other Licensees for their non-contribution portion of the Investment Commitment plus relevant interest under the terms of the Cooperation Agreement. Also, each of the Philippine Parties and MCE Leisure 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 12 to the consolidated financial statements, the Group has made the following significant guarantees as of December 31, 2013:

- Melco Crown Macau has issued a promissory note ("Livrança") of $68,635 (MOP550,000,000) to a bank in respect of bank guarantees issued to the Macau Government as disclosed in Note 22(c)(vi) to the consolidated financial statements.

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

(d) **Guarantees** - continued

- 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 entered into on October 19, 2012 as disclosed in Note 12, 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 ("Studio City Mandate 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 the construction payment obligations of the Studio City project. The Trade Credit Facility is guaranteed by Studio City Company. As of December 31, 2013, the Trade Credit Facility of approximately $11,658 was utilized.

(e) **Litigation**

As of December 31, 2013, the Group is currently a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management does not believe that the outcome of such proceedings will have a material effect on the Group's financial position, results of operations or cash flows.

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

During the years ended December 31, 2013, 2012 and 2011, the Group entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2013	2012	2011
Transactions with affiliated companies				
Chin Son, Limited(1)	Purchase of property and equipment	$ —	$ —	$ 1,756
Crown's subsidiary	Consultancy fee expense	370	428	461
	Purchase of property and equipment	371	351	307
	Software license fee expense	312	312	—
Lisboa Holdings Limited(1)	Office rental expense	895	1,157	1,493
Melco's subsidiaries and its associated companies	Consultancy fee expense	643	483	509
	Office rental expense	308	586	533
	Purchase of property and equipment	597	1,479	186
	Service fee expense(3)	802	646	502
	Other service fee income	510	345	307
	Rooms and food and beverage income	49	161	221
Melco Crown Entertainment Charity Association (2)	Donation expense	—	—	120
Shun Tak Holdings Limited and its subsidiaries (referred to as "Shun Tak Group")(1)	Office rental expense	171	136	124
	Traveling expense(4)	2,962	2,976	2,794
	Rooms and food and beverage income	36	77	445
Sky Shuttle Helicopters Limited ("Sky Shuttle") (1)	Traveling expense	1,809	1,711	2,008
Sociedade de Jogos de Macau S.A. ("SJM") (1)	Traveling expense(4)	570	327	482
Sociedade de Turismo e Diversões de Macau, S.A. and its subsidiaries (the "STDM Group") (1)	Advertising and promotional expenses	49	88	116
	Office rental expense	1,405	1,404	807
	Service fee expense	222	216	113
	Traveling expense(4)	113	33	115
Transactions with shareholders				
Crown	Consultancy fee capitalized in deferred financing costs	—	222	—
Melco	Development costs	—	3,000	—
	Interest expense	—	—	174

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) An association of which certain subsidiaries of the Company are directors.

(In thousands of U.S. dollars, except share and per share data)

23. RELATED PARTY TRANSACTIONS - continued

(3) 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.

(4) Traveling expenses including ferry and hotel accommodation services within Hong Kong and Macau.

(a) **Amounts Due From Affiliated Companies**

The outstanding balances arising from operating income or prepayment of operating expenses as of December 31, 2013 and 2012 are as follows:

	December 31,	
	2013	2012
Melco's subsidiary and its associated company	$ 20	$1,312
Shun Tak Group	3	10
	$ 23	$1,322

The maximum amounts outstanding due from Melco's subsidiary during the years ended December 31, 2013 and 2012 were $1,312 and $1,740, respectively. The maximum amounts outstanding due from Melco's associated company during the years ended December 31, 2013 and 2012 were $65 and $4, respectively.

The maximum amounts outstanding due from Shun Tak Group during the years ended December 31, 2013 and 2012 were $15 and $110, respectively.

The outstanding balances due from affiliated companies as of December 31, 2013 and 2012 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, 2013 and 2012 are as follows:

	December 31,	
	2013	2012
Crown's subsidiary	$ 474	$ 12
Melco's subsidiaries and its associated company	1,403	369
Shun Tak Group	259	283
SJM	445	71
Sky Shuttle	151	159
STDM Group	168	55
	$2,900	$ 949

The outstanding balances due to affiliated companies as of December 31, 2013 and 2012 as mentioned above are unsecured, non-interest bearing and repayable on demand.

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

(c) **Amount Due To A Shareholder**

The amount of $79 due to Melco as of December 31, 2013, mainly arising from expenses paid by Melco on behalf of the Group. The balance was 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 and City of Dreams and the development activities of Studio City and City of Dreams Manila. As of December 31, 2012, Mocha Clubs, Altira Macau, City of Dreams and Studio City were the primary businesses of the Group. 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 December 31, 2013 and represented the comparatives for the year ended December 31, 2012 and as of December 31, 2012. Taipa Square Casino is included within Corporate and Others. During the years ended December 31, 2013 and 2012, all revenues were generated in Macau.

The Group's segment information for total assets and capital expenditures is as follows:

Total Assets

	December 31,		
	2013	2012	2011
Macau:			
Mocha Clubs	$ 159,927	$ 176,830	$ 174,404
Altira Macau	573,814	617,847	577,145
City of Dreams	3,148,657	3,147,322	3,103,458
Studio City	2,519,461	1,844,706	713,637
Sub-total	6,401,859	5,786,705	4,568,644
The Philippines:			
City of Dreams Manila	631,377	30,193	—
Corporate and Others	1,780,403	2,130,568	1,701,336
Total consolidated assets	$ 8,813,639	$ 7,947,466	$6,269,980

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

Capital Expenditures

	Year Ended December 31,		
	2013	2012	2011
Macau:			
Mocha Clubs	$ 6,515	$ 5,951	$ 23,558
Altira Macau	5,464	7,105	6,662
City of Dreams	97,654	99,416	39,774
Studio City	440,826	115,385	713,253
Sub-total	550,459	227,857	783,247
The Philippines:			
City of Dreams Manila	359,854	817	—
Corporate and Others	2,042	55,324	2,387
Total capital expenditures	$912,355	$283,998	$785,634

The Group's segment information on its results of operations is as follows:

	Year Ended December 31,		
	2013	2012	2011
NET REVENUES			
Macau:			
Mocha Clubs	$ 148,683	$ 143,260	$ 131,934
Altira Macau	1,033,801	966,770	1,173,930
City of Dreams	3,857,049	2,920,912	2,491,383
Studio City	1,093	160	—
Sub-total	5,040,626	4,031,102	3,797,247
The Philippines:			
City of Dreams Manila	—	—	—
Corporate and Others	46,552	46,911	33,600
Total net revenues	$5,087,178	$4,078,013	$3,830,847
ADJUSTED PROPERTY EBITDA(1)			
Macau:			
Mocha Clubs	$ 40,222	$ 36,065	$ 40,475
Altira Macau	147,340	154,697	246,300
City of Dreams	1,193,211	805,719	594,440
Studio City	(1,059)	(670)	(300)
Sub-total	1,379,714	995,811	880,915
The Philippines:			
City of Dreams Manila	(603)	(476)	—
Total adjusted property EBITDA	1,379,111	995,335	880,915
OPERATING COSTS AND EXPENSES			
Pre-opening costs	(17,014)	(5,785)	(2,690)
Development costs	(26,297)	(11,099)	(1,110)
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(64,271)	(59,911)	(34,401)
Depreciation and amortization	(261,298)	(261,449)	(259,224)
Share-based compensation	(14,987)	(8,973)	(8,624)
Property charges and others	(6,884)	(8,654)	(1,025)
Corporate and Others expenses	(91,299)	(75,135)	(71,494)
Total operating costs and expenses	(539,287)	(488,243)	(435,805)
OPERATING INCOME	$ 839,824	$ 507,092	$ 445,110

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,		
	2013	2012	2011
NON-OPERATING INCOME (EXPENSES)			
Interest income	$ 7,660	$ 10,958	$ 4,131
Interest expenses, net of capitalized interest	(152,660)	(109,611)	(113,806)
Reclassification of accumulated losses of interest rate swap agreements from accumulated other comprehensive losses	—	—	(4,310)
Change in fair value of interest rate swap agreements	—	363	3,947
Amortization of deferred financing costs	(18,159)	(13,272)	(14,203)
Loan commitment fees	(25,643)	(1,324)	(1,411)
Foreign exchange (loss) gain, net	(10,756)	4,685	(1,771)
Other income, net	1,661	115	3,664
Listing expenses	—	—	(8,950)
Loss on extinguishment of debt	(50,935)	—	(25,193)
Costs associated with debt modification	(10,538)	(3,277)	—
Total non-operating expenses, net	(259,370)	(111,363)	(157,902)
INCOME BEFORE INCOME TAX	580,454	395,729	287,208
INCOME TAX (EXPENSE) CREDIT	(2,441)	2,943	1,636
NET INCOME	578,013	398,672	288,844
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	59,450	18,531	5,812
NET INCOME ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	$ 637,463	$ 417,203	$ 294,656

Note
(1) "Adjusted property EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, share-based compensation, property charges and others, 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,		
	2013	2012	2011
Macau	$4,503,982	$4,301,461	$4,283,252
The Philippines	334,827	817	—
Hong Kong and other foreign countries	1,289	203	785
Total long-lived assets	$ 4,840,098	$ 4,302,481	$ 4,284,037

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. ACQUISITION OF SUBSIDIARIES

(a) **Acquisition of MCP**

On December 7, 2012, the Company, through its indirect subsidiaries, MCE (Philippines) Investments Limited ("MCE Investments") and MCE (Philippines) Investments No.2 Corporation ("MCE Investments No.2"), entered into an acquisition agreement (the "Acquisition Agreement") with two independent third parties, Interpharma Holdings & Management Corporation and Pharma Industries Holdings Limited (collectively referred to as the "Selling Shareholders"), subject to certain conditions precedent, to acquire from the Selling Shareholders an aggregate of 93.06% of the issued share capital of MCP (the "Proposed Acquisition"). Prior to completion of the Proposed Acquisition on December 19, 2012, MCP sold its two operating subsidiaries, Interphil Laboratories, Inc. and Lancashire Realty Holding Corporation, to the Selling Shareholders (or their affiliates) under the deeds of assignment dated December 7, 2012 between the Selling Shareholders (or their affiliates) and MCP (the "Subsidiary Sale Agreements"), in accordance with the terms of the Acquisition Agreement. The total consideration under the Acquisition Agreement was PHP1,259,000,000 (equivalent to $30,682) which included i) PHP200,000,000 (equivalent to $4,874) to the Selling Shareholders, and ii) PHP1,059,000,000 (equivalent to $25,808) on direction of the Selling Shareholders, to MCP in settlement of the liabilities of the Selling Shareholders (or their affiliates) under the Subsidiary Sale Agreements. On December 19, 2012, MCP retained PHP1,059,000,000 (equivalent to $25,808), which represented the subsidiaries' sale amount upon completion of the Proposed Acquisition.

On December 19, 2012, the Group completed the acquisition of 93.06% of the issued share capital of MCP. MCP did not have any operation and revenue immediately before the acquisition by the Group and the excess payment of $5,747 for acquisition of assets and liabilities of MCP does not have any measureable future economic benefits to the Group to qualify the recognition requirements of an asset, and was therefore expensed in the consolidated statements of operations and included in development costs.

The net assets acquired in the transaction are as follows:

	Amount recognized at the date of acquisition
Net assets acquired:	
Cash and cash equivalents	$ 27,876
Prepaid expenses and other current assets	13
Accrued expenses and other current liabilities	(1,094)
Noncontrolling interests	(1,860)
Net assets	$ 24,935
Excess payment on acquisition of assets and liabilities (including direct cost incurred) charged to consolidated statements of operations and included in development costs	5,747
	$ 30,682
Total consideration satisfied by:	
Cash paid	$ 30,682

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

25. ACQUISITION OF SUBSIDIARIES - continued

(b) **Acquisition of Studio City Group**

On June 16, 2011, the Company entered into a share purchase agreement and through its indirect subsidiary, MCE Cotai Investments Limited ("MCE Cotai"), to acquire from an affiliate of eSun Holdings Limited ("eSun Holdings"), an independent third party, a 60% equity interest in Studio City International (together with its direct and indirect subsidiaries, the "Studio City Group"), which is the developer of Studio City. The total consideration under the share purchase agreement and related transaction documents is $360,000 which include i) a payment to an affiliate of eSun Holdings for its entire 60% interest in, and a shareholder's loan extended to, the Studio City Group at $200,000 and $60,000, respectively; where $65,000 and $195,000 were paid by the Group in June 2011 and July 2011, respectively, and ii) a payment of $100,000 in cash in three instalments of $50,000, $25,000 and $25,000 over two years commencing upon the closing of the transaction on July 27, 2011 to New Cotai Holdings, LLC (the direct shareholder of New Cotai, LLC), for transferring to the Studio City Group the shares of other entities that own rights to develop the gaming areas of Studio City. The first, second and last instalments of $50,000, $25,000 and $25,000 were settled by the Group in August 2011, July 2012 and July 2013, respectively.

On July 27, 2011, the Group completed the acquisition of 60% equity interest in the Studio City Group. The Studio City Group did not have any operation and revenue immediately before the acquisition. The Group principally acquired a parcel of land and related construction in progress through the acquisition of the Studio City Group and this transaction was accounted for as acquisition of assets and liabilities.

The net assets acquired in the transaction are as follows:

	Amount recognized at the date of acquisition
Net assets acquired:	
Cash and cash equivalents	$ 35,818
Prepaid expenses and other current assets	72
Deposits	432
Land use right, net	549,079
Construction in progress	139,201
Accrued expenses and other current liabilities	(10,939)
Land use right payable	(47,020)
Deferred tax liabilities	(54,985)
Noncontrolling interests	(237,309)
Net assets	$ 374,349
Total consideration satisfied by:	
Cash paid	$ 310,000
Payables for acquisition of assets and liabilities	45,964
	355,964
Direct costs incurred for acquisition of assets and liabilities	18,385
	$ 374,349

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

26. CHANGE IN SHAREHOLDING OF THE PHILIPPINES SUBSIDIARIES

On April 8, 2013, the Company through its indirect subsidiary, MCE Investments, subscribed for 2,846,595,000 common shares of MCP at total consideration of PHP2,846,595,000 (equivalent to $69,592), which increased MCE'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"). 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"). MCE Investments then used the proceeds from the Offer to subscribe to an equivalent number of common shares in MCP at the subscription price of PHP14 per share (equivalent to $0.34 per share). 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). The aforesaid transactions decreased MCE'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.

During the year ended December 31, 2013, the total transfers from noncontrolling interests amounted to $227,535 in relation to transactions as described above. The Group retains its controlling financial interest in the 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:

Net income attributable to Melco Crown Entertainment Limited	$ 637,463
Transfers from noncontrolling interests:	
Increase in Melco Crown Entertainment Limited additional paid-in capital resulting from subscription of 2,846,595,000 common shares of MCP	401
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
Changes from net income attributable to Melco Crown Entertainment Limited shareholders and transfers from noncontrolling interests	$864,998

27. SUBSEQUENT EVENTS

(a) On January 24, 2014, the Philippine Notes of PHP15 billion (equivalent to $336,825) was completed and issued and MCE Leisure received net proceeds, after deducting the underwriting commissions, from the offering of PHP14,769,230,769 (equivalent to $331,643), further details of the Philippine Notes is disclosed in Note 12.

(b) On January 29, 2014, the land grant amendment process for Cotai Land was completed with the publication in the Macau official gazette of such proposed amendment.

MELCO CROWN ENTERTAINMENT LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued
(In thousands of U.S. dollars, except share and per share data)

27. SUBSEQUENT EVENTS - continued

(c) On February 18, 2014, one of the Group's subsidiaries completed the transaction for the sale of its properties as disclosed in Note 4 and received the remaining amount of HK$230,000,000 (equivalent to $29,563).

(d) On February 25, 2014, the Company's Board of Directors announced a proposal of declaration and payment of a special dividend of $0.1147 per share based on the Company's 1,666,633,448 ordinary shares in issue on the same date out of its share premium account, with total amount approximately $191,163 (the "Special Dividend") and adoption of a new dividend policy (the "New Dividend Policy"). The declaration and payment of Special Dividend is conditional upon the satisfaction of certain conditions, including i) the Company's shareholders' approval, which has been obtained at the extraordinary general meeting held on March 26, 2014 ("EGM"); and ii) the Company's Board of Directors being satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately after payment of the Special Dividend. Following the grant of the Company's shareholders' approval at the EGM, the Special Dividend is expected to be paid in cash on or about April 16, 2014 to those shareholders whose names appear on the Company's register of members at close of business on April 4, 2014, being the record date for determination of entitlements to the Special Dividend. The Special Dividend will be reflected as appropriation of reserve in the year 2014.

The New Dividend Policy became effective upon the approval by the Company's Board of Directors on February 25, 2014. 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 in an aggregate amount per year of approximately 30% of the Company's annual consolidated net income attributable to Melco Crown Entertainment Limited, 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.

(e) On February 28, 2014, Melco Crown Macau's Board of Directors proposed the final dividend of MOP3,365,628,000 (equivalent to $420,000), with MOP1 to be distributed to the holders of the class A shares of Melco Crown Macau as a group and with the remaining amount of MOP3,365,627,999 (equivalent to $420,000), representing approximately MOP467.45 per class B share of Melco Crown Macau, to be distributed to the holder of the class B shares. The proposed final dividend of Melco Crown Macau is subject to the approval of Melco Crown Macau's shareholders, which was subsequently approved at Melco Crown Macau's annual general meeting held on March 21, 2014.

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,	
	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 3,414	$ 2,887
Restricted cash	—	367,645
Amounts due from affiliated companies	—	1,113
Amounts due from subsidiaries	74,930	77,471
Income tax receivable	—	266
Prepaid expenses and other current assets	3,717	2,448
Total current assets	82,061	451,830
INVESTMENTS IN SUBSIDIARIES	5,492,941	4,123,067
DEFERRED FINANCING COST	—	1,427
TOTAL ASSETS	$5,575,002	$4,576,324
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accrued expenses and other current liabilities	$ 2,336	$ 6,465
Income tax payable	128	—
Amounts due to affiliated companies	1,783	59
Amounts due to subsidiaries	181,819	181,371
Amounts due to shareholders	67	—
Current portion of long-term debt	—	720,923
Total current liabilities	186,133	908,818
ADVANCE FROM A SUBSIDIARY	1,142,199	281,567
SHAREHOLDERS' EQUITY		
Ordinary shares at US$0.01 par value per share (Authorized – 7,300,000,000 shares as of December 31, 2013 and 2012 and issued – 1,666,633,448 and 1,658,059,295 shares as of December 31, 2013 and 2012, respectively)	16,667	16,581
Treasury shares, at cost (16,222,246 and 11,267,038 shares as of December 31, 2013 and 2012, respectively)	(5,960)	(113)
Additional paid-in capital	3,479,399	3,235,835
Accumulated other comprehensive losses	(15,592)	(1,057)
Retained earnings	772,156	134,693
Total shareholders' equity	4,246,670	3,385,939
TOTAL LIABILITIES AND EQUITY	$5,575,002	$4,576,324

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,		
	2013	2012	2011
REVENUE	$ —	$ —	$ —
OPERATING EXPENSES			
General and administrative	(33,345)	(26,164)	(19,474)
Property charges and others	—	—	(1,000)
Total operating expenses	(33,345)	(26,164)	(20,474)
OPERATING LOSS	(33,345)	(26,164)	(20,474)
NON-OPERATING INCOME (EXPENSES)			
Interest income	(403)	5,544	3,683
Interest expenses, net of capitalized interest	(4,274)	(16,634)	(12,060)
Amortization of deferred financing cost	(748)	(3,732)	(2,260)
Foreign exchange (loss) gain, net	(1,231)	118	(293)
Other income, net	20,366	17,103	14,812
Listing expenses	—	—	(8,950)
Loss on extinguishment of debt	(679)	—	—
Share of results of subsidiaries	658,016	441,112	320,809
Total non-operating income, net	671,047	443,511	315,741
INCOME BEFORE INCOME TAX	637,702	417,347	295,267
INCOME TAX EXPENSE	(239)	(144)	(611)
NET INCOME	$ 637,463	$ 417,203	$ 294,656

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,		
	2013	2012	2011
Net income	$ 637,463	$ 417,203	$ 294,656
Other comprehensive (loss) income:			
Foreign currency translation adjustment	(14,535)	16	(149)
Change in fair value of interest rate swap agreements	—	—	6,111
Change in fair value of forward exchange rate contracts	—	99	39
Reclassification to earnings upon discontinuance of hedge accounting	—	—	4,310
Reclassification to earnings upon settlement of forward exchange rate contracts	—	(138)	—
Other comprehensive (loss) income	(14,535)	(23)	10,311
Total comprehensive income attributable to Parent Company	$ 622,928	$ 417,180	$ 304,967

MELCO CROWN ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION - FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars, except share and per share data)

	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Losses	(Accumulated Losses) Retained Earnings	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
BALANCE AT JANUARY 1, 2011	1,605,658,111	$ 16,056	(8,409,186)	$ (84)	$ 3,095,730	$ (11,345)	$ (577,166)	$ 2,523,191
Net income for the year	—	—	—	—	—	—	294,656	294,656
Foreign currency translation adjustment	—	—	—	—	—	(149)	—	(149)
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,111	—	6,111
Change in fair value of forward exchange rate contracts	—	—	—	—	—	39	—	39
Reclassification to earnings upon discontinuance of hedge accounting	—	—	—	—	—	4,310	—	4,310
Share-based compensation	—	—	—	—	8,624	—	—	8,624
Shares issued upon restricted shares vested	310,575	3	—	—	(3)	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options	6,920,386	69	(6,920,386)	(69)	—	—	—	—
Issuance of shares for restricted shares vested	—	—	941,648	9	(9)	—	—	—
Exercise of share options	—	—	3,835,596	38	3,912	—	—	3,950
Issuance of shares for conversion of shareholders' loans	40,211,930	403	—	—	115,020	—	—	115,423
BALANCE AT DECEMBER 31, 2011	1,653,101,002	16,531	(10,552,328)	(106)	3,223,274	(1,034)	(282,510)	2,956,155
Net income for the year	—	—	—	—	—	—	417,203	417,203
Foreign currency translation adjustment	—	—	—	—	—	16	—	16
Change in fair value of forward exchange rate contracts	—	—	—	—	—	99	—	99
Reclassification to earnings upon settlement of forward exchange rate contracts	—	—	—	—	—	(138)	—	(138)
Share-based compensation	—	—	—	—	8,973	—	—	8,973
Shares issued for future vesting of restricted shares and exercise of share options	4,958,293	50	(4,958,293)	(50)	—	—	—	—
Issuance of shares for restricted shares vested	—	—	1,276,634	13	(13)	—	—	—
Cancellation of vested restricted shares	—	—	(6)	—	—	—	—	—
Exercise of share options	—	—	2,966,955	30	3,601	—	—	3,631
BALANCE AT DECEMBER 31, 2012	1,658,059,295	16,581	(11,267,038)	(113)	3,235,835	(1,057)	134,693	3,385,939
Net income for the year	—	—	—	—	—	—	637,463	637,463
Foreign currency translation adjustment	—	—	—	—	—	(14,535)	—	(14,535)
Share-based compensation	—	—	—	—	14,119	—	—	14,119
Shares purchased under trust arrangement for future vesting of restricted shares	—	—	(1,121,838)	(8,770)	—	—	—	(8,770)
Transfer of shares purchased under trust arrangement for restricted shares vested	—	—	378,579	2,965	(2,965)	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options	8,574,153	86	(8,574,153)	(86)	—	—	—	—
Issuance of shares for restricted shares vested	—	—	1,297,902	13	(13)	—	—	—
Exercise of share options	—	—	3,064,302	31	4,888	—	—	4,919
Change in shareholding of the Philippines subsidiaries	—	—	—	—	227,535	—	—	227,535
BALANCE AT DECEMBER 31, 2013	1,666,633,448	$ 16,667	(16,222,246)	$ (5,960)	$ 3,479,399	$ (15,592)	$ 772,156	$ 4,246,670

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,		
	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 637,463	$ 417,203	$ 294,656
Adjustments to reconcile net income to net cash used in operating activities:			
Share-based compensation	11,249	8,973	8,624
Amortization of deferred financing cost	748	3,732	2,260
Loss on extinguishment of debt	679	—	—
Reclassification of accumulated income of forward exchange rate contracts from accumulated other comprehensive losses	—	(138)	—
Share of results of subsidiaries	(658,016)	(441,112)	(320,809)
Changes in operating assets and liabilities:			
Amounts due from affiliated companies	1,113	438	(200)
Income tax receivable	—	—	265
Prepaid expenses and other current assets	(367)	3,649	(1,819)
Long-term prepayments	—	135	506
Accrued expenses and other current liabilities	(4,129)	(1,852)	5,907
Income tax payable	394	(333)	—
Amounts due to shareholders	67	—	(261)
Amounts due to affiliated companies	1,724	7	(85)
Amounts due to subsidiaries	1,189	(238)	(142)
Net cash used in operating activities	(7,886)	(9,536)	(11,098)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to subsidiaries	(497,325)	(277,945)	(330,680)
Amounts due from subsidiaries	1,800	(26,975)	(1,825)
Repayment of advance to a subsidiary	1,337	10,512	11,126
Change in restricted cash	368,177	—	(353,278)
Net cash used in investing activities	(126,011)	(294,408)	(674,657)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on long-term debt	(721,455)	—	—
Purchase of shares under trust arrangement for future vesting of restricted shares	(8,770)	—	—
Proceeds from exercise of share options	4,017	3,599	4,565
Advance from a subsidiary	860,632	225,427	56,140
Payment of deferred financing cost	—	—	(6,899)
Proceeds from long-term debt	—	—	706,556
Net cash provided by financing activities	134,424	229,026	760,362
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	527	(74,918)	74,607
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,887	77,805	3,198
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,414	$ 2,887	$ 77,805

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, changes in financial position 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, 2013 and 2012, approximately $3,473,000 and $2,651,000, 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, 2013, 2012 and 2011.

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.

Exhibit 2.19

PHP15 BILLION 5.00% FIXED RATE CORPORATE SECURED NOTES

NOTES FACILITY AND SECURITY AGREEMENT

dated 19 December 2013

MCE LEISURE (PHILIPPINES) CORPORATION

as Issuer

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
MCE HOLDINGS (PHILIPPINES) CORPORATION
MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION

as Guarantors and Pledgors

VARIOUS FINANCIAL INSTITUTIONS

as Noteholders

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
DEUTSCHE BANK AG, MANILA BRANCH

as Joint Lead Managers

PHILIPPINE NATIONAL BANK – TRUST BANKING GROUP

as Facility Agent, Registrar, Paying Agent and Security Trustee

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NOTES FACILITY AND SECURITY AGREEMENT

This Notes Facility and Security Agreement (this "***Agreement***") is dated 19 December 2013, and is made by and among the following parties:

(1) **MCE LEISURE (PHILIPPINES) CORPORATION** as issuer (the "***Issuer***");

(2) **MELCO CROWN (PHILIPPINES) RESORTS CORPORATION** ("***MCP***"), **MCE HOLDINGS (PHILIPPINES) CORPORATION** (**"*MCE Holdings***") and **MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION** ("***MCE Holdings 2***") as guarantors (each, a "***Guarantor***" and collectively, the "***Guarantors***") and as pledgors (each, a "***Pledgor***" and collectively, the "***Pledgors***");

(3) The institutions listed in Schedule I (*Noteholders and Commitments*) as noteholders (collectively, the "***Noteholders***");

(4) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED** and **DEUTSCHE BANK AG, MANILA BRANCH** as joint lead managers (collectively, the "***Joint Lead Managers***"); and

(5) **PHILIPPINE NATIONAL BANK – TRUST BANKING GROUP** as facility agent (in such capacity, the "***Facility Agent***"), as registrar (in such capacity, the "***Registrar***"), as paying agent (in such capacity, the "***Paying Agent***") and, as security trustee (the "***Security Trustee***").

Recitals

(A) The Issuer desires to raise funds to fund its capital expenditure, to refinance its debt, and for general corporate purposes.

(B) Pursuant to arrangements made by the Joint Lead Managers, the Noteholders are willing to make available to the Issuer a notes facility of up to an aggregate amount of PhP15 billion, subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, IT IS AGREED:

Section 1 CONSTRUCTION AND DEFINITION OF TERMS

1.1 Principles of Construction

(a) Capitalized terms used in this Agreement and not otherwise defined shall have the meanings set forth in Section 1.2 (*Defined Terms*).

(b) The headings in this Agreement are inserted for convenience of reference only and shall not limit or affect the construction of the provisions hereof. Unless the context otherwise requires, words denoting the singular number shall include the plural and vice versa. Unless otherwise provided herein, all terms of accounting used herein shall be construed in accordance with PFRS as applied by the company to which they refer. References to "Schedule", "Section" or "Exhibit" are references to the Schedules, Sections and Exhibits to this Agreement.

(c) Reference in this Agreement or in any other Finance Document to any statute, law, decree or regulation shall be construed as a reference to such statute, law, decree or regulation as re-enacted, re-designated, amended or extended from time to time, and reference in this Agreement or in any other Finance Document to any document or agreement shall be deemed to include references to such document or agreement as amended, varied, supplemented or replaced from time to time.

(d) References to any person or persons shall be construed as a reference to any permitted successors or assigns of such person or persons.

(e) Accounting terms have the meanings assigned to them by PFRS, as applied by the accounting entity to which they refer.

(f) The words "hereof," "herein," and "hereunder," and words of similar import when used in any document, shall refer to such document as a whole and not to any particular provision of such document.

(g) Any reference to "days" means calendar days, unless the term "Banking Days" is used. A day shall be construed as successive periods of 24 hours each.

(h) A Default or an Event of Default is "continuing" if it has not been remedied or waived.

(i) This Agreement has been negotiated by the parties and any ambiguity in the language of the provisions shall not be construed for or against any party solely as a result of such party having drafted such language.

1.2 Defined Terms

The following terms, when used in this Agreement, shall have the following meanings:

"***Accession Agreement***" means the accession agreement in substantially the form of Exhibit G.

"***Additional Pledged Shares***" means any new or additional shares of stock (a) owned by an Obligor in a Subsidiary incorporated, established or acquired after the date of this Agreement, or (b) issued by a Relevant Company in favour of a Pledgor after the date of this Agreement, or (c) in the case of new or replacement nominee directors of the Relevant Company, the new shares of stock of the Relevant Company issued in order to qualify a new or replacement nominee director.

"***Advance***" means the advance denominated in Pesos made by a Noteholder to the Issuer pursuant to such Noteholder's Commitment pursuant to Section 2.1 (*The Facility)*.

"***Affiliate***" means, in relation to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, "control," as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"***Applicable Law***" means any statute, law, regulation, ordinance, rule, final and non-appealable judgment, order or decree, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation, application or administration of any of the foregoing by any Governmental Authority.

"***Applicable Premium***" means with respect to any redemption of a Note before the first anniversary of the Issue Date, the greater of: (1) 1% of the principal amount of the Notes; and (2) the excess if any of (a) the present value on such Optional Redemption Date representing (i) the redemption price of such Note to be redeemed on the first anniversary of the Issue Date plus (ii) all required interest payments on such Note to be redeemed until the first anniversary of the Issue Date (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate on such Optional Redemption Date plus 50 basis points, less (b) the then outstanding principal amount of such Note to be redeemed;

"***Authorization***" means:

(a) an authorization, consent, approval, resolution, franchise, license, exemption, filing, lodgement or registration; or

(b) in relation to anything which will be fully or partly prohibited or restricted by law or regulation if a Governmental Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"***Authorized Signatory***" means any director or officer of the relevant Obligor authorized to sign any document required to be delivered under the Finance Documents as certified by the Corporate Secretary of such Obligor.

"***Availability Period***" means the period from and including the date of this Agreement and ending on the earliest of (i) 31 January 2014, (ii) the date the Commitments are fully drawn by the Issuer, and (iii) the date the Commitments are cancelled or terminated in accordance with the provisions of this Agreement.

"***Available Facility***" means the aggregate for the time being of each Noteholder's Commitment.

"***Availment***" means each availment by the Issuer of the Facility pursuant to Section 2.2 (*Procedure for Availment).*

"***Availment Certificate***" means the certificate to be executed and delivered by the Issuer pursuant to Section 9.1(g).

"***Banking Day***" means a day, other than a Saturday, Sunday, legal or non-working holiday, on which commercial banks are generally open for the transaction of business in the Cities of Makati, Pasay City and Metro Manila, provided that, all other days not otherwise specified herein means calendar days, whether such periods are Banking Days or not.

"***Beneficial owner***", with respect to any Voting Stock, includes any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares (1) voting power which includes the power to vote, or to direct the voting of, such Voting Stock, and/or (2) investment power which includes the power to dispose, or to direct the disposition of, such Voting Stock. "*Beneficially own*" and "*beneficial ownership"* shall be construed accordingly.

"***BIR***" means the Philippine Bureau of Internal Revenue or any Governmental Authority that succeeds to the functions thereof.

"***BSP***" means the *Bangko Sentral ng Pilipinas* or any Governmental Authority that succeeds to the functions thereof.

"***Capital Stock***" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"***Change of Control***" means an event which occurs when any person or group of related Persons, other than the Permitted Holders, is or becomes the Beneficial Owner(s), directly or indirectly, of (a) more than 51% of the total voting power of the outstanding Voting Stock of the Issuer or (b) more voting power of the outstanding Voting Stock of the Issuer than those held by the Permitted Holders.

"***Commitment***" means the amount in Pesos set out opposite the name of a Noteholder under the heading " *Commitments*" in Schedule 1 (*Noteholders and Commitments*).

"***Compliance Certificate****"* has the meaning given to it in Section 8.2(b) (*Compliance Certificate*).

"***Consolidated Cash Flow***" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication,

(1) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Subsidiaries in connection with an asset sale, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(2) provision for taxes including deferred taxes, based on income or profits of such Person and its Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(3) the Fixed Charges of such Person and its Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(4) depreciation, amortization (including amortization of intangibles but excluding amortization of period cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; plus

(5) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; plus

(6) any goodwill or other intangible asset impairment charge; minus

(7) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with PFRS.

"***Consolidated Net Income***" means, with respect to any specified Person for any period, the aggregate of the net income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with PFRS, *provided that*:

(1) the net income (but not loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Subsidiary of the Person;

(2) the net income of any Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders;

(3) the cumulative effect of a change in accounting principles will be excluded; and

(4) non-cash gains and losses attributable to movement in the mark-to-market valuation of Hedging Obligations pursuant to PFRS will be excluded.

"***Debt Securities****"* means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities, and in each case having an original maturity of at least one year from the date of issue, that are of the type ordinarily quoted or traded on a stock exchange, over-the-counter or other securities market.

"***Declaration of Default***" means the declaration of the termination of the obligations of the Noteholder to extend or maintain the Advances by reason of one or more Events of Default pursuant to Section 10.2.

"***Default"*** means an Event of Default or any event or circumstance specified in Section 10.1 (*Events of Default*), which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"***Environmental Laws***" means all laws and regulations of any relevant jurisdiction concerning or applicable with regard to: (a) the pollution or protection of, or compensation of damage or harm to the environment and (b) emissions, discharges or releases into, or the presence in, the environment or the use, treatment, storage, disposal, transportation or handling of hazardous substances.

"***Environmental Claim***" means any litigation, arbitration or administrative proceedings of or before any court, arbitral body or regulatory authority relating to Environmental Law or the environment, health or safety related obligations of any agreement, laws and regulations of any jurisdiction.

"***Event of Default***" means any event or circumstance specified as such in Section 10.1 (*Events of Default*).

"***Excluded Taxes***" has the meaning given to it in Section 4.1(a).

"***Facility***" means the financing sought by and made available to the Issuer by the Noteholders in the principal amount of up to PhP15 billion.

"***Fee Letters***" means any letter or letters dated on or about the date of this Agreement between the Issuer and each of the Facility Agent, the Paying Agent, the Registrar and the Security Trustee in connection with the Finance Documents.

"***Finance Documents***" means:

(a) this Agreement;

(b) the Notes;

(c) the Parent Guarantee; and

(d) the Fee Letters.

each a "***Finance Document***."

"***Finance Lease Obligation***" means, at the time any determination is to be made, the amount of the liability in respect of a finance lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with PFRS and including, without limitation, land lease provisions.

"***Finance Parties***" means the Joint Lead Managers, the Facility Agent, Registrar, Paying Agent and Security Trustee, and the Noteholders, each a " ***Finance Party***."

"***Financial Indebtedness***" means with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payable), whether or not contingent:

(a) in respect of borrowed money;

(b) evidenced by bonds, notes, debentures or similar instruments of letters of credit (or reimbursement agreements in respect thereof);

(c) in respect of banker's acceptances;

(d) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(e) representing Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with PFRS. In addition, the term " ***Financial Indebtedness***" includes all Financial Indebtedness of others secured by a security interest on any asset of the specified Person (whether or not such Financial Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Financial Indebtedness of any other Person.

Financial Indebtedness shall be calculated without giving effect to the effects of PFRS to the extent such effects would otherwise increase or decrease an amount of Financial Indebtedness for any purpose under this Agreement as a result of accounting for any embedded derivatives created by the terms of such Financial Indebtedness.

Notwithstanding the foregoing, Financial Indebtedness will not include Finance Lease Obligations and Shareholder Subordinated Debt (other than for purposes of the definition of "Shareholder Subordinated Debt"). Finance Lease Obligations and Shareholder Subordinated Debt and their related interest and other expenses shall be excluded for the purposes of calculating Fixed Charges.

In addition "Financial Indebtedness" will not include (i) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof), or (ii) obligations of the Issuer or a Guarantor to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Issuer or any Guarantors in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition; provided that, in each case, such Financial Indebtedness is not reflected as borrowings on the consolidated balance sheet of MCP (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Financial Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(i) the amount outstanding at any time of any Financial Indebtedness issued with original issue discount is the face amount of such Financial Indebtedness less the remaining unamortized portion of the original issue discount of such Financial Indebtedness at such time as determined in conformity with PFRS;

(ii) money borrowed and set aside at the time of the incurrence of any Financial Indebtedness in order to prefund the payment of the interest on such Financial Indebtedness shall not be deemed to be "Financial Indebtedness" so long as such money is held to secure the payment of such interest; and

(iii) the amount of or the principal amount of Financial Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"***Fixed Charge Coverage Ratio***" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Financial Indebtedness (other than ordinary working capital borrowings) subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(a) acquisitions that have been made by the specified Person or any of its Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries acquired by the specified Person or any of its Subsidiaries, and including any related financing transactions and including increases in ownership of Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with PFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(c) the Fixed Charges attributable to discontinued operations, as determined in accordance with PFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date;

(d) any Person that is a Subsidiary on the Calculation Date will be deemed to have been a Subsidiary at all times during such four-quarter period;

(e) any Person that is not a Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary at any time during such four-quarter period; and

(f) if any Financial Indebtedness bears a floating rate of interest, the interest expense on such Financial Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Financial Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"***Fixed Charges***" means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; plus

(b) the consolidated interest expense of such Person and its Subsidiaries that was capitalized during such period; plus

(c) any interest on Financial Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries or secured by the assets of such Person or one of its Subsidiaries, whether or not such guarantee or security interest is called upon.

"***Gaming Authorities***" means, in any jurisdiction in which the Parent Guarantor or any of its Subsidiaries or any Sponsor manages or conducts any casino, gaming business or activities, the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Parent Guarantor or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"***Gaming Laws***" means all applicable constitutions, treaties, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities of the Parent Guarantor (or any other operator of the casino including the Sponsors or any of their Affiliates) or the Parent Guarantor or any of its Subsidiaries or any Sponsor in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"***Gaming License***" means a license for operating games of chance and other casino games.

"***Governmental Authority***" means any nation or government, state or any political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"***Guarantor***" each of MCP, MCE Holdings, MCE Holdings 2 and any other direct or indirect Subsidiary of MCP as and when such Subsidiary accedes to this Agreement by executing an Accession Agreement as a guarantor.

"***Hedging Obligations***" means, with respect to any specified Person, the obligations of such Person under:

(a) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(b) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"***Holding Company***" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"***Information Memorandum***" means the information memorandum provided to the Noteholders concerning the Issuer, which, at the Issuer's request and on its behalf, was prepared in relation to this transaction and distributed by the Joint Lead Managers and contains among others general information on the Issuer and its financial position.

"***Intellectual Property***" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow, topography and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of the Issuer (which may now or in the future subsist).

"***Interest Payment Date***" has the meaning assigned to that term in Section 2.8(a).

"***Interest Rate***" means 5.00% *per annum*.

"***Investor Representation Letter***" means a letter of firm commitment entered into or to be entered into by the Joint Lead Managers with each Noteholder around the date hereof regarding its Commitment.

"***Issue Date***" means the date when the Issuer shall issue a Note to a Noteholder, provided that such date shall be within the Availability Period.

"***Joint Lead Managers***" has the meaning assigned to that term in the Preamble.

"***Joint Venture***" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"***Legal Opinion***" means any legal opinion delivered to the Facility Agent under Schedule III (*Conditions Precedent Documents*).

"***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 any applicable statutory limitation act, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and subject to defences of set-off or counterclaim;

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"***Lien***" means any mortgage, pledge, lien, charge, encumbrance, hypothecation, set-off or preferential arrangement of any kind or nature on or with respect to any asset, whatsoever, howsoever and wherever created or arising and whether consensual or non-consensual (including any agreement to give any of the foregoing and any conditional sale or other title retention agreement), in each case, to the extent securing payment or performance of a Financial Indebtedness prior to any general creditor of such Person notwithstanding that it may be documented as a sale, or absolute assignment of such assets under the laws applicable to the transfer of such assets.

"***Majority Noteholders***" means the Noteholders to whom are owed at any time at least 51% of the aggregate principal amount of the Notes outstanding, or if no amounts are then outstanding, the Noteholders whose Commitments constitute at least 51% of the aggregate outstanding Commitments of all of the Notes.

"***Material Adverse Effect***" means, an event or circumstance which has a material adverse effect on:

(a) the condition (financial or otherwise), operations, business or assets of the Obligors (taken as a whole);

(b) the ability of any of the Obligors to perform any of its obligations under the Finance Documents; or

(c) the validity, legality or enforceability of any Finance Document or the rights or remedies of any Secured Party under any of the Finance Documents.

"***Maturity Date***" means the date that is the fifth anniversary of the Issue Date.

"MCP Financial Statements" means the audited consolidated financial statements of MCP as at December 31, 2012 and for the financial period from August 13, 2012 to December 31, 2012, and the unaudited condensed consolidated financial statements of MCP as at and for the nine months ended September 30, 2013, in each case as set forth or referred to in the Information Memorandum.

"***Money Laundering Laws***" means financial recordkeeping, reporting requirements, and money laundering statutes in the Philippines and of all jurisdictions in which MCP, the Issuer and the Parent Guarantor conduct business, the rules and regulations thereunder and any applicable related or similar rules, regulations or guidelines, issued and administered or enforced by any governmental agency.

"***Note***" means each Note duly executed and delivered by the Issuer in favor of a Noteholder to evidence an Advance in respect of such Noteholder's Commitment which shall be substantially in the form of **Exhibit B** (*Form of Promissory Note*) or, as the context may require, those of such Notes that remain outstanding.

"***Noteholder***" means any of the institutions listed in Schedule I (*Noteholders and Commitments*), or in case of any subsequent transfer, assignment or resale of the Notes as permitted under this Agreement, the registered transferee.

"***Notice of Availment***" means a notice substantially in the form of **Exhibit A** (*Form of Notice of Availment*), duly completed and executed by the Issuer pursuant to Section 2.2(a).

"***Obligor***" means each of the Issuer, the Guarantors and the Pledgors, and collectively, the "***Obligors***".

"***Optional Redemption Date***" has the meaning given to it in Section 2.5(a) (*Redemption of Notes*).

"***Optional Redemption Notice***" has the meaning given to it in Section 2.5(a).

"***Original Financial Statements***" means the Parent Guarantor Financial Statements and MCP Financial Statements.

"***Parent Guarantee***" means the Guarantee executed by the Parent Guarantor in respect of the Notes.

"***Parent Guarantor***" means Melco Crown Entertainment Limited.

"***Parent Guarantor Financial Statements***" means the audited consolidated financial statements of the Parent Guarantor as at and for the financial years ended December 31, 2012 and 2011, and the unaudited condensed consolidated financial statements of the Parent Guarantor as at September 30, 2013 and for the nine months ended September 30, 2013 and 2012, in each case as set forth or referred to in the Information Memorandum.

"***Party***" means a party to this Agreement or any other Finance Documents.

"***Payment Date***" means an Interest Payment Date or the Principal Repayment Date.

"***PDEx***" means Philippine Dealing and Exchange Corporation.

"***Permitted Financial Indebtedness***" means the following Financial Indebtedness:

(1) the incurrence by MCP or any of its Subsidiaries of additional Financial Indebtedness incurred for the purpose of financing the design, construction, installation or improvement of property, plant or equipment in connection with any expansion of the projects undertaken by MCP or any of its Subsidiaries as of the date of this Agreement, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Financial Indebtedness incurred pursuant to this paragraph (1), not to exceed 200 million United States Dollars;

(2) the incurrence by MCP or any of its Subsidiaries of Financial Indebtedness existing on the date of this Agreement other than Financial Indebtedness described in paragraphs (1) and (3);

(3) the incurrence by MCP and its Subsidiaries of Financial Indebtedness represented by the Notes (other than additional notes) and the related Guarantee;

(4) the incurrence by MCP or any of its Subsidiaries of Financial Indebtedness represented by mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the business of MCP or any of its Subsidiaries, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Financial Indebtedness incurred pursuant to this paragraph (4), not to exceed the greater of (a) PhP800 million and (b) 5% of Total Assets at any time outstanding;

(5) the incurrence by MCP or any of its Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Financial Indebtedness (other than intercompany Financial Indebtedness) that was permitted by this Agreement to be incurred under Section 8.1(d) or paragraphs (1), (2), (3), (4), (5) or (13) herein;

(6) (a) obligations in respect of workers' compensation claims, self-insurance obligations, bankers' acceptances, performance, bid, appeal and surety bonds and completion or performance guarantees (including the guarantee of any land grant) provided by MCP or any of its Subsidiaries in the ordinary course of business and (b) Financial Indebtedness constituting reimbursement obligations with respect to letters of credit or trade or bank guarantees (including for land grants) issued in the ordinary course of business to the extent that such letters of credit, trade or bank guarantees (including for land grants) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt of a demand for reimbursement;

(7) the incurrence by MCP or any of its Subsidiaries of intercompany Financial Indebtedness between or among MCP and/or any of its Subsidiaries;

(8) the incurrence by MCP or any of its Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(9) the guarantee by MCP or any of its Subsidiaries of Financial Indebtedness of MCP or its Subsidiary permitted to be incurred in this Agreement; provided that if the Financial Indebtedness being guaranteed is subordinated to or pari passu in right of payment with the Notes, then the guarantee shall be subordinated or pari passu or in right of payment, as applicable, to the same extent as the Financial Indebtedness guaranteed;

(10) the incurrence by MCP or any of its Subsidiaries of Financial Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Financial Indebtedness is extinguished within five Banking Days of its incurrence;

(11) Financial Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, or performance bonds securing any obligation of MCP or any of its Subsidiaries pursuant to such agreements, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Subsidiary, other than guarantees of Financial Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition; provided, that the maximum aggregate liability in respect of all such Financial Indebtedness shall at no time exceed the gross proceeds actually received in connection with such disposition;

(12) obligations in respect of Shareholder Subordinated Debt;

(13) Financial Indebtedness of any Person incurred and outstanding on the date on which such Person becomes a Subsidiary of MCP or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) MCP or any of its Subsidiaries (other than Financial Indebtedness incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Subsidiary or was otherwise acquired by MCP or its Subsidiary or (b) otherwise in connection with or contemplation of such acquisition); provided, however, with respect to this clause, that at the time of such acquisition or other transaction, MCP would have been able to incur PhP1.00 of additional Financial Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the relevant acquisition and the incurrence of such Financial Indebtedness pursuant to this clause (13); and

(14) the incurrence by MCP or its Subsidiaries of additional Financial Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Financial Indebtedness incurred pursuant to this clause (14), not to exceed PhP800 million.

"***Permitted Holders***" means, in relation to Change of Control, any or all of the following (a) the Parent Guarantor, (b) MCP, and (c) any controlled Affiliates of any of the foregoing.

"***Permitted Liens***" means,

(1) Liens in favor of the Finance Parties;

(2) Liens securing the Shareholder Subordinated Debt;

(3) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; provided that any reserve or other appropriate provision as is required in conformity with PFRS has been made therefor; and

(4) Liens arising out of judgments against a Person not giving rise to an Event of Default, with respect to which such person shall then be proceeding with an appeal or other proceedings for review, provided that any reserve or other appropriate provision as shall be required in conformity with PFRS shall have been made therefor.

"***Permitted Refinancing Indebtedness***" means any Financial Indebtedness of the Issuer or any Guarantor issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Financial Indebtedness of the Issuer or any Guarantors (other than intercompany Financial Indebtedness); *provided* that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Financial Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Financial Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date no earlier than either (i) the final maturity date of the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) the final maturity date of the Notes;

(c) such Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Permitted Refinancing Indebtedness is incurred that is no shorter than the Weighted Average Life to Maturity of the portion of the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(d) if the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(e) such Financial Indebtedness is incurred either by the Issuer or by the Guarantors that was the obligor on the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged and is guaranteed only by Persons who were obligors on the Financial Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"***Person***" means an individual, corporation, partnership, joint venture, unincorporated association, trust or juridical entity, or any Governmental Authority.

"***Pesos***" and "***PhP***" means the lawful currency of the Republic of the Philippines.

"***Peso Disbursement Account***" has the meaning given to it in Section 2.2(d) (*Procedure for Availment).*

"***PDST-F***" means Philippine Dealing System Treasury – Fixing Rate, the reference rates displayed as of 11:16 a.m. on the second Banking Day prior to the redemption date on the Philippine Dealing and Exchange (" ***PDEx***") terminal or the page (PDSTSY) in the Reuters terminal where the average of the best sixty percent (60%) of the live bids of the fixing banks in the secondary market for the purchase of the Peso-denominated treasury bills and bonds are published daily.

"***PFRS***" means Philippine Financial Reporting Standards which includes statements named PFRS and Philippine Accounting Standards and Philippine Interpretations from the International Financial Reporting Interpretations Committee issued by the Financial Reporting Standards Council or, at any time, generally accepted accounting principles in the Philippines in conformity with international accounting standards in effect at such time.

"***Pledge***" means the pledge, assignment, hypothecation, transfer, delivery, set over and grant to the Security Trustee for the benefit of the Secured Parties, of all of the rights, title and interests in and to the Pledged Shares and the Additional Pledged Shares by each of the Pledgors.

"***Pledged Shares***" means, with respect to each Pledgor, all the issued and outstanding shares registered in the name of such Pledgor which are listed opposite such Pledgor's names in Schedule V, all of which on the date of signing of this Agreement constitute 100% of the outstanding capital stock in MCE Holdings, MCE Holdings 2 and the Issuer, and upon execution of a Pledge Supplement, any Additional Pledged Shares.

"***Pledge Supplement****"* has the meaning ascribed to such term in Section 12.1.

"***Pledgor***" each of MCP, MCE Holdings, MCE Holdings 2 and any other direct or indirect Subsidiary of MCP as and when such Subsidiary accedes to this Agreement by executing an Accession Agreement as a pledgor.

"***Principal Repayment Date***" means the Maturity Date.

"***Prorata Percentage***" means, at any time, the proportion, expressed as a percentage, of: (a) the aggregate of the principal, interest and other amounts outstanding under or in connection with the Finance Documents at such time; to (b) the aggregate Financial Indebtedness of the Issuer at such time.

"***Qualified Institutional Lenders***" means the "primary institutional lenders" as defined under SRC Rule 9.2(2)) (B) of the Amended Implementing Rules and Regulations of the SRC.

"***Record Date***," as used with respect to each Payment Date, means the fifth Banking Day immediately preceding any such Payment Date, provided that, if such day falls on a day which is not a Banking Day, the Record Date shall be the immediately succeeding Banking Day.

"***Relevant Company***" means each of MCE Holdings, MCE Holdings 2, the Issuer and any direct or indirect Subsidiary of MCP whose shares are pledged pursuant to an Accession Agreement and Pledge Supplement.

"***Relevant Jurisdiction***" means, in relation to the Issuer: (a) its jurisdiction of incorporation, and (b) any jurisdiction where it conducts its business.

"***RTGS***" means real time gross settlement.

"***Sanctions Laws***" means (i) any U.S. economic sanctions related to or administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (including, without limitation, the designation as a "specially designated national or blocked person" thereunder) or the U.S. Department of State, (ii) any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the U.S. Trading With the Enemy Act, the U.S. International Emergency Economic Powers Act, the U.S. United Nations Participation Act, the U.S. Iran Sanctions Act, all as amended, or any of the foreign assets control regulations of the U.S. Department of the Treasury (including, without limitation, 31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto and (iii) any sanctions measures imposed by the United Nations Security Council or European Union.

"***Secured Obligations***" shall mean the aggregate amount of the Notes, interest thereon including penalties and default interest, applicable fees and charges and all other amounts payable by the Obligors under this Agreement and other Finance Documents.

"***Secured Parties***" means the Facility Agent, Registrar and Paying Agent, the Security Trustee and the Noteholders, each a " ***Secured Party***."

"***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.

"***Shareholder Subordinated Debt***" means, collectively, any debt provided to the Issuer or any Guarantor by the Parent Guarantor or any direct or indirect Subsidiary of the Parent Guarantor, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(a) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Capital Stock);

(b) does not (including upon the happening of any event) require the payment of cash interest prior to the maturity of the Notes;

(c) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the applicable Issuer;

(d) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes and the Indenture; and

(e) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock of the Issuer.

"***Sponsors***" means Melco International Development Limited and Crown Resorts Limited (formerly known as Crown Limited).

"***SRC***" means the Securities Regulation Code (Republic Act No. 8799).

"***Subsidiary***" means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company under Philippine Financial Reporting Standards (" ***PFRS***"), or which under Philippine law, regulations or PFRS from time to time, should have its accounts consolidated with those of the relevant company.

"***Taxes***" means any present or future taxes (including documentary stamp tax, gross receipts tax or value-added tax), levies, imposts, duties, filings and other fees or charges imposed by any Governmental Authority on account of the transactions contemplated by the Finance Documents, but excluding the Excluded Taxes.

"***Termination***" means, with respect to this Agreement, (a) the occurrence of all of the following: (i) the payment in full of all obligations of the Issuer under the Finance Documents (other than indemnity obligations that are not due and payable), and (ii) the termination in whole of the Commitments of the Noteholders hereunder, or (b) the cancellation of the Facility by the Issuer.

"***Total Assets***" means, as of any date, the consolidated total assets of MCP and its Subsidiaries in accordance with PFRS as shown on the most recent consolidated financial statements of MCP (which may be internal financial statements), *provided* that Total Assets shall be calculated after giving *pro forma* effect to include the cumulative value of all equipment, property or assets the acquisition, construction or improvement of which requires or required the incurrence of Financial Indebtedness and calculation of Total Assets in each case as of such date, as measured by the purchase price or cost therefor or budgeted in good faith by the Issuer.

"***Transferee***" means a Qualified Institutional Lender to which a Noteholder seeks to assign and transfer all or any portion of its rights and interests pursuant to Sections 13.4 and 15.9 hereof.

"***Treasury Rate***" means of any redemption date, the weekly average yield on actually traded Philippines treasury securities adjusted to a constant maturity of one year calculated based on PDST-F, where any such Treasury Rate shall be obtained by the Issuer.

"***Voting Stock***" means with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, manager, or other voting members of the governing body of such Person.

"***Weighted Average Life to Maturity***" means, when applied to any Financial Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Financial Indebtedness, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Financial Indebtedness.

Section 2 THE FACILITY

2.1 The Facility

Each Noteholder jointly agrees, upon the terms and subject to the conditions hereinafter set forth, to make its Commitment available in Pesos to the Issuer in one Advance on any Banking Day within the Availability Period. Each Noteholder shall not have any obligation to make an Advance hereunder after the Availability Period.

2.2 Procedure for Availment

(a) At least three Banking Days (or such shorter period as may be agreed by the Facility Agent in consultation with the Noteholders) prior to the proposed Issue Date, the Issuer shall deliver to the Facility Agent (with sufficient photocopies of the documents for the Noteholders) (i) a Notice of Availment, which shall be substantially in the form of **Exhibit A** (*Form of Notice of Availment*), and (ii) other than the Notes (which shall be delivered pursuant to Section 2.3(b)), documents required to be submitted under Section 9 (*Conditions Precedent*) for the Availment, as the case may be. The Notice of Availment, once delivered to the Facility Agent, shall be irrevocable and binding on the Issuer.

(b) Not later than the next Banking Day following the receipt by the Facility Agent of the Notice of Availment, the Facility Agent shall notify each Noteholder in writing and deliver copies of the documents received pursuant to Section 2.2(a) above to each Noteholder, such documents being duly certified by the Facility Agent as faithful copies of the originals, provided that, any document received by the Facility Agent after 5:00 p.m. on a Banking Day shall be deemed received on the immediately succeeding Banking Day.

(c) No later than the Banking Day prior to the Issue Date, the Facility Agent shall issue a certificate that the requirements under Section 9 (*Conditions Precedent*) have been sufficiently and satisfactorily complied with by the Issuer.

(d) On the Issue Date, each Noteholder (i) shall make available to the Paying Agent the amounts of its Advance by crediting the account of the Paying Agent at the Philippine National Bank before 11:00 a.m., Manila time, and (ii) submit to the Issuer via facsimile or via e-mail of a copy of its RTGS remittance instructions no later than 11:00 a.m. The Paying Agent shall credit the account of the Issuer, the details of which are specified in the Notice of Availment (the "***Peso Disbursement Account***"), no later than 2:00 p.m. on the Issue Date. The Facility Agent shall notify the Noteholders in writing of the credit of the Advances to the Peso Disbursement Account.

(e) The failure of any Noteholder to make the Advance in accordance with its Commitment shall not relieve the other Noteholders of their joint obligations to do so and shall not relieve the Issuer of its obligations to the other Noteholders hereunder in respect of the Notes issuance. In such event, no other Noteholder shall be liable for the obligations of such defaulting Noteholder or be obligated in any event to make the Advance on the Issue Date in excess of its Commitment.

2.3 Notes for the Facility

(a) The Advance of each Noteholder shall be evidenced by a Note. Each Note shall be dated as of the applicable Issue Date and payable to the order of the Noteholder in the amount of its Advance evidenced thereby.

(b) Not later than 11:00 a.m. one Banking Day prior to the Issue Date, the Issuer shall deliver a photocopy of the duly executed Notes to the Facility Agent which the Facility Agent shall provide to the Noteholder. Not later than 9:00 a.m. of the Issue Date, the Issuer shall deliver duly executed Notes to the Facility Agent, which the Facility Agent shall hold in escrow on behalf of the Issuer. Subject to the fulfilment of all relevant conditions in Section 9 (*Conditions Precedent*), the Facility Agent shall deliver the Note to a Noteholder upon receipt of confirmation that the Advance of such Noteholder is credited to the Peso Disbursement Account; *provided, however*, that in case the payment of any Noteholder is not credited to the Peso Disbursement Account on or before 2:00 p.m. of the Issue Date pursuant to Section 2.2(d)(ii), the Issuer shall have the sole option to declare the Notes delivered by the Facility Agent to such Noteholder under this paragraph, as well as all obligations of the Issuer under such Notes and this Agreement pertaining to such Noteholder, null and void without need of any further act or deed and such Notes shall immediately be returned by the Noteholder concerned to the Facility Agent for cancellation. At the written request of the Issuer, the Facility Agent shall thereafter deliver the cancelled Notes to the Issuer.

(c) The Notes shall be substantially in the form attached hereto as Exhibit B (*Form of Promissory Note*) and registered with the Registrar in the name of the Noteholder. The Notes shall be transferable only in the books of the Registrar.

2.4 Repayment

(a) The Issuer shall repay the principal amounts on all the Notes on the Principal Repayment Date.

(b) Upon full payment of the Notes, the same shall be surrendered by the relevant Noteholder to the Facility Agent who shall immediately thereafter cause the Notes to be cancelled. At the written request of the Issuer, the Facility Agent shall thereafter deliver the cancelled Notes to the Issuer.

2.5 Optional Redemption of the Notes

(a) The Issuer may at its option redeem the Notes, in whole or in part, at any time and from time to time, upon giving the Facility Agent written notice, which shall be in substantially the form of Exhibit K, of the proposed optional redemption (" ***Optional Redemption Notice***") no less than thirty (30) calendar days prior to the date of the proposed optional redemption (" ***Optional Redemption Date***"), which notice, once received by the Facility Agent, shall be irrevocable and binding on the Issuer.

(b) On the Optional Redemption Date, the Issuer shall pay the sum of:

(i) the redemption price which shall be equal to:

(1) if the right to redeem the Notes under this Section 2.5 (*Optional Redemption of the Notes*) is exercised by the Issuer prior to the first anniversary of the Issue Date, 100% of the principal amount of the Notes to be redeemed, plus the Applicable Premium; or

(2) if the right to redeem the Notes under this Section 2.5 (*Optional Redemption of the Notes*) is exercised by the Issuer after the first anniversary of the Issue Date, the applicable percentage of the principal amount of the Notes to be redeemed during the year indicated below, as set forth in the table below:

Period	Redemption Price
Year commencing on the first anniversary of the Issue Date	102%
Year commencing on the second anniversary of the Issue Date	101%
Year commencing on the third anniversary of the Issue Date	100%
Year commencing on the fourth anniversary of the Issue Date	100%

and,

(ii) accrued and unpaid interest, if any, as of the Optional Redemption Date.

2.6 Mandatory Gaming Redemption

If any Gaming Authority of any jurisdiction in which the Parent Guarantor, or any of its Subsidiaries or any Sponsor conducts or proposes to conduct gaming business requires that a Noteholder or beneficial owner of the Notes must be licensed, qualified or found suitable under any applicable Gaming Laws, and the Noteholder or beneficial owner fails to apply or become licensed, qualified or is found unsuitable within 30 days after being requested to do so by the Gaming Authority (or such lesser period that may be required by such Gaming Authority), or such Noteholder or beneficial owner is notified by such Gaming Authority that such Noteholder or beneficial owner will not be so licensed, qualified or found suitable, then the Issuer will have the right, at its option, within 30 days of receipt of such finding by the applicable Gaming Authority (or such earlier date as may be required by the applicable Gaming Authority) (1) to require such Noteholder or beneficial owner to dispose of such Noteholder's or beneficial owner's Notes or (2) to call for redemption of the Notes of such Noteholder or beneficial owner at a redemption price equal to 100% of the principal amount of the Notes. In connection with any such redemption, and except as may be required by a Gaming Authority, the Issuer will comply with the procedures contained in this Section and any other relevant provisions of this Agreement.

2.7 Change of Control Redemption

(a) In the event of a Change of Control, each Noteholder shall have the option to cancel its Commitment and require the Issuer to prepay all (but not some) of the Notes to such Noteholder in full, without premium or penalty and to pay (i) all accrued interest thereon to the date of prepayment and (ii) a redemption price equivalent to 101% of the principal amount of the Notes of such Noteholder within 30 days from receipt of a written demand from such Noteholder.

(b) Where a Noteholder shall require the application of this Section 2.7 (*Change of Control Redemption*) upon the happening of a Change in Control, the Facility Agent shall notify the Issuer of such fact within five Banking Days from its receipt of a written notice from such Noteholder requiring the application of this Section 2.7 (*Change of Control Redemption*).

(c) Without in any way limiting, reducing or otherwise qualifying the rights of any Noteholder or the obligation of the Issuer, if circumstances are such that the Issuer may be required to make a prepayment under Section 2.7(a), any Noteholder shall, upon becoming aware of the same, notify the Facility Agent thereof and, to the extent that it can do so without prejudice to its own position and to the extent permitted by law, take reasonable steps to mitigate the effects of such circumstances on the Issuer.

2.8 Interest

(a) The Issuer shall pay interest on the unpaid principal amount of each Note semi-annually in arrears on the dates specified as the Interest Payment Dates on the Note (each, an "***Interest Payment Date***"), provided that the first Interest Payment Date shall be no later than the date that is six months after the Issue Date of the Note and each of the subsequent Interest Payment Date shall have a six-month interval from the immediately preceding Interest Payment Date. The Issuer will make each interest payment on the Interest Payment Date to the Noteholders of record as of the Record Date. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

(b) The applicable interest rate for the Notes shall be the Interest Rate.

(c) Without prejudice to the provisions of Section 10.2 (*Declaration of Default and Remedies*), if the Issuer fails to make payment of any amount payable by it hereunder when due (including, but not limited to, payment of interest and repayment of principal and whether at the stated maturity, by acceleration or otherwise), the Issuer shall pay interest on such past due and unpaid amount from and including the due date up to the date of payment in full (both before as well as after judgment), at a rate of 1% per month , which, for avoidance of doubt, shall be in addition to the Interest Rate for payments of interest under this Section 2.8.

2.9 Exempt Security

The Notes are issued as an exempt security under Rule 9.2(2)B of the amended implementing rules and regulations of the SRC. The Notes may be issued to, or purchased by and transferred to not more than nineteen (19) Qualified Institutional Lenders only at any given time as provided in Sections 13.4 and 15.9 below. Each Noteholder represents and warrants that: (i) it is and shall continue to be a Qualified Institutional Lender as of the Issue Date and for as long as it is a Noteholder; and (ii) the Notes are acquired by the Noteholder for and on its own behalf and not for the account of other entities or persons.

2.10 Use of Proceeds

The Issuer agrees that it will use the proceeds of each Availment solely to fund its capital expenditure, to refinance its debt and for general corporate purposes.

Section 3 PAYMENTS

3.1 Manner of Payments

(a) At least thirty (30) Banking Days prior to any relevant Payment Date, the Paying Agent shall submit to the Issuer a notice containing the amount of interest and/or principal payable on such relevant Payment Date and the amount of any costs, expenses, indemnities and Taxes due to each Noteholder, if any.

(b) In order to provide for the payment of principal and interest (including default interest) in respect of the Notes as the same becomes due and payable, the Issuer shall remit to the Paying Agent via RTGS an amount equal to the amount of principal and/or, as the case may be, interest falling due in respect of such Notes not later than 11:00 a.m. on the day on which such payment becomes due. The withholding tax, if any, shall be remitted to the BIR by the Issuer in accordance with the BIR rules and regulations. The Issuer shall, within ten days from such remittance, provide the Facility Agent with three original copies of the relevant Certificate of Taxes Withheld, for distribution by the Facility Agent to the Noteholders.

(c) The Noteholder, shall submit to the Issuer through the Facility Agent, all pertinent information for remittance of the withholding tax and preparation of the Certificate of Taxes Withheld including:

(i) BIR taxpayer identification number of the Noteholder;

(ii) Registered name of the Noteholder; and

(iii) Registered address of the Noteholder.

(d) Any payments made to the Noteholders under this Agreement shall be applied in the following order:

(i) payment *pro rata* of any unpaid fees, costs and expenses of the Facility Agent, the Paying Agent, the Registrar, the Security Trustee and the Joint Lead Managers under the Finance Documents;

(ii) payment *pro rata* of penalties and default interest (if any);

(iii) payment *pro rata* of any accrued interest or any other fees due and payable under the Finance Documents;

(iv) payment *pro rata* of the principal amount of the Notes due and payable under the Finance Documents; and

(v) payment *pro rata* of any other sum due and payable under the Finance Documents.

(e) Upon receipt by the Paying Agent of such principal or interest under Section 3.1(b), the Paying Agent shall remit the amounts due to each Noteholder through RTGS in such settlement account nominated by a Noteholder by delivering Exhibit J or make available the amounts due to each Noteholder by manager's check not later than 11:00 a.m. on the relevant Payment Date. Manager's checks delivered pursuant to this Section 3.1(e) shall be drawn against a bank duly licensed by the BSP located in Makati City, Metro Manila and value dated as of the relevant Payment Date.

In case of payment to the Noteholders via manager's checks, the Paying Agent shall, prior to release of the checks to an authorized representative of the Noteholders, verify the signature of the Noteholder in the letter of authority and the identification documents presented by such authorized representative of the Noteholder.

(f) If any payment hereunder or under the Notes would otherwise be due on a day that is not a Banking Day, the amounts due on such day shall be paid on the next succeeding day that is a Banking Day without adjustment in the amount of interest to be paid.

3.2 Sharing of Payments

Each Noteholder agrees that if it shall, through the exercise of a right of banker's lien or similar right or by reason of the operation of legal compensation or on account of any voluntary payment by the Issuer, obtain payment in respect of its Notes, as a result of which the outstanding amount of its Notes is proportionately less than the outstanding amount of the Notes of the other Noteholders, the Noteholder receiving the payment shall immediately notify the Facility Agent and the other Noteholders thereof, and shall promptly purchase for cash, without recourse, such portion of amounts due to the other Noteholders as will result in each Noteholder receiving its ratable portion of such excess amount, *provided*, that, to the extent that such excess or any portion thereof is subsequently recovered from the purchasing Noteholders, their purchase shall be rescinded and the price repaid without interest. Such adjustments shall be made from time to time as shall be equitable to ensure that all the Noteholders share *pro rata* in all payments made by the Issuer in respect of the Notes (including those made subject to a banker's lien or legal compensation pursuant to the preceding sentence). Nothing herein contained shall in any way affect the right of any Noteholder to retain any payment obtained from the Issuer in respect of any Financial Indebtedness other than the Financial Indebtedness under this Agreement or the Notes. Any taxes and costs resulting from the purchase of such portion of amounts due to the other Noteholders shall be borne by the Noteholder exercising the rights and obtaining payment of its Notes as contemplated under this Section 3.2.

3.3 Ownership of the Notes

Prior to due presentment of any Note for registration of transfer, the Person in whose name such Note is registered with the Registrar shall be deemed the owner thereof for all purposes of this Agreement, and payment of the principal or of interest on such Notes shall be made only to, or upon the order in writing of, such registered Noteholder subject, however, to the provisions hereof on the closing of the register of the Notes on a Record Date for purposes of any Payment Date or in connection with the redemption or early redemption of the principal. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes to the extent of the sum or sums so paid.

3.4 Discharge of Obligation

Principal, interest and any other sums payable under the Notes shall be considered paid and the Issuer's obligation to pay discharged, to the extent of the amount so paid, at the time payment of such principal, interest and other sums payable under the Notes is actually received by the Paying Agent in immediately available funds, which shall remit such amounts to the Noteholders on the relevant Payment Date.

Section 4 TAXES

4.1 Taxes

(a) All payments due to the Noteholders, whether of principal, interest, fees, or otherwise, shall be made without set-off or counterclaim, free and clear of, and without deduction or withholding for or on account of, any Taxes, all of which shall be for the account of the Issuer and paid by it directly to the relevant taxing or other authority when due or in the case of gross receipts tax, to the Noteholders, with a certified true copy of the relevant tax receipt, as applicable, to be furnished by the Issuer to the Facility Agent within 10 days from date of payment. If the Issuer at any time shall be required by law to make any deduction or withholding in respect of Taxes from any payment hereunder, the sum payable by the Issuer to the Noteholders shall be increased as will result in the receipt by the Noteholders, after such deduction or withholding, of the amount that would have been received if such deduction or withholding had not been required, provided that, the Issuer shall not be liable for (i) taxes on the overall income of a Noteholder (other than a creditable withholding tax which shall be subject to gross-up as set forth in this Section 4.1(a) and withheld and paid by the Issuer as the withholding agent), and (ii) any withholding tax on any amount payable to a Noteholder which is a non-Philippine resident foreign corporation (the " ***Excluded Taxes***") and such Excluded Taxes, for the avoidance of doubt, shall not be subject to gross up, provided further, that any sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or governmental charges on the condition that Section 4.1(g) and (h) shall have been fully complied with.

(b) Except as otherwise provided in Section 4.1(g), the Issuer shall pay within the period required by Applicable Law any and all Taxes (including, without limitation, the documentary stamp taxes) imposed on or with regard to any aspect of the transaction contemplated by this Agreement. In the event that a Secured Party shall be required to pay Taxes on or with regard to the execution, formalization, registration or perfection of the Finance Documents or any other documentation contemplated hereunder or delivered pursuant hereto, or on, or in relation to, any sum received or receivable by such Secured Party under the Finance Documents or any liability in respect of such Taxes is asserted, imposed, levied or assessed against such Secured Party, such Secured Party shall notify the Facility Agent of the event giving rise to the claim and provide such appropriate evidence of such payment as that Secured Party may reasonably be able to provide, whereupon the Facility Agent shall notify the Issuer thereof and any such evidence received. The Issuer shall, within 30 days of the demand of the Facility Agent, pay an amount equal to the Secured Party's loss or liability as a result of or an account of such payment.

(c) The Issuer agrees to pay to each Noteholder, the amount of gross receipts tax, if any, payable by such Noteholder, on account of (i) interest paid by the Issuer pursuant to Section 2.8 (including default interest), (ii) interest paid by the Issuer pursuant to Section 2.5 (*Optional Redemption of Notes*), Section 2.6 (*Mandatory Gaming Redemption*) and Section 2.7 (*Change of Control Redemption*), and (iii) fees payable to such Secured Party, provided that upon request by the Issuer, the Noteholder shall submit a certification by such Noteholder that such amount of gross receipts tax is payable by such Noteholder. Payment to each Noteholder of the amount of such gross receipts taxes, if applicable, shall be made by the Issuer simultaneously with the payment of such accrued interest or such default interest, as the case may be.

(d) In case of an Optional Redemption by the Issuer under Section 2.5 (*Optional Redemption of Notes*), Section 2.6 (*Mandatory Gaming Redemption*) or Section 2.7 (*Change of Control Redemption*) the Issuer shall pay to each affected Noteholder, simultaneously on the date of payment, such amount as shall be certified by such Noteholder as being the amount of Taxes (including but not limited to any gross receipts tax but excluding Excluded Taxes) payable by such Noteholder arising from adjustments in the liabilities of such Noteholder for such Taxes by reason of such payment.

(e) Within 10 days from remittance to the BIR of a creditable withholding tax, the Issuer shall submit to such Noteholder an original copy of BIR Form No. 2307 (Certificate of Creditable Tax Withheld at Source).

The Noteholder shall submit to the Issuer through the Facility Agent all pertinent information for remittance of the withholding tax and preparation of the BIR Form No. 2307 (Certificate of Taxes Withheld at Source) including:

(i) BIR taxpayer identification number of the Noteholder;

(ii) Registered name of the Noteholder; and

(iii) Registered address of the Noteholder.

(f) Each Noteholder which has provided evidence that gross receipts tax in Section 4.1(c) is payable by the Noteholder covenants that in case of any change in existing laws, relevant tax treaties, circumstances, or regulations that would result in gross receipts being no longer payable on account of: (i) interest paid by the Issuer pursuant to Section 2.8 (including default interest), (ii) interest paid by the Issuer pursuant to Section 2.5 (*Optional Redemption of Notes*), and Section 2.6 (*Mandatory Gaming Redemption*), and (iii) fees payable to such Secured Party, the Noteholder shall promptly notify the Issuer and Facility Agent thereof in writing.

The Noteholder also undertakes to immediately notify the Issuer in writing of any order, ruling, amendment or supervening event that would result in gross receipts tax being no longer payable by the Noteholder within five days from the Noteholder's knowledge of the issuance of such order, ruling or amendment or within five days from the happening of any supervening event.

In the event that the Noteholder fails to comply with the first paragraph of this Section 4.1(f), the Issuer shall have (a) the right and authority to unilaterally withhold from the amount of interest, principal, or other sums payable to the Noteholder the amount equal to the gross receipts tax overpaid without need for any notice or demand whatsoever, or (b) the right to be indemnified by such Noteholder for any and all amounts as it may have paid to such Noteholder pursuant to Section 4.1(c).

(g) In case a Noteholder is exempt from or is not subject to any withholding tax, such Noteholder may avail itself of such exemption and shall submit to the Issuer, through the Facility Agent:

(i) pertinent documentation evidencing its tax-exempt status duly certified as "true copy" by the relevant officer of the BIR; and

(ii) any other document that may be required in order to avail of such tax exemption.

In addition to such evidence of tax-exempt status, such Noteholder shall submit the following:

(1) name of the Noteholder;

(2) outstanding principal amount of Notes held;

(3) inclusive dates of the Notes held within any interest period; and

(4) amount of interest due to the Noteholder for the relevant interest period.

In the event of any subsequent transfer of the Notes to a tax-exempt transferee or transferees, the new Noteholder or Noteholders shall deliver the documents and information required under this Section 4.1(g) to the Facility Agent.

(h) Each Noteholder availing itself of the tax exemption privilege under Section 4.1(g) makes the following representations, warranties and covenants:

(i) It is entitled to the tax benefits as contemplated under Section 4.1(g) of this Agreement.

(ii) It undertakes and warrants that in case of change in existing laws, relevant tax treaties, circumstances, or regulations that would result in the ineligibility of the (1) accrued interest to be paid by the Issuer pursuant to Section 2.8(a), and (2) any default interest to be paid by the Issuer pursuant to Section 2.8(c), to the benefits described in paragraph (i) above, or otherwise subjected to tax, the Noteholder shall promptly notify the Issuer and Facility Agent thereof in writing.

The Noteholder also undertakes to immediately notify the Issuer in writing of any order, ruling, amendment or supervening event that would result in the suspension or revocation of the above tax benefits claimed by the Noteholder within five days from the Noteholder's knowledge of the issuance of such order, ruling or amendment or within five days from the happening of any supervening event.

(iii) The Issuer is hereby authorized to rely solely on the foregoing warranties and representations in all of the Noteholder's holdings, transactions and dealings with respect to the Notes.

In view of the tax benefits described in paragraph (i) above, the Issuer shall not withhold the applicable creditable withholding tax from, and shall not gross-up for the same, on the interest income earned by the Noteholder in its investment in the Notes to the extent provided under the tax benefits claimed by the Noteholder.

(iv) The Noteholder hereby holds the Issuer free and harmless from, and undertakes to indemnify the Issuer against any and all obligations or liabilities (including any tax obligation and penalties connected therewith), actions, charges, claims, costs and other expenses that the Issuer may incur or be subjected to on account of their reliance on the foregoing representations, warranties, and directive.

The Noteholder assumes all risks and liabilities arising out of its representation that it is a tax-exempt entity and its request to the Issuer not to effect any withholding (or to effect a reduced rate of withholding) on the receipt of income arising from its ownership of the Notes.

(v) Should the Noteholder violate any of the provisions of this Section 4.1(h), or if any of the Noteholder's representations prove to be untrue, the Issuer is hereby authorized, without prejudice of its rights to claim for an indemnification under paragraph (iv) above, to withhold the withholding tax, including penalties and interest therein, deemed to be applicable on the Noteholder's income arising from its ownership of the Notes, without liability either to the Noteholder, or any person other than the Noteholder, claiming title to the Notes without prejudice to the Issuer's obligations under 4.1 (a).

(i) Each Noteholder shall co-operate with the Issuer in completing any procedural formalities necessary for the Issuer to obtain authorization to make a payment under the Finance Documents without an Excluded Tax, including providing such other documents or information as may be reasonably required to complete such procedural formalities.

The Issuer's obligations under this Section 4.1 (*Taxes*) shall survive the repayment of the Notes.

Section 5 FEES

5.1 Agency Fee

The Issuer shall pay to the Facility Agent, the Registrar, the Paying Agent and the Security Trustee a fee in such amount and payable at such time as shall be separately agreed in the Fee Letters between the Issuer and each of the Facility Agent, the Registrar, the Paying Agent, and the Security Trustee.

Section 6 EXPENSES AND INDEMNIFICATION

6.1 Expenses

(a) If the Issuer requests an amendment, waiver or consent, the Issuer shall, within ten Banking Days of demand, reimburse the Noteholders, the Facility Agent, the Registrar, the Paying Agent, and the Security Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by such Noteholder, the Facility Agent, Registrar and Paying Agent, and the Security Trustee in responding to, evaluating, negotiating or complying with that request or requirement.

(b) The Issuer shall, within three Banking Days of demand, pay to each Noteholder, the Facility Agent, Registrar and Paying Agent, and the Security Trustee the amount of all costs and expenses (including legal fees) directly incurred by the Noteholders, the Facility Agent, the Registrar, the Paying Agent, and the Security Trustee in connection with the enforcement of, or the preservation of any rights under any Finance Document and any proceedings instituted against the Noteholders, the Facility Agent, Registrar and Paying Agent, and the Security Trustee arising from the occurrence of an event of default.

(c) The Issuer shall not be liable for any costs and expenses under this Section 6.1 which shall arise from or be incurred by a Noteholder, the Facility Agent, the Registrar, the Paying Agent or the Security Trustee by reason of the gross negligence or willful misconduct of such party.

6.2 Indemnity

Each of the Obligors, jointly and severally (i.e., solidarily) with each other, shall indemnify and hold harmless each Finance Party, the officers, employees, agents, partners, stockholders, members, directors and Affiliates of each Finance Party against:

(i) all claims, actions, proceedings, investigations, demands, judgments and awards (together, " **Claims**") which may be instituted, made, threatened or alleged against or otherwise involve any of them; and

(ii) all losses, liabilities (joint or several), damages, costs, charges and expenses (including, but not limited to, all legal fees, costs and expenses), together with an amount equal to taxes that such person certifies as not being recoverable (together " **Losses**") which may be suffered or incurred by any of them;

in any jurisdiction in connection with or arising out of any breach or alleged breach by any of the Obligor of the representations or warranties given under this Agreement and other Finance Documents.

Section 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties

Each of the Obligors represents and warrants to, and in favor of, each of the Finance Parties as follows:

(a) Status

(i) It is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation.

(ii) It has the corporate power, legal right and authority to own its assets and carry on its business as it is being conducted.

(b) Binding Obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document are its legal, valid, binding and enforceable obligations, provided that, the documentary stamp taxes in respect of this Agreement or the Notes will be paid timely by the Issuer after the date of this Agreement.

(c) Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

(i) any law or regulation applicable to it;

(ii) its Articles of Incorporation or By-Laws or any organizational documents or constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument where, in respect of any agreement or instrument, that conflict has or is reasonably likely to have a Material Adverse Effect,

nor result in the existence of, or oblige it to create, any Security over its assets other than the Pledge.

(d) Power and authority

(i) It has the power and authority to enter into, perform and deliver this Agreement and all other Finance Documents, and has taken all necessary action to authorize its entry into, performance and delivery of, the Finance Documents to which it is or will be a party and the transactions contemplated by those Finance Documents.

(ii) No limit on its corporate powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

(e) Validity and admissibility in evidence

(i) All Authorizations required or desirable:

(1) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;

(2) to make the Finance Documents to which it is a party admissible in evidence,

have been obtained or effected and are in full force and effect except for the payment of documentary stamp tax in the Philippines in respect of this Agreement or the Notes which tax will be paid by the Issuer timely after the date of this Agreement.

(ii) The Issuer is and has been at all times in compliance in all respects with (i) all laws and regulations to which it may be subject and (ii) all Authorizations from time to time necessary or applicable, except in either case if failure to do so would not have a Material Adverse Effect.

(f) Insolvency

No:

(i) corporate action, legal proceeding or other procedure or step described in Section 10.1(e)(ii) (*Insolvency and Related Proceedings*); or

(ii) creditors' process described in Section 10.1(f) (*Creditor's Process*),

has been taken or threatened in writing in relation to it and none of the circumstances described in Section 10.1(e)(i) (*Insolvency and Related Proceedings*) applies to the Obligors.

(g) No filing or stamp taxes

It is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation 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 except for the payment of documentary stamp tax in the Philippines in respect of this Agreement or the Notes, which tax will be paid by the Issuer timely after the date of this Agreement.

(h) Deduction of Tax

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document to a Noteholder except any applicable creditable withholding tax or final withholding tax (but subject to its obligations under Section 4.1(a)).

(i) No Default; No Event of Default

(i) No Event of Default and, on the date of this Agreement and the date of each Notice of Availment, no Default is continuing or is reasonably likely to result from the making of any Advance or the entry into, the performance of, or any transaction contemplated by, any Finance Document.

(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 any other agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

(j) No misleading information

Save as disclosed in writing to the Facility Agent prior to the date of this Agreement:

(i) the Information Memorandum did not include any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the date thereof;

(ii) the factual information contained in the financial statements of each of MCP and the Parent Guarantor as of September 30, 2013, which have been provided to the Joint Lead Managers, are true and accurate as at the date the information is expressed to be given; and

(iii) all material written information, including roadshow presentation slides dated on or about 5 December 2013, provided to a Finance Party by or on behalf of the Issuer in connection with the Finance Documents or the Issuer on or before the date of this Agreement and not superseded by the Information Memorandum) or a public filing is accurate and not misleading in any material respect.

(k) Original Financial Statements

(i) The Parent Guarantor Financial Statements were prepared in accordance with US GAAP consistently applied.

(ii) The MCP Financial Statements were prepared in accordance with PFRS consistently applied.

(iii) The Original Financial Statements give a true and fair view of the financial condition and results of operations of the Parent Guarantor and MCP, as the case may be, as at and for the respective periods presented.

(iv) There has been no change in the assets, business or financial condition of the Parent Guarantor or MCP since September 30, 2013 that would have a Material Adverse Effect.

(v) As at September 30, 2013, neither the Parent Guarantor and its consolidated subsidiaries, nor MCP and its consolidated subsidiaries, has any material indebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) which was not disclosed in the Original Financial statements, or reserved against thereon, nor any unrealised or anticipated losses which were not so disclosed or reserved against. Since September 30, 2013, there has been no material change in the Parent Guarantor's or MCP's indebtedness.

(l) No proceedings pending or threatened

Except as otherwise disclosed in Schedule IV (*Disclosures*), the Information Memorandum or in MCP's Financial Statements no litigation, arbitration, administrative proceedings or investigations of, or before, any court, arbitral body or agency which are reasonably likely to be adversely determined against it and are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge (having made due and careful inquiry)) been started or threatened in writing against it.

(m) No labor disputes

Except as disclosed in the Information Memorandum or Schedule IV (Disclosures), there are no actual or (to the knowledge of any of the Obligors after due inquiry) threatened strikes, lockouts or slowdowns against such Obligor. The consummation of the transactions contemplated under this Agreement and under the other Finance Documents will not give rise to any right of termination or right of renegotiation under any collective bargaining agreement or labor agreement to which such Obligor is bound.

(n) No breach of laws

It has not breached any law, rule or regulation wherein which breach has or is reasonably likely to have a Material Adverse Effect.

(o) Environmental Laws

(i) To the best of its knowledge and belief (having made due and careful inquiry) no circumstance has occurred which would prevent its compliance with Environmental Laws in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.

(ii) Except as otherwise disclosed in Schedule IV (*Disclosures*), the Information Memorandum or in the audited financial statements of MCP, no Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful inquiry)) is threatened in writing against it which is reasonably likely to be adversely determined and which is reasonably likely to have a Material Adverse Effect.

(p) Taxation

(i) It is not materially overdue in the filing of any tax returns and it is not overdue in the payment of any amount in respect of taxes except:

(y) to the extent the payment of such taxes is being contested in good faith and by appropriate proceedings or otherwise covered by reserves to the extent required in accordance with PFRS; or

(z) to the best of its knowledge after due inquiry, with respect to withholding taxes and withholding tax returns required to be paid and filed with the Revenue District Offices of the BIR outside Metro Manila or with respect to the payment of taxes imposed by local government units outside Metro Manila.

(ii) Except as otherwise disclosed in Schedule IV (*Disclosures*), the Information Memorandum or in the audited financial statements of MCP, no claims or investigations are being, or are reasonably likely to be, made or conducted against it with respect to taxes.

(iii) It has duly paid and discharged all assessments and such other governmental charges levied upon or against it, its properties and assets, which are or have been determined by the Issuer in good faith to be due or payable at the time of such payment, or otherwise except to the extent that any circumstances have occurred which would prevent such compliance in a manner which would result in or which failure would not or is reasonably likely not to have a Material Adverse Effect.

(iv) In respect of and for purposes of taxes, it is a resident of the jurisdiction of its incorporation.

(q) Ranking

The Notes, when executed will, and its payment obligations under the Finance Documents, (1) will be general obligations of the Issuer, (2) will rank at least *pari passu* in right of payment with all existing and future senior indebtedness of the Issuer (except for any statutory preference or priority and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation, winding-up or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity but not the preference or priority established by Article 2244, paragraph 14(a) of the Civil Code of the Philippines), and (3) will be senior in right of payment to any existing and future subordinated indebtedness of the Issuer.

(r) Good title to assets

It has good and marketable title to all real property and all other property and assets owned by it as are necessary to the conduct of its businesses in the manner described in the Information Memorandum, in each case free from liens, charges, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them, and the Issuer and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no terms or provisions that would materially interfere with the use made or to be made thereof by them and except for such liens, charges, encumbrances, defects, claims, options or restrictions which, individually or in the aggregate, would not have a Material Adverse Effect.

(s) Intellectual Property

It:

(i) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the other Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted;

(i) does not, in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and

(ii) has taken all formal or procedural actions (including payment of fees) required to maintain and keep up to date any material Intellectual Property owned by it.

(t) No immunity

(i) The entry into by it into each Finance Document to which it is a party constitutes, and the exercise by it of its rights and performance of its obligations under each Finance Document will constitute private commercial acts performed for private commercial purposes.

(ii) It will not be entitled to claim immunity from suit, execution, attachment, garnishment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document to which it is a party.

(u) Licenses

The Issuer and its subsidiaries possess, and are in compliance with the terms of, all material licenses, certificates, authorizations, and franchise permits, including without limitation, the Gaming License (collectively, the "**Licenses**") issued by appropriate governmental agencies or bodies necessary to the conduct of the business now operated by them or proposed in the Information Memorandum to be conducted by them in all material respects and have not received any notice of proceedings relating to the revocation or modification of any License that, if determined adversely to an Obligor or any of its subsidiaries would, individually or in the aggregate, have a Material Adverse Effect.

(v) No material adverse change in business

Since the date of the period covered by the Original Financial Statements and the latest financial statements included in the Information Memorandum, there has been no change, nor any development or event that would have a Material Adverse Effect. Except as disclosed in or contemplated by the Information Memorandum, there has been no dividend or distribution of any kind declared, paid or made by any of the Obligors on any class of its authorised shares and there has been no material adverse change in the authorised shares, short-term indebtedness, long-term indebtedness, net current assets or net assets of any of the Obligors.

(w) Accounting issues

Since December 31, 2012, the Board of Directors has not reviewed or investigated, and neither any of the Obligor's independent auditors nor the audit committee of the Parent Guarantor or MCP has made any formal recommendation that its Board of Directors review or investigate, adding to, deleting, changing the application of, or changing the Parent Guarantor's or MCP's disclosure in any material way with respect to such Obligor's material accounting policies.

(x) Auditors independent

Deloitte Touche Tohmatsu ("**Deloitte**") who audited the financial statements of the Parent Guarantor for the years ended December 31, 2012 and 2011 are independent public accountants of the Parent Guarantor, while SyCip Gorres Velayo & Co. who audited the financial statements of MCP as at December 31, 2012 and for the period from August 13, 2012 to December 31, 2012 are independent public accountants of such Obligor and are accredited by the Securities and Exchange Commission of the Philippines

(y) Authorized signatories

Each person specified as its Authorized Signatory in any document accepted by the Facility Agent pursuant to Schedule III (*Conditions Precedent Documents*), is authorized to sign the Notice of Availment and other notices on its behalf under or in connection with the Finance Documents.

(z) Compliance with Certain Laws

(i) The operations of the Obligors and their Subsidiaries are and have been conducted at all times in compliance with applicable Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Obligors or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Obligors, threatened.

(ii) None of the Obligors, any of their subsidiaries or, to the knowledge of the Obligors, the Parent Guarantor, or any director, officer or employee of the Obligors or any of their subsidiaries is currently subject to any Sanctions Laws (as defined herein); and the Obligors and their subsidiaries will not directly or indirectly use the proceeds of the offering of the Notes, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity in violation of any Sanctions Laws.

(iii) None of the Obligors, any of their subsidiaries nor, to the knowledge of the Obligors, any director, officer or employee of the Obligors or any of their subsidiaries has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity or made any direct or indirect unlawful payment to any government official or employee from corporate funds. Each of the Obligors, their subsidiaries and, to the knowledge of the Obligors, their respective officers, directors, supervisors, managers or employees, has not violated, and each of the Obligors and their subsidiaries operates its business in compliance with, all applicable anti-bribery laws, rules and regulations

7.2 Repetition of Representations and Warranties

Each of the representations and warranties set forth in Section 7.1 (*Representations and Warranties*) shall be made with reference to the facts and circumstances then existing on the date of this Agreement, provided that, representations and warranties under paragraphs (a) (*Status*), (d) (*Power and Authority*), (i) (*No Default; No Event of Default*), (l) (*No proceedings pending or threatened*), (r) (*Good title to Assets*), (t) (*No immunity*) and (y) (*Authorized signatories*) above shall be deemed repeated with reference to the facts and circumstances then existing on the date of each Notice of Availment and each Issue Date.

After the execution of this Agreement, each time the repeating representations and warranties set forth in this Section 7.2 (*Repetition of Representations and Warranties*) requires confirmation, the Issuer shall submit to the Facility Agent a list of disclosures (if any) which shall supplement Schedule IV (*Disclosures*) hereof.

Section 8 COVENANTS AND UNDERTAKINGS

8.1 General Covenants

Until the Termination of this Agreement, each of the Obligors, as provided below, covenants and agrees that, unless the Majority Noteholders shall otherwise consent in writing:

(a) The Issuer shall ensure that at all times, any unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* in right of payment with the claims of all its other unsubordinated creditors, except those creditors whose claims are mandatorily preferred by laws of general application to companies. MCP will not permit any of its Subsidiaries (other than the Guarantors), directly or indirectly, to guarantee any Debt Security unless such Subsidiary simultaneously provides an unsubordinated guarantee of payments in respect of the Notes.

(b) MCP will not, and MCP will procure that none of its Subsidiaries will, create or permit to be outstanding any Security upon the whole of, or with respect to, or any, present or future business undertaking, properties, assets or revenues (including any uncalled capital) of MCP or any of MCP's Subsidiaries to secure any Debt Securities, unless at the same time or prior thereto, the Issuer's obligations under the Notes (i) are secured at least equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as the Noteholders in their absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by the Majority Noteholders.

(c) neither the Issuer nor any Guarantor will consolidate with, or merge with or into, another Person, permit any Person to merge with it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Subsidiaries' properties and assets (calculated in an entirety) unless:

(i) it shall be the continuing Person, or the continuing Person shall expressly assume all obligations of the Issuer or the Guarantor under the Notes; and

(ii) immediately after giving effect to such merger on a pro forma basis, no Event of Default shall have occurred and be continuing or would result therefrom.

This Section 8.1(c) will not apply to (1) any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among MCP and its Subsidiaries, or (2) any merger or consolidation of MCP with or into one of its Subsidiaries for any purpose.

(d)

(i) MCP and its Subsidiaries will not, directly or indirectly, incur any Financial Indebtedness, unless the Fixed Charge Coverage Ratio of MCP for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Financial Indebtedness is incurred, would have been at least 2.0 to 1.0 determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Financial Indebtedness had been incurred, at the beginning of such four-quarter period. This Section 8.1(d) shall not prohibit the incurrence of any Permitted Financial Indebtedness.

(ii) MCP and each of its Subsidiaries shall not incur any Financial Indebtedness (including Permitted Financial Indebtedness) that is contractually subordinated in right of payment to any other Financial Indebtedness of MCP or such Subsidiary unless such Financial Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms; *provided, however*, that no Financial Indebtedness will be deemed to be contractually subordinated in right of payment to any other Financial Indebtedness solely by virtue of being unsecured or by virtue of being secured on a first or junior ranking basis.

(iii) For purposes of determining compliance with this Section 8.1(d)(iii), if an item of proposed Financial Indebtedness meets the criteria of more than one of the categories of Permitted Financial Indebtedness, or is entitled to be incurred pursuant to Section 8.1(d)(i), the Issuer will be permitted to classify such item of Financial Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Financial Indebtedness, in any manner that complies with this covenant. The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Financial Indebtedness in the form of additional Financial Indebtedness with the same terms, the reclassification of preferred stock as Financial Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock in the form of additional shares of the same class of preferred stock will not be deemed to be an incurrence of Financial Indebtedness; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges as accrued. For purposes of determining compliance with any restriction on the incurrence of Indebtedness denominated in one currency, the equivalent amount in that currency of principal amount of Indebtedness denominated in another currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this covenant, the maximum amount of Financial Indebtedness that MCP or any of its Subsidiaries may incur pursuant to this Section 8.1(d) shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

(e) MCP shall cause each future direct or indirect Subsidiary to accede to this Agreement by executing an Accession Agreement with the Security Trustee within three months from the date of its incorporation, organization or acquisition, for the purpose of becoming a Guarantor and, as applicable, a Pledgor under this Agreement. Each Obligor shall execute a Pledge Supplement in the manner required under Section 12.1(a) in respect of shares that it may hereafter own in any future Subsidiary. Notwithstanding the foregoing, MCP shall not be obliged to cause such Subsidiary to accede to this Agreement, and an Obligor shall not be obliged to pledge the shares in any future Subsidiary, to the extent that such accession (or the guarantee or pledge thereunder or the enforcement thereof) would reasonably be expected to give rise to or result in (i) any liability for the officers, directors or shareholders of such Subsidiary or (ii) a violation of Applicable Law.

8.2 Information Covenants

(a) Financial Statements

(i) Until the Termination of this Agreement,

(1) the Issuer will, unless the same is publicly available on the Parent Guarantor's website, furnish to the Noteholders upon request, not more than 10 calendar days after they are filed with the U.S. Securities Exchange Commission or the Stock Exchange of Hong Kong Limited or any other securities exchange on which the Parent Guarantor's ordinary shares (or American depositary shares) are at any time listed for trading, the Parent Guarantor's annual audited reports (on a consolidated basis) and quarterly unaudited statement of income and balance sheet (on a consolidated and condensed basis) or (in the case of the second quarter of each financial year) the relevant semi-annual or interim report (including at least an unaudited statement of income, balance sheet and cash flow statement) prepared in conformity with accounting principles generally accepted in the United States of America (" ***U.S. GAAP***"); and

(2) the Issuer will, unless the same is publicly available on MCP's website, furnish to the Noteholders upon request, not more than 10 calendar days after they are filed with the Philippine Stock Exchange or any other securities exchange on which MCP's common shares are at any time listed for trading, MCP's annual audited reports (on a consolidated basis) and quarterly unaudited financial statements (on a consolidated and condensed basis) for the first three fiscal quarters in each fiscal year of MCP prepared in conformity with PFRS; provided that, if at any time the ordinary shares (or American depositary shares) of the Parent Guarantor cease to be listed for trading on neither the NASDAQ Stock Market nor the Stock Exchange of Hong Kong Limited, or the common shares of MCP cease to be listed for trading on the Philippine Stock Exchange, the Issuer will, upon request, furnish to the Noteholders (unless the same is publicly available on the Parent Guarantor's or MCP's website);

(3) the Issuer will furnish to the Noteholders upon request, not more than 10 calendar days after they are filed with the Philippine Securities Exchange Commission, the annual financial statements (on a stand-alone basis) of the Issuer, MCE Holdings and/or MCE Holdings 2 (as may be requested by the Noteholders) prepared in conformity with PFRS;

(4) as soon as they are available, but in any event within 120 calendar days after the end of the financial year of the Parent Guarantor or MCP, as applicable, copies of the Parent Guarantor and MCP financial statements (on a consolidated basis) prepared under U.S. GAAP and PFRS, respectively, in respect of such financial year (including at least a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognised firm of independent accountants; and

(5) as soon as they are available, but in any event within 60 calendar days after the end of each of the first three quarterly period in each financial year of the Parent Guarantor or MCP, as applicable, copies of the Parent Guarantor's quarterly unaudited statement of income and balance sheet (on a consolidated and condensed basis) or (in the case of the second quarter of each financial year) the relevant semi-annual or interim report (including at least an unaudited statement of income, balance sheet and cash flow statement) prepared under U.S. GAAP; and MCP's quarterly unaudited financial statements (on a consolidated and condensed basis) prepared under PFRS in respect of such quarterly period.

(b) Compliance Certificate

The Issuer shall supply a Compliance Certificate to the Facility Agent in the form of Exhibit E (*Form of Compliance Certificate*) ("***Compliance Certificate***") with each set of annual audited reports delivered pursuant to Section 8.2(a) (*Financial Statements*) above. The Compliance Certificate shall be signed by any Authorized Signatory of the Issuer.

(c) Notification of Default

(i) The Issuer shall notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(ii) Promptly upon a request by the Facility Agent, the Issuer shall supply to the Facility Agent a certificate signed by its Authorized Signatory 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).

(d) "Know your customer" Checks

Each Noteholder shall promptly, upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for the Facility Agent to carry out and be satisfied that it has complied with all necessary "know your customer" or other similar checks under all Applicable Laws and regulations pursuant to the transactions contemplated in the Finance Documents.

Section 9 CONDITIONS PRECEDENT

9.1 Conditions for Availment

The obligation of each Noteholder to make its Advance on the Issue Date for each Availment shall be subject to the fulfilment of the following conditions:

(a) The Facility Agent shall have received a timely Notice of Availment referred to in Section 2.2(a) (*Procedure for Availment*).

(b) The Issuer shall have delivered the Notes corresponding to the Advance covered by the Notice of Availment to the Facility Agent in accordance with Section 2.3 (*Notes for the Facility*).

(c) No Event of Default or event that, with the giving of notice or the passing of time, or both, would constitute an Event of Default shall have occurred and be continuing.

(d) The Issuer shall be in compliance with all terms and provisions set forth herein on its part to be observed or performed.

(e) The representations and warranties contained in Section 7.2 (*Repetition of Representations and Warranties*) shall be true and correct on each Issue Date as if made on and as of such date.

(f) The Facility Agent shall have received satisfactory evidence that all expenses which are then due and payable by the Issuer pursuant to Section 6 (*Expenses and Indemnification*) have been paid in full.

(g) The Facility Agent shall have received an Availment Certificate duly executed by the Issuer and dated as of the date of the Issue Date, substantially in the form of **Exhibit C** (Form of Availment Certificate).

(h) The Issuer shall have acknowledged receipt of, and signified its agreement, to the disclosure statements prepared by each Noteholder pursuant to Republic Act No. 3765 (the Truth in Lending Act), substantially in the form of **Exhibit D** (Form of Disclosure Statement).

9.2 Additional Conditions for Availment

In addition to the conditions specified in Section 9.1 (*Conditions for Availment*), the obligation of each Noteholder to make an Advance on the Issue Date shall be subject to the receipt of confirmation from the Facility Agent that the Facility Agent shall have received, together with the Notice of Availment, all of the documents listed and described in Schedule III (*Conditions Precedent Documents*).

Section 10 EVENTS OF DEFAULT

10.1 Events of Default

Each of the following events constitutes an Event of Default hereunder, irrespective of the reason for its occurrence, whether it is voluntary or involuntary, or occurs as a result of any court order, law or regulation:

(a) Non-Payment

(i) The Issuer does not pay the interest and any other amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable within 30 days from the relevant due date;

(ii) The Issuer does not pay the principal of, or premium if any, on the Notes when due (at maturity, upon redemption, upon required repurchase, or otherwise).

(b) Non-compliance with Certain Covenants

Any of the Obligors does not comply with Section 8.1(c) or Section 8.1(d)

(c) Non-Compliance with Other Obligations

Any of the Obligors does not comply with any provision under any Finance Document other than those referred to in Sections 10.1(a) (*Non-Payment*) and 10.1(b) (*Non-Compliance with Certain Covenants*) above and such non-compliance is not remedied within 60 days after written notice by the Facility Agent (acting upon the instruction of the Majority Noteholders).

(d) Cross Default

MCP or any of its Subsidiaries defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Financial Indebtedness for money borrowed by any of them (or the payment of which is guaranteed by any of them), whether such Financial Indebtedness or guarantee now exists, or is created after the date of this Agreement, if that default:

(i) is caused by a failure to pay principal of, or interest or premium, if any, on, such Financial Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a " ***Payment Default***"); or

(ii) results in the acceleration of such Financial Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Financial Indebtedness, together with the principal amount of any other such Financial Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates PhP500 million or more (or its equivalent in other currency) at any time outstanding;

(e) Insolvency and Related Proceedings

(i) MCP or any of its Subsidiaries is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts as they fall due under Applicable Laws, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(ii) Any corporate action, legal proceeding or other procedure or step is taken in relation to:

(1) voluntary proceedings to be adjudicated bankrupt or insolvent or the filing of a bankruptcy or insolvency proceeding against MCP or any of its Subsidiaries with their respective consents;

(2) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of MCP or any of its Subsidiaries;

(3) a composition, compromise, assignment or arrangement with any creditor of MCP or any of its Subsidiaries;

(4) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of MCP or any of its Subsidiaries or any of their assets;

(5) enforcement of any Security over any assets of MCP or any of its Subsidiaries; or

(6) any analogous procedure or step is taken in any jurisdiction.

This Section 10.1(e) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 90 days of commencement.

(f) Creditors' Process

A creditor attaches, executes, garnishes or takes possession of any of the assets of MCP or any of its Subsidiaries having an aggregate value of PhP400 million (or its equivalent in any other currency or currencies), and such is not discharged within 90 days from the date of such occurrence.

(g) Unlawfulness and Invalidity

(i) It is or becomes unlawful for any of the Obligors to perform any of its obligations under the Finance Documents and any of the Obligors does not prepay the Notes of the Noteholders in full, together with accrued interest thereon to the date of prepayment within 30 days from the date of such illegality.

(ii) Any obligation or obligations of any of the Obligors under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.

Any Finance Document ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective.

(h) Cessation of Business

The Issuer voluntarily suspends or ceases to carry on (or threatens to suspend or to cease to carry on) all or a material part of its business, which give rise to a Material Adverse Effect.

(i) Expropriation

(i) Any act, deed or judicial or administrative proceedings in the nature of an expropriation, sequestration, confiscation, nationalization, intervention, acquisition, seizure, or condemnation of, or with respect to, the business and operations or the property or assets of any of the Obligors shall be undertaken or instituted by any Governmental Authority (following, if requested by the Issuer, no more than 30 days of consultation between the Facility Agent and the Issuer) in the opinion of the Majority Noteholders:

(1) is reasonably likely to result in a seizure, expropriation, nationalization, intervention, restriction or other action; and

(2) will wholly or substantially curtail or wholly or substantially limit the authority or ability of the Issuer to conduct its business.

(ii) The authority or ability of any of the Obligors to conduct its business is wholly or substantially curtailed or wholly or substantially limited by any expropriation, sequestration, confiscation, nationalization, intervention, acquisition, seizure, or condemnation or other action by or on behalf of any governmental, regulatory or other authority in relation to any of the Obligors or their respective assets.

(j) Repudiation and Rescission of Agreements

Any of the Obligors rescinds, or purports to rescind, or repudiates or purports to repudiate, denies or disaffirms, or purports to deny or disaffirm, a Finance Document or any of its obligations thereunder or does or causes to be done any act or thing evidencing a clear intention to rescind or repudiate a Finance Document or any of its obligations thereunder.

(k) Final Judgment

Any of the Obligors fails to comply with or pay any sum in an amount equal to or greater than PhP400 million (or its equivalent in any other currency or currencies) due from it under any final and executory judgment or any final and executory order made or given by a court of competent jurisdiction (other than any judgment or order as to which a reputable third party insurer has accepted full responsibility and coverage) within 90 days from the date of finality, during which a stay of enforcement by reason of a pending appeal or otherwise is not in effect.

(l) Permits and Licenses

(i) The Gaming License held by any of the Obligors is invalidated, revoked or cancelled.

(ii) The Issuer fails to maintain or renew any material Authorizations necessary for the conduct of its present business.

(m) Moratorium

The Government of the Republic of the Philippines or any relevant Governmental Authority declares a general moratorium or "standstill" (or makes or passes any order or regulation having a similar effect) in respect of any Gaming License issued by a Governmental Authority in the Philippines or in Macau, or the payment or repayment of any Financial Indebtedness (whether in the nature of principal, interest or otherwise) or any indebtedness which includes Financial Indebtedness, owed by Philippine companies or other entities (and whether such declaration, order or regulation is of general application, applies to a class of persons which includes any of the Obligors).

10.2 Declaration of Default and Remedies

If an Event of Default shall have occurred, then at any time thereafter, if such event shall then be continuing, the Facility Agent, acting upon the written instructions of the Noteholders, comprising at least majority of the aggregate principal amount of the Notes or the Majority Noteholders, shall, by written notice to the Issuer:

(a) declare the Commitments of all the Noteholders terminated, whereupon the obligation of the Noteholders to make or maintain their respective Advances hereunder shall forthwith terminate;

(b) declare the Notes, as well as all interest accrued and unpaid thereon, and all other amounts payable under and in connection with the Finance Documents, to be due and payable immediately or on such date as the Facility Agent, acting upon the instructions of the Majority Noteholders, may specify in the notice, whereupon all such amounts shall be so payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer; and/or

(c) exercise or direct the Facility Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents and the Applicable Laws.

10.3 Waiver

(a) The Majority Noteholders may, by written notice to the Issuer and to the Facility Agent, waive all past defaults and rescind and annul a declaration of acceleration and its consequences, provided that:

(i) all existing Events of Default (other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by acceleration) have been cured or waived; and

the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Section 11 GUARANTY

11.1 Creation of Guaranty

(a) In consideration of the Advances being made to the Issuer and for other valuable consideration receipt of which each of the Guarantors hereby acknowledges, each of the Guarantors hereby, jointly and severally with the Issuer and the Parent Guarantor, irrevocably and unconditionally:

(i) guarantees to the Secured Parties the payment by the Issuer of the Secured Obligations due and owing to the Secured Parties under and in accordance with this Agreement and other Finance Documents; and

(ii) undertakes to the Secured Parties that, if the Issuer does not make payment of any amounts due to the Secured Parties in accordance with this Agreement, the Guarantor shall pay on demand such amount to the Secured Parties.

(b) Each of the Guarantors acknowledges having received copies of the Finance Documents and confirms its acceptance of the provisions thereof.

11.2 Indemnity

As a separate, additional, continuing and primary obligation, each of the Guarantors hereby, jointly and severally with the Issuer and the Parent Guarantor, unconditionally and irrevocably undertakes to the Secured Parties that, should the Secured Obligations not be recoverable from the Guarantors pursuant to Section 11.1, for any reason (including, without limitation, by reason of any provision of any Finance Document being or becoming void, unenforceable or otherwise invalid under any Applicable Law), then, notwithstanding that it may have been known to the Secured Parties, each of the Guarantors shall, upon first written demand by any Secured Party, make payment of the Secured Obligations by way of a full indemnity in the manner provided for in the Finance Documents.

11.3 Continuing Obligation

The obligations each of the Guarantors under this Section 11 shall be continuing and shall extend until the balance of the Secured Obligations shall have been paid in full, regardless of any intermediate payment, extension of payment or discharge thereof in whole or in part or performance in part.

11.4 Discharge and Release

(a) The Guarantors may not terminate their obligations hereunder by notice to the Secured Parties or otherwise.

(b) Provided that the Principal Repayment Date shall have occurred and full payment of the Advance and all outstanding amounts due under the Finance Documents have been received by the Secured Parties, the Finance Parties at the request and cost of the Guarantors shall discharge or release the Guarantors by written instrument signed by the Finance Parties.

(c) Any discharge or release shall be deemed to be made subject to the condition that it will be void if any payment, performance or security which any Secured Party has received or may receive from any Person in respect of the Secured Obligations is set aside, refunded or reduced under any Applicable Law or proves to have been invalid. If such condition is satisfied, the Secured Parties shall be entitled to recover from any of the Guarantors on demand the value of such security or the amount of any such payment as if such discharge or release had not been effected.

11.5 Waiver of Defenses

(a) The liabilities and obligations of each of the Guarantors under this Section 11 shall remain in force notwithstanding any act, omission, neglect, event or matter whatsoever whether or not known to the Guarantors, the Issuer, or any Secured Party and the foregoing shall apply, without limitation, in relation to:

(i) anything, except full payment of the Secured Obligations, which would have discharged the Guarantors (in whole or in part) whether as co-obligor, or otherwise or which would have afforded the Guarantors any legal or equitable defense;

(ii) any winding up, dissolution, reconstruction or reorganization, legal limitation, disability, incapacity or lack of corporate power or authority or other circumstances of, or any change in the constitution or corporate identity or loss of corporate identity by the Issuer, the relevant Guarantor, the other Obligors or any of the Secured Parties; and

(iii) anything which renders any of the Obligor's obligations invalid or unenforceable under this Agreement or any loan Document to which it is a party, and any defense or counterclaim that the Obligor may be able to assert against the Secured Parties.

(b) Without limiting the generality of Section 11.5(a), none of the liabilities or obligations of the Guarantors under this Section 11 shall be impaired by any Secured Party:

(i) agreeing with the Issuer or any other Obligor, on any amendment, variation, assignment, novation or departure (however substantial or material) of this Agreement or any other Finance Document so that any such amendment, variation, assignment, novation or departure shall, whatever its nature, be binding upon the Guarantors in all circumstances, notwithstanding that it may increase or otherwise affect the liability of the Guarantors;

(ii) releasing or granting any time or any indulgence of any kind to the Issuer, any of the other Obligors or any third party (including, without limitation, the waiver of any conditions precedent an Advance or of any breach of any of the Finance Documents), or entering into any transaction or arrangements whatsoever with or in relation to any of the Obligors that has or may have the effect of releasing or granting any time or any indulgence of any kind to any of the Obligors or any third party;

(iii) taking, accepting, varying, dealing with, abstaining from enforcing, surrendering or releasing any security, right of recourse, set-off or combination or other right or interest held by any Finance Party for the Secured Obligations or in relation to this Agreement or any other Finance Document in such manner as it thinks fit; or

(iv) claiming, proving for, accepting or transferring any payment in respect of the Secured Obligations in any composition by or winding up of any of the Obligors or abstaining from such claiming, proving for, accepting or transferring.

(c) each of the Guarantors hereby irrevocably waives any right of excussion it may have under Article 2120 in relation to Article 2058 of the Civil Code.

11.6 Demands

Demands under this Section 11 may be made from time to time, and the liabilities and the obligations of the Guarantors hereunder may be enforced, irrespective of:

(a) whether any demands, steps or proceedings are being or have been made or taken against the Issuer or any other Obligor; or

(b) whether, or in what order, any security to which any Secured Party may be entitled in respect of the Secured Obligations is enforced; or

(c) whether or not any of the Guarantors has exercised its right of excussion under Article 2120 in relation to Article 2058 of the Civil Code, which right is irrevocably and unconditionally waived by each of the Guarantors under Section 11.5(c).

11.7 Representations and Warranties

Each of the Guarantors hereby makes the following representations, warranties and covenants to the Secured Parties:

(a) It has full power and authority and legal right to execute, deliver and perform its obligations under this guarantee.

(b) The execution, delivery and performance by the Guarantor of its obligations hereunder are within its powers, have been duly authorized by all necessary and proper action and (i) will not violate any Applicable Law which is applicable to the Guarantor, (ii) will not conflict with the articles of incorporation or any other constitutive documents of the Guarantor, (iii) will not conflict with or result in the breach of any provision of, or in the imposition of any Lien or charge under, any agreement or instrument to which the Guarantor is a party or by which it or any of its properties or assets is bound, and (iv) will not constitute a default or an event that, with the giving of notice or the passing of time, or both, would constitute a default under any such agreement or instrument.

(c) No governmental approval is required for the execution, delivery and performance by the Guarantor of its obligations hereunder.

(d) The Guarantor, through its Board of Directors, has independently satisfied itself that it will derive direct and indirect economic and corporate benefit from the arrangements contemplated in the Finance Documents and that there are reasonable grounds for believing that the execution by it of the Finance Documents will result in corporate benefits to it.

(e) The obligations of the Guarantor pursuant to this Section 11 (i) will be general obligation of the Guarantor, (ii) will rank at least pari passu in right of payment with all existing and future senior indebtedness of such Guarantor (except for any statutory preference or priority and preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation, winding-up or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity but not the preference or priority established by Article 2244, paragraph 14(a) of the Civil Code of the Philippines), and (iii) senior in right of payment to any existing and future subordinated indebtedness of such Guarantor.

11.8 Survival of Representations and Warranties

Each of the representations and warranties set forth in Section 11.7 shall survive the execution and delivery of this Agreement and the making of the Advances hereunder.

Section 12 PLEDGE

12.1 Pledge of Shares

(a) Each of the Pledgors hereby pledges, assigns, hypothecates, transfers, delivers, sets over and grants to the Security Trustee for the benefit of the Secured Parties, all of its right, title and interest in and to the Pledged Shares (including any Pledged Shares held by the nominees of the Pledgors which are pledged hereunder in such Pledgors' capacity as Beneficial Owner thereof and as trustor and attorney-in-fact of such nominees) and the Additional Pledged Shares, whether now owned or existing or hereafter acquired which shall at all times be a continuing security interest of the first priority securing the Secured Obligations. A Pledgor shall execute a pledge supplement ("***Pledge Supplement***") substantially in the form of Exhibit L covering any Additional Pledged Shares within five Banking Days either from (a) the acquisition or issuance thereof or (b) the date on which the Pledgor (if it is a Subsidiary of MCP incorporated, established or acquired after the date of this Agreement) has acceded to this Agreement pursuant to Section 8.1(e), whichever is later or applicable. For the purpose of perfecting the Pledge over the Pledged Shares and the Additional Pledged Shares in accordance with Applicable Law, each of the Pledgors shall deliver to the Security Trustee upon execution of this Agreement or any Pledge Supplement, each stock certificate representing the Pledged Shares or Additional Pledged Shares that have been issued to or in trust for such Pledgor.

(b) Each of the Pledgors agrees that the pledge constituted over the Pledged Shares under this Section 12 is valid and binding on such Pledgor. The Pledgors shall forthwith deliver such stock certificates to the Security Trustee whereupon the Pledge shall be deemed perfected without need of any further act or notice of any kind.

(c) Each stock certificate to be delivered to the Security Trustee under this Section 12 shall be duly endorsed in blank. Each stock certificate in the name of the nominee directors of the Pledgor shall be accompanied by an original signed declaration of trust (with a power of attorney), in favor of the Pledgor, signed by the relevant nominee director.

(d) Simultaneous with the delivery to the Security Trustee of such stock certificates, the Pledgor (and, as applicable, its nominee directors) shall execute and deliver an irrevocable proxy in respect of the Pledged Shares. For the avoidance of doubt, it is understood that the proxy shall only take effect upon a Declaration of Default under this Agreement and shall be coupled with interest and irrevocable until Termination.

(e) In case of any change in the nominee directors or the appointment of any new or additional nominee directors in a Relevant Company, the Pledgor shall promptly deliver to the Security Trustee, together with the Pledge Supplement, all stock certificates and other documents of title or evidence of ownership of such new or additional nominee directors (duly endorsed in blank) accompanied by an original signed declaration of trust, in favor of the Pledgor, signed by the relevant nominee director and an irrevocable proxy in respect of such Pledged Shares. Upon receipt of the same, in the case of any nominee director who has resigned, been removed or otherwise ceased to hold office as such director, the Security Trustee shall deliver to the Pledgor the stock certificate(s) and other documents of title or evidence of ownership pertaining to the nominee director to be replaced.

12.2 Instruments and Proceeds of Pledged Shares

All instruments, certificates or monies, representing or evidencing any distribution or payment or proceeds accruing to the Pledged Shares shall be delivered to the Security Trustee to be held by it pursuant to this Section 12. All such instruments, certificates or monies which are received by a Pledgor shall, until paid or delivered to the Security Trustee, be held by such Pledgor in trust for and for the benefit of the Security Trustee, and be segregated from the other funds and property of such Pledgor, and each Pledgors agrees to deliver the same forthwith to the Security Trustee in the exact form received (if applicable), with the endorsement of such Pledgor when necessary and/or with appropriate instruments of transfer duly executed in blank, to be held by the Security Trustee for the benefit of the Secured Parties pursuant to the terms hereof. Each of the Pledgors hereby further agrees that it will take any and all other action required under Applicable Law to create a perfected first priority Lien on any and all Pledged Shares, including, without limitation, the execution and delivery of one or more supplements to this Section 12.

12.3 Representations and Warranties of the Pledgors

Each of the Pledgors hereby makes the following representations, warranties and covenants to the Security Trustee for the benefit of the Secured Parties:

(a) It has the full power and authority and legal right to own its Pledged Shares and to execute, deliver and perform its obligations under this pledge.

(b) The execution, delivery and performance by the Pledgor of this pledge are within its powers, have been duly authorized by all necessary and proper action and (i) will not violate any Applicable Law which is applicable to the Pledgor, (ii) will not conflict with the articles of incorporation, by-laws or any other constitutive documents of the Pledgor, (iii) will not conflict with or result in the breach of any provision of, or in the imposition of any Lien or charge on the Pledged Shares under, any agreement or instrument to which the Pledgor is a party or by which it or any of its properties or assets is bound, and (iv) will not constitute a default or an event that, with the giving of notice or the passing of time, or both, would constitute a default under any such agreement or instrument.

(c) No government approval is required either (i) for the pledge by the Pledgor of its Pledged Shares pursuant to this Section 12 or for the perfection of the Lien created hereby or for the execution, delivery and performance by the Pledgor of this pledge or (ii) for the exercise by the Security Trustee of the voting or other rights provided for in this Section 12 or the remedies in respect of the Pledged Shares provided for in this Section 12.

(d) The Pledgor, through its Board of Directors, has independently satisfied itself that it will derive direct and indirect economic and corporate benefit from the arrangements contemplated in the Finance Documents and that there are reasonable grounds for believing that the execution by it of the Finance Documents will result in corporate benefits to it.

(e) The Pledgor is the registered and Beneficial Owner of the Pledged Shares set out opposite its name in Schedule V, except those certain shares specified in Schedule V as being registered in the names of certain persons holding them in trust for such Pledgor, of which such Pledgor is the Beneficial Owner.

(f) All of the Pledged Shares are: (i) duly authorized, validly issued and non-assessable; (ii) free and clear of any Lien, (iii) were issued in compliance with Applicable Law.

(g) There are no outstanding, and the Pledgor and the Relevant Company have not agreed to grant or to issue any options, warrants, or similar rights to others to acquire or receive any of the authorized but unissued shares of capital stock of the Relevant Company.

(h) The Pledged Shares are fully paid up.

(i) The Pledged Shares comprise 100% of the outstanding capital stock of the Relevant Company set out opposite the name of the relevant Pledgor.

(j) The pledge constituted under this Section 12, when duly perfected, will create a valid, first priority security interest and Lien in the Pledged Shares.

(k) There is no pending or, to the knowledge of the Pledgor, threatened action or proceeding affecting the Pledgor or the Pledged Shares before any Governmental Authority which would, if adversely determined, materially affect the legality, validity and binding and enforceable effect of the Pledge.

12.4 Survival of Representations and Warranties

Each of the representations and warranties set forth in Section 12.3 shall survive the execution and delivery of this Agreement and the making of the Advances hereunder.

12.5 Voting Rights

(a) So long as no Declaration of Default shall have occurred, (i) the Pledgors shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Shares or any part thereof for any which would not have a material adverse effect on (x) the ability of the Issuer or any Pledgor to observe and perform its material obligations under the Finance Documents in a timely manner, (y) the operations, business, conditions (financial or otherwise), prospects or property of the Obligors, or (z) the rights or interests of the Secured Parties under the Finance Documents, and (ii) the Pledgors shall be entitled to retain any and all distributions and profits paid in respect of the Pledged Shares.

(b) Upon the occurrence of a Declaration of Default, (i) all rights of the Pledgors to exercise the voting rights which it would otherwise be entitled to exercise pursuant to Section 12.5(a) shall cease, and all such rights shall thereupon become vested in the Security Trustee who shall thereupon have the sole right to exercise such voting rights, and (ii) all rights of the Pledgors to receive the distributions and profit payments and any other instrument or other distributions which they otherwise would be authorized to receive and retain shall cease and all such rights shall thereupon become vested in the Security Trustee, who thereupon shall have the right to receive and hold such distributions, profit payments, instruments and other distributions.

(c) All distributions, profit payments, instruments and other distributions that are received by the Pledgors contrary to the provisions of Section 12.5(b) shall be (i) received in trust for the benefit of the Security Trustee, (ii) segregated from other funds of the Pledgors, and (iii) promptly paid over to the Security Trustee to be held as Pledged Shares in the same form as so received (with any necessary endorsement).

12.6 Covenants of the Pledgors

Each of the Pledgors hereby covenants and agrees with the Security Trustee for the benefit of the Secured Parties as follows:

(a) The Pledgor shall not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Pledged Shares, except for the pledge and security interest granted to the Security Trustee for the benefit of the Secured Parties under this Section 12.

(b) The Pledgors shall not create, incur or permit to exist any Liens or options in favor of, or any claims of any person with respect to, any of the Pledged Shares or any interest therein, except for the Permitted Liens.

(c) The Pledgor warrants and shall defend or cause to be defended the Security Trustee's right, title, and security interests in and to the Pledged Shares assigned and pledged by the Pledgors hereby against the claims of any person.

(d) The Pledgor shall comply in all material respects with all Applicable Law with respect to which non-compliance would have a Material Adverse Effect.

(e) The Pledgors shall cause the Issuer to increase its authorized capital stock to cover the issuance of any shares in favor of the Pledgors as a result of any subscriptions, options, warrants or other rights to purchase or acquire such shares by the Pledgors.

(f) The Pledgor shall notify the corporate secretary of the Relevant Company of the creation of the pledge over the Pledged Shares under this Agreement, cause its annotation in the Relevant Company's stock and transfer book and any other appropriate corporate books to reflect the security interest of the Security Trustee (for the benefit of the Secured Parties) over the Pledged Shares and submit proof of such annotation to the Security Trustee, in the form described in item 14 of Schedule III within five Banking Days from the delivery of the Pledged Shares to the Security Agent.

(g) Within ten (10) Banking Days from the Issue Date, the relevant Pledgor shall (i) notify the Philippine Amusement and Gaming Corporation of the encumbrance of the shares in the Issuer pursuant to the requirement under the Gaming License of the Issuer, and (ii) provide the Facility Agent with a copy of the said notice duly acknowledged as having been received by the Philippine Amusement and Gaming Corporation.

12.7 Security Trustee as Attorney-in-Fact of the Pledgors

(a) Each of the Pledgors does hereby make, constitute and appoint the Security Trustee, and any agent or officer of the Security Trustee, with full power of substitution, as such Pledgor's attorney-in-fact, with power, in its own name or in the name of the Pledgors or otherwise, upon receipt of notice of a Declaration of Default (i) to exercise all voting, consent, managerial and other rights related to the Pledged Shares, (ii) to execute and deliver, at any time and from time to time, any instrument or instruments providing for the approval of the identity and admission to the Relevant Company of any person or entity who becomes a substituted or additional shareholder in the Relevant Company pursuant to the exercise by the Security Trustee or any Secured Party of its rights and remedies hereunder and (iii) generally to do, at the Security Trustee's discretion and the Pledgor's expense, all acts and things which the Security Trustee deems necessary or advisable to accomplish the purposes of this Section 12 as it relates to the Pledgor, including without limitation, to receive, endorse and collect all instruments made payable to such Pledgor representing any payment or other distribution in respect of the Pledged Shares or any part thereof and to give full discharge for the same, all as fully and effectually as the Pledgor might or could do. The Pledgor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue of this Section 12.7. This power of attorney is coupled with an interest and shall be irrevocable until the Secured Obligations are paid in full. Nevertheless, each of the Pledgors shall, if so requested by the Security Trustee, ratify and confirm all that the Security Trustee shall lawfully do or cause to be done by virtue hereof as such Pledgor's attorney-in-fact by executing and delivering to the Security Trustee or to such other person as the Security Trustee shall direct, all documents and instruments as may be necessary or, in the judgment of the Security Trustee advisable for such purpose.

(b) Each of the Pledgors further authorizes the Security Trustee, at any time and from time to time, to execute, in connection with any sale provided for hereunder, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Pledged Shares.

12.8 Reasonable Care

(a) The Security Trustee shall be deemed to have further exercised reasonable care in the custody and preservation of the Pledged Shares in its possession if the Pledged Shares are accorded treatment substantially equal to that which the Security Trustee accords its own property; provided, however, that notwithstanding anything contained herein to the contrary, neither the Security Trustee nor any of the other Finance Parties shall have responsibility for taking any necessary steps to preserve rights, against any parties with respect to any Pledged Shares other than the reasonable care in the custody and preservation of the Pledged Shares in its possession as provided in this Section 12.8, in which case the Pledgors shall have the right to take whatever action is necessary to preserve such rights.

(b) The powers conferred on the Security Trustee under this Section 12 are solely to protect the Security Trustee's interests in the Pledged Shares and shall not impose any duty upon it to exercise any such powers. The Security Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers.

12.9 Defaults and Remedies

(a) If a Declaration of Default shall have occurred, then, in addition to any other rights and remedies provided for herein or otherwise available to it, the Security Trustee may, without any further demand, advertisement or notice, exercise all the rights and remedies of a Finance Party under any Applicable Law, and in addition may sell, give an option or options to purchase, contract to sell or otherwise dispose of the Pledged Shares, or any part thereof, as hereinafter provided. Each of the Pledgors acknowledges that, if a Declaration of Default shall have occurred, the Pledged Shares shall be subject to sale and each of the other remedies of the Security Trustee in accordance with this Agreement, whether or not the Pledgors has itself defaulted or otherwise failed to perform in any respect.

(b) Upon the occurrence of a Declaration of Default, the Security Trustee as attorney-in-fact pursuant to Section 12.7 may, in the name and stead of the Pledgors, make and execute all conveyances, assignments and transfers of the Pledged Shares sold pursuant to this Section 12.9, and each of the Pledgors hereby ratifies and confirms all that the Security Trustee, as said attorney-in-fact, shall lawfully do by virtue hereof. Nevertheless, each of the Pledgors shall, if so requested by the Security Trustee, ratify and confirm any sale or sales by executing and delivering to the Security Trustee, or to such purchaser or purchasers, all such instruments as may, in the reasonable judgment of the Security Trustee, be advisable for such purpose.

(c) The Security Trustee and the other Secured Parties shall incur no liability as a result of the sale of the Pledged Shares, or any part thereof, at any private sale conducted in a commercially reasonable manner and otherwise in accordance with Applicable Law.

(d) Each of the Pledgors hereby irrevocably waives its right of excussion under Article 2120 in relation to Article 2058 of the Civil Code.

(e) If the proceeds from the sale of the Pledged Shares exceed the amount due to the Finance Parties and there are no other amounts due or which may be payable under the Finance Document, the Pledgors shall be entitled to the excess amount which shall be paid to them promptly after Termination.

12.10 Expenses

Each of the Pledgors shall jointly and severally indemnify the Security Trustee and each of the other Secured Parties from, and shall reimburse or caused to be reimbursed to the Security Trustee and each of the other Secured Parties for, any and all claims, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel and any agents and experts employed by such persons) growing out of or resulting from the failure by any Pledgor to perform or observe any of the provisions of this Section 12 which any Pledgors is required to perform or observe, or the exercise by the Security Trustee of its rights under this Section 12, except for claims, losses or liabilities resulting solely from the Security Trustee's or such Secured Party's gross negligence or willful misconduct. The indemnity obligations of the Pledgors contained in this Section 12 shall continue in full force and effect notwithstanding the full payment of the Secured Obligations and the discharge thereof.

Section 13 THE FACILITY AGENT, REGISTRAR, AND PAYING AGENT

13.1 Appointment

Each Noteholder hereby appoints the Facility Agent, the Registrar and the Paying Agent to act as its agent as herein specified and irrevocably authorizes each of such agents to take such action on its behalf under the provisions of this Agreement, to exercise such powers hereunder as are specifically delegated to the Facility Agent, the Registrar and the Paying Agent, and such powers as are reasonably incidental thereto. In performing its functions and duties hereunder, the Facility Agent, the Registrar and the Paying Agent shall act solely as the agent of the Noteholders and does not assume and shall not be deemed to have assumed any obligations towards or relationship of agency or trust with or for the Issuer. The Facility Agent, the Registrar and the Paying Agent may perform any of its duties hereunder by or through its agents or employees.

13.2 Duties to the Noteholders

(a) Unless a contrary indication appears in a Finance Document, the Facility Agent, the Registrar and the Paying Agent shall (i) exercise any right, power, authority or discretion vested in it as the Facility Agent, the Registrar and the Paying Agent in accordance with any instructions given to it by the Majority Noteholders or such number of Noteholders as required by an act under this Agreement (or, if so instructed by the Majority Noteholders, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent, the Registrar and the Paying 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 Noteholders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Noteholders will be binding on all the Finance Parties.

(c) The Facility Agent, Registrar and Paying Agent may (i) refrain from acting in accordance with the instructions of the Majority Noteholders (or, if appropriate, the Noteholders) until it has received such security as it may require for any cost, loss or liability which it may incur in complying with the instructions; or (ii) decline to take any action except upon the written direction of the Majority Noteholders.

(d) In the absence of instructions from the Majority Noteholders (or, if appropriate, the Noteholders), after such instructions were requested, the Facility Agent, Registrar and Paying Agent may act (or refrain from taking action) as it considers to be in the best interest of the Noteholders.

(e) The Facility Agent, Registrar and Paying Agent may obtain ratification from the Majority Noteholders of any action taken by it under any Finance Documents.

(f) The Facility Agent, Registrar and Paying Agent shall promptly forward to a Party the original or a copy of any document which is delivered to such agent for that Party by any other Party. The Facility Agent shall not forward or disclose any Fee Letter to any person who is not a party to such letter.

(g) Unless otherwise provided in this Agreement, the Facility Agent, Registrar and Paying Agent shall promptly (but in any event within three Banking Days from receipt thereof) furnish copies (certified as true copy) of any document delivered by the Issuer and received by the Facility Agent, Registrar and Paying Agent to the Noteholders.

(h) Determination of amounts of interest, default interest and other sums due hereunder contained in notices from the Facility Agent, Registrar and Paying Agent shall be binding on the Issuer and each Noteholder, absent manifest error in computation or transmission.

(i) Except where a Finance Document specifically provides otherwise, the Facility Agent, Registrar and Paying Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(j) If any of the Facility Agent, Registrar and Paying 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 Finance Parties.

(k) If any of the Facility Agent, Registrar and Paying Agent is aware of the non-payment of any principal, interest or other fee payable to a Finance Party (other than any of such agents or the Joint Lead Managers) under the Finance Documents, it shall promptly notify the other Finance Parties.

(l) Each Noteholder shall supply the Facility Agent, Registrar and Paying Agent with any information that the Facility Agent, Registrar and Paying Agent may reasonably specify as being necessary or desirable to enable the Facility Agent, Registrar and Paying Agent to perform its functions.

(m) The duties of the Facility Agent, Registrar and Paying Agent under the Finance Documents are solely mechanical and administrative in nature. The Facility Agent, Registrar and Paying Agent shall not have any other duties save as expressly provided in the Finance Documents.

(n) Neither the Facility Agent, Registrar and Paying Agent nor any Joint Lead Manager:

(i) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Facility Agent, the Joint Lead Managers, the Issuer or any other person given in or in connection with any Finance Document or the Reports or the transactions contemplated in the Finance Documents;

(ii) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, or in connection with, any Finance Document;

(iii) 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 Laws or regulation relating to insider dealing or otherwise; or

(iv) is responsible for verifying whether or not the proceeds of the Notes are lent, contributed or otherwise made available to any person or entity (whether or not related to the Issuer) for the purpose of, or with the effect of, financing or facilitating any activities or business of any person, or for the benefit of any country, currently subject to any Sanctions Laws, or otherwise resulting in a violation of any provision of any Sanctions Laws.

13.3 Exclusion of Liability

(a) The Facility Agent, Registrar and Paying Agent shall have no liability to the Issuer or any of the Noteholders for any action taken by it upon the direction of the Majority Noteholders or if ratified by the Majority Noteholders, unless adjudicated in a final, non-appealable judgment by a court of competent jurisdiction to have been directly caused by its gross negligence or willful misconduct, nor shall the Facility Agent, Registrar and Paying Agent have any liability for any failure to act, unless the Facility Agent has been instructed to act by the Majority Noteholders and such action does not violate Applicable Law.

(b) The Facility Agent, Registrar and Paying Agent shall 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 Facility Agent, Registrar and Paying Agent if it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by it for that purpose.

(c) Nothing in this Agreement shall oblige the Facility Agent, Registrar and Paying Agent or the Joint Lead Managers to carry out any "know your customer" or other checks in relation to any person, including checks for Sanctions Laws and compliance with Money Laundering Laws, on behalf of any Noteholder and each Noteholder confirms to the Facility Agent, Registrar and Paying Agent and the Joint Lead Managers 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 Facility Agent, Registrar and Paying Agent or the Joint Lead Managers. The Issuer and each Noteholder agree to supply the Facility Agent, Registrar and Paying Agent or the Joint Lead Managers with any information which the Facility Agent or the Joint Lead Managers may reasonably request in order to comply with its obligations under Applicable Laws.

13.4 Duties of the Registrar

(a) The Registrar shall be responsible for keeping track of the issuances, transfers and assignment of the Notes pursuant to this Section 13 (*The Facility Agent*) and shall keep records of such issuances, transfers and assignments (the " ***Registry***"). The Registrar shall maintain the Registry and keep or cause it to be kept, in as current a form as is reasonably practicable, in the premises of its principal office. The Registry shall contain a record of the following:

(i) the principal amount, identification or reference numbers and date of issue of the Notes;

(ii) the amount of interest and their corresponding Interest Payment Dates;

(iii) the complete names, addresses and account details of each corresponding Noteholder;

(iv) all subsequent transfers, assignment and changes of ownership in respect thereof; and

(v) such other matters that the Registrar may deem proper in the performance of its duties under this Agreement.

(b) The Registrar shall not register a transfer or assignment of any Notes (i) that will result in increasing the number of Noteholders and other persons who may be holding beneficial interest in the Notes hereunder to more than 19 at any one time, (ii) if the transferee or assignee is not a Qualified Institutional Lender, or (iii) if the transfer or assignment is in any other manner in violation of Section 15.9 (*Assignment and Participation*).

(c) Subject to the provisions of Section 15.9 (*Assignment and Participation*), the Noteholder may assign, transfer or sell the Notes. Title to the Notes shall pass by endorsement and delivery of the Notes to the transferee and registration in the Registry. Settlement in respect of such assignment, transfer or sale of the Notes, including the settlement of any documentary stamp taxes, if any, arising therefrom, shall be made directly between the transferee and/or the transferor.

(d) The Registrar shall register any such transfer or assignment upon presentation to it of the following documents in form and substance acceptable to the Registrar:

(i) proof of prior written notice to the Registrar, Issuer and other Noteholders as required under Section 15.9(b) in substantially the same form as Exhibit F;

(ii) original Note for cancellation;

(iii) written transfer instructions from the transferor of the Note in substantially the same form as Exhibit H;

(iv) from the transferee: (1) its articles of incorporation, by-laws, and Securities and Exchange Commission certificate of registration, duly authenticated by its corporate secretary; (2) secretary's certificate authorizing the transfer and acceptance of the Note and appointing the officers authorized to transact with the Facility Agent with specimen signatures and two valid identification documents of each of such authorized officers; and (3) certification that the transferee is a Qualified Institutional Lender;

(v) the written consent of the transferee to be bound by the terms of this Agreement as fully and to all intents and purposes as if it were an original party hereto, in substantially the same form as Exhibit I;

(vi) proof of payment of Taxes, if any is due;

(vii) service fee of PhP1,000.00 (or such other amount as may be set by the Registrar) for each transfer or registration of transfer of the Notes to be borne by the transferor or the transferee, and not the Issuer; and

(viii) such other documents as the Registrar may reasonably require.

Upon surrender for transfer of any Note, the Registrar shall cancel such surrendered Note and in lieu of the cancelled Note, cause the Issuer to execute and deliver in the name of the transferee or transferees of a new Note duly authenticated by the Facility Agent for a like aggregate principal amount, with interest and principal which have been paid thereon annotated on the Note by the Facility Agent.

Promptly upon the entry of the transferee as a Noteholder in the Registry, the Registrar shall send the Noteholders, the Facility Agent and the Issuer a written notice of every transfer of the Notes and the identity of such transferee.

(e) The Registrar shall, at all times strictly monitor all transfers, assignments or resale of the Notes and for this purpose establish a monitoring system in order to ensure that any transfer, assignment or resale of the Notes are made in accordance with Section 15.9 (*Assignment and Participation*). In case of any violation of the provisions of Section 15.9 (*Assignment and Participation*), the Registrar shall not register such transfer, assignment or resale of such Notes in the Registry and shall as soon as practicable inform the Issuer of such violation. Any transfer or assignment of the Notes made in violation of the restrictions or requirements on transfer under this Agreement (including for the avoidance of doubt, the requirements under Section 15.9 (*Assignment and Participation*) shall be null and void and shall not be registered by the Registrar.

(f) The Registrar shall, at all times during business hours, make the Registry available to the Issuer, any Noteholder or any person authorized by any of them for inspection (upon at least three Banking Days' prior written notice being given to the Facility Agent) and the Facility Agent shall deliver to such persons all such lists of the holders of the Notes, their addresses and holdings as they may reasonably request.

(g) The Registry shall be closed and no registration of any transfer, assignment or resale of the Notes shall be recorded therein within the period commencing on the Record Date until the relevant Payment Date.

(h) The registration of transfers of the Notes shall be made at the office of the Registrar at the address indicated in Schedule II *(Address and Contact Details of All Parties)* or at such other office address as the Facility Agent shall advise in writing to the Noteholders and the Issuer.

(i) The Registrar shall:

(i) keep and maintain the signature cards of each Noteholder for the proper performance of its duties and responsibilities.

(ii) subject to the relevant provisions in this Agreement, hold in trust all monies received by the Registrar for the purpose for which they were received.

(iii) at all times maintain an updated record of all principal and interest payments made by the Issuer on the Notes.

13.5 Duties of the Paying Agent

The Paying Agent shall hold the principal and interest payments, as the case may be, on the Notes exclusively for the purpose of paying each Noteholder of record in accordance with this Agreement. Such amounts received by the Paying Agent for such principal and/or interest payments shall be segregated from all other funds of the Paying Agent.

13.6 Meetings of Noteholders; Consent Solicitation

(a) The Facility Agent may at its discretion, or upon the request of the Noteholders holding at least 25% of the aggregate amount of the outstanding Notes, at any time, call a meeting of the Noteholders for the purpose of taking action authorized to be taken by or on behalf of the Noteholders of any specified aggregate principal amount of the Notes under any provision of this Agreement or under any Applicable Law. All costs and expenses in connection with any meeting of the Noteholders shall be for the account of the Noteholders. All costs and expenses in connection with any meeting of the Noteholders from and after the occurrence of an Event of Default or those held pursuant to a written request made by the Issuer shall be for the account of the Issuer.

(b) In the event that the consent or waiver of the Noteholders is required for any action under this Agreement, each Noteholder agrees to provide the Facility Agent with its response to any such consent or waiver solicitation within fifteen Banking Days from receipt of notice from the Facility Agent.

13.7 No Financial Liability

No provision of this Agreement shall require or be interpreted to require the Facility Agent, Registrar and Paying Agent to advance, expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

13.8 Reimbursement for Expenses

Subject to the prior written consent of each Noteholder, which consent shall not be unreasonably withheld, each Noteholder agrees *pro rata* in accordance with its Advance to reimburse the Facility Agent for its own account for all reasonable and documented expenses incurred by it only insofar as such expenses are not reimbursed by the Issuer as required pursuant to Section 6.1 (*Expenses*).

13.9 Liability and Appraisal

(a) Neither the Facility Agent, Registrar and Paying Agent nor any of its respective officers, directors, employees or agents, shall be liable for any action taken or omitted by them hereunder, or in connection herewith, except for its or their gross negligence or willful misconduct, provided that, the Facility Agent, Registrar and Paying Agent shall not be liable for indirect, consequential, special or punitive loss or damage, including loss of business, profit or goodwill (whether the loss arises in contract, tort, under any statute or otherwise in connection with this Agreement). The Facility Agent, Registrar and Paying Agent shall not be responsible for any recitals, statements, representations, warranties or omissions herein or in the information supplied by the Issuer or for the authorization, execution, effectiveness, genuineness, validity or enforceability of any Finance Document or any other document executed or required in connection therewith, or be required (except upon the written direction of the Majority Noteholders) to make any inquiry concerning the performance or observance by the Issuer of any of the terms, provisions or conditions of any Finance Document.

(b) Each Noteholder confirms and reiterates to the Joint Lead Managers and the Facility Agent, Registrar and Paying Agent all representations and warranties as set out in the Investor Representation Letter executed by each Noteholder (at or about the time of this Agreement) the terms of which are incorporated herein.

(c) The Noteholders agree to indemnify and hold the Facility Agent, Registrar and Paying Agent harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Facility Agent, Registrar and Paying Agent in respect of its performance of its obligations hereunder, except where such liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature resulted from the Facility Agent, Registrar and Paying Agent's (as the case may be) gross negligence or willful misconduct.

13.10 Rights and Discretions of the Facility Agent, Registrar and Paying Agent

(a) The Facility Agent, Registrar and Paying Agent shall be entitled to:

(i) rely on any representation, notice or document believed by it to be genuine, correct and appropriately authorized and shall have no duty to verify any signature on any document;

(ii) rely on any statement purportedly made by a director, authorized 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; and

(iii) act upon the advice of legal counsel and other experts selected by it concerning all matters pertaining to this Agreement and its duties hereunder,

and shall not be liable to any of the other Parties hereto for any of the consequences of such reliance.

(b) The Facility Agent, Registrar and Paying Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Noteholders), that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Section 10.1(a) (*Non-Payment*); and

(ii) any right, power, authority or discretion vested in any Party or the Majority Noteholders has not been exercised.

(c) The Facility Agent, Registrar and Paying Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Facility Agent, Registrar and Paying Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Facility Agent, Registrar and Paying Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, none of the Facility Agent, Registrar and Paying Agent and the Joint Lead Managers 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.

13.11 Other Banking Transactions

The Facility Agent, Registrar and Paying Agent or any of their Affiliates may, without liability to account, engage in any kind of banking, trust or other business with the Issuer as if it were not such Facility Agent, Registrar and Paying Agent, *provided*, that, such relationship will not conflict with the functions of the Facility Agent, Registrar and Paying Agent under this Agreement.

13.12 Successor Facility Agent, Registrar and Paying Agent

(a) Resignation of the Facility Agent, Registrar and Paying Agent

(i) The Facility Agent, Registrar and Paying Agent may resign and appoint one of its Affiliates as successor by giving notice to the Noteholders and the Issuer.

(ii) Alternatively, the Facility Agent, Registrar and Paying Agent may resign by giving forty-five (45) days' notice to the Noteholders and the Issuer, in which case the Majority Noteholders (subject to the consent of the Issuer (such consent not to be unreasonably withheld or delayed)) may appoint a successor Facility Agent, Registrar and Paying Agent.

(iii) If the Majority Noteholders have not appointed a successor Facility Agent, Registrar and Paying Agent in accordance with paragraph (ii) above within thirty (30) days after notice of resignation was given, the retiring Facility Agent, Registrar and Paying Agent (after consultation with the Issuer) may appoint a successor Facility Agent, Registrar and Paying Agent.

(iv) The retiring Facility Agent, Registrar and Paying Agent shall, at its own cost, make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Facility Agent, Registrar and Paying Agent under the Finance Documents.

(v) The resignation notice of the Facility Agent, Registrar and Paying Agent shall only take effect upon the appointment of a successor.

(vi) Upon the appointment of a successor, the retiring Facility Agent, Registrar and Paying Agent shall be discharged from any further obligation in respect of the Finance Documents, but shall remain entitled to the benefit of this Section 13.12 (*Successor Facility Agent, Registrar and Paying Agent*). 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.

(b) Replacement of the Facility Agent, Registrar and Paying Agent

(i) Subject to the consent of the Issuer (such consent not to be unreasonably withheld or delayed), the Majority Noteholders may, by giving 30 days' notice to the Facility Agent, Registrar and Paying Agent, replace it by appointing a successor Facility Agent, Registrar and Paying Agent.

(ii) The retiring Facility Agent, Registrar and Paying Agent shall (at the expense of the Noteholders) make available to its successor such documents and records and provide such assistance as its successor may reasonably request for the purposes of performing its functions as Facility Agent, Registrar and Paying Agent under the Finance Documents.

(iii) The appointment of the successor Facility Agent, Registrar and Paying Agent shall take effect on the date specified in the notice from the Majority Noteholders to the retiring Facility Agent. As from this date, the retiring Facility Agent, Registrar and Paying Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Section 13.12 (*Successor Facility Agent*) (and any agency fees for the account of the retiring Facility Agent, Registrar and Paying Agent shall cease to accrue from (and shall be payable on) that date).

(iv) Any successor Facility Agent, Registrar and Paying Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successors had been original Parties.

(c) Within ten Banking Days from the resignation or removal of the retiring Facility Agent, Registrar and Paying Agent, such former Facility Agent, Registrar and Paying Agent shall submit to the Security Trustee, the Issuer and Noteholders a final accounting report on the funds and other assets that it holds in its possession prior to resignation or removal. The report shall be subject to the approval of the Majority Noteholders and the Issuer, *provided,* that if the former Facility Agent, Registrar, and Paying Agent does not receive any objections on the final accounting report from the Majority Noteholders or the Issuer within 30 days from submission thereof, they shall be deemed to have absolutely and unconditionally accepted the accuracy of the final accounting report.

Section 14 APPOINTMENT OF THE SECURITY TRUSTEE

14.1 Appointment

(a) The Security Trustee is hereby designated and appointed as the Security Trustee and is hereby authorized and directed to take such actions on behalf of the Secured Parties and to exercise such powers and perform such duties as are expressly delegated to it by the terms hereof, together with such other powers as are reasonably incidental thereto.

(b) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Security Trustee shall have no duties or responsibilities except those respectively expressly set forth in this Agreement. The Security Trustee shall not be liable for any action taken or omitted to be taken by it hereunder, or in connection herewith or therewith, or in connection with any Pledged Shares, unless caused by its gross negligence or willful misconduct or breach of any express provision contained herein.

14.2 Duties of Security Trustee

(a) Except as otherwise specifically provided hereby, the Security Trustee shall not exercise any rights, powers or remedies under this Agreement or give any consent hereunder (except consents given in conjunction with releases of the Pledged Shares expressly permitted by the provisions hereof) unless it shall have been directed to do so in writing by the Majority Noteholders.

(b) The Security Trustee shall have the duty of safekeeping the certificates of stock covering the Pledged Shares and the Additional Pledged Shares. As soon as practicable after receipt thereof, the Security Trustee shall forward to the Facility Agent any document other than those required to be delivered to the Security Trustee under Section 12 above and this Section 14, including all financial statements, certificates, notices, reports or other materials delivered by the Pledgors to the Security Trustee.

(c) In the discharge of its duties under this Agreement, the Security Trustee shall act with fairness and good faith in all its dealings.

14.3 Rights of Security Trustee

(a) The Security Trustee may execute any of its duties hereunder by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties.

(b) Neither the Security Trustee, nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall (i) be liable for any action lawfully taken or omitted to be taken by it or any other Person (including any agent or attorney-in-fact of such Person), under or in connection with any provisions of this Agreement (except for its own gross negligence or willful misconduct, provided that it shall have acted with the required skill, care, prudence and diligence necessary under the circumstances), or (ii) be responsible in any manner to any of the Secured Parties for any recitals, statements, representations or warranties made by the Issuer or any representative thereof contained herein or in any certificate, report, or statement or other document received by it under or in connection with this Agreement or for any failure of the Issuer to perform any of its obligations hereunder, or for the creation, maintenance or priority of any Lien granted in favor of the Secured Parties. Except as provided herein or therein or contemplated hereby or thereby, the Security Trustee shall not be under any obligation to any other Secured Party to ascertain or to inquire as to the observance or performance of any of the provisions contained herein or to inspect the properties, books or records of the Issuer.

(c) The Security Trustee shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, telegram, fax or other document reasonably believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Issuer), independent accountants and other experts selected by it with due care. In connection with any request of the Noteholders, the Security Trustee shall be fully protected in relying on a certificate of such Noteholders, signed by the respective authorized representatives of such Noteholders, setting forth the outstanding principal amount of Secured Obligations held by such Noteholders as of the date of such certificate, which certificate shall state that the Persons signing such certificate are the respective authorized representative of such Noteholders and shall specify the provision pursuant to which the Security Trustee is being directed to act. The Security Trustee shall be fully justified in failing or refusing to take any action hereunder (i) if such action would, in its opinion, after consultation with legal counsel, be contrary to Applicable Law or the terms of this Agreement, (ii) if such action is not specifically set forth in this Agreement or if such action is optional, discretionary or entails making selections, choices or utilizing judgment, it shall not have received the direction of the Majority Noteholders, or (iii) if it shall not first be indemnified to its satisfaction by the other Finance Parties against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Security Trustee shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with a request of the Noteholders (to the extent that (i) the Noteholders are expressly authorized to direct the Security Trustee to take or refrain from taking such action or (ii) absent such authorization, the Noteholders direct at their discretion, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Finance Parties, and the Security Trustee shall not bear any liability by reason of refraining to act while awaiting such direction).

(d) If, with respect to a proposed action to be taken by it, the Security Trustee shall determine in good faith that the provisions of this Agreement relating to its functions or responsibilities or powers are or may be ambiguous or inconsistent, it shall notify the other Finance Parties, identifying the provisions that it considers to be ambiguous or inconsistent, and shall not perform such function or responsibility or exercise such power unless it has received the instruction of the Majority Noteholders. The Security Trustee shall be fully protected in acting or refraining from acting upon the instruction of the Majority Noteholders in this respect, and such instruction shall be binding upon the Finance Parties.

(e) The Security Trustee shall not be deemed to have actual, constructive, direct or indirect knowledge or notice of the occurrence of any Event of Default or the failure by any Party to observe or perform their respective obligations under any Part of this Agreement unless and until its responsible officer has received a notice or a certificate from the Noteholders stating that a Declaration of Default has occurred.

(f) No provision of this Agreement shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers. Neither shall the Security Trustee be under any obligation to make advances for any of the costs and expenses relating to the performance of any of its duties hereunder. In the event that the Security Trustee receives such a notice regarding the occurrence of a Declaration of Default, it shall immediately give notice thereof to all the other Finance Parties. The Security Trustee shall take such action with respect to such Declaration of Default as so requested of it by the Noteholders pursuant hereto.

(g) The Issuer will pay upon demand to the Security Trustee the amount of its fees as from time to time separately agreed, and any and all reasonable and documented out-of-pocket expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, it may incur in connection with (i) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Shares constituted in its favor (with respect to the Security Trustee), (ii) the exercise or enforcement of any of its rights duties or powers, or (iii) the failure by the Issuer to perform or observe any of the provisions hereof.

(h) The Security Trustee and its Affiliates may from time to time extend commitments to or have loans or other obligations outstanding from the Issuer. Each shall have the same rights, powers and authority to enter into any deposit agreement, loan agreement or any other banking or business relationship permitted with any of the parties to this Agreement (without having to account therefore to any Person) as though it were not a party hereto.

14.4 No Reliance

The Noteholders shall be deemed to represent to the Security Trustee that it has, independently and without reliance upon the Security Trustee, and based on such documents and information as it has deemed appropriate, made and will continue its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Issuer. Except for notices, reports and other documents expressly required to be furnished to the Noteholders by the Security Trustee, it shall not have any duty or responsibility to provide any other Finance Party with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Issuer that may come into its possession or any of its officers, directors, employees, agents or attorneys-in-fact.

14.5 Indemnification

The Issuer hereby agrees to indemnify and save harmless the Security Trustee from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against it in its capacity as such in any way relating to or arising out of the performance of its duties hereunder or any action taken or omitted by it in its capacity as such under or in connection with the foregoing (except for its own gross negligence or wilful misconduct or breach of any express provision contained herein). The agreements in this Section shall survive the payment or satisfaction in full of the Secured Obligations and the resignation or removal of the Security Trustee or the termination of this Agreement.

14.6 Resignation or Removal of Security Trustee

The Security Trustee may resign upon thirty (30) days' notice to the other Finance Parties and may be removed at any time with or without cause by the Noteholders, with any such resignation or removal to become effective only upon the appointment of a successor under this Section. If the Security Trustee shall resign or be removed as aforesaid, then the Noteholders shall (and if no such successor shall have been appointed within thirty (30) days of the resignation or removal, the Security Trustee may) appoint its successor for the Finance Parties, which successor Security Trustee shall be acceptable to the Issuer, whereupon such successor shall succeed to the rights, powers and duties of the "Security Trustee," and the term "Security Trustee" shall mean such successor effective upon its appointment, and the former Security Trustee's rights, powers and duties shall be terminated, without any other or further act or deed on the part of such former Security Trustee (except that such former Security Trustee shall (i) deliver any and all of the Pledged Shares then in its possession to its successor and (ii) upon such resignation or removal, execute and deliver such instruments as reasonably directed by the Noteholders necessary to convey to its successors the powers and rights contemplated herein), and (iii) submit to the Facility Agent, Noteholders, and the Issuer a final accounting report on the Pledged Shares that it holds in its possession prior to resignation or removal, which report shall be subject to the approval of the Majority of the Noteholders and the Issuer, provided, that the former Security Trustee does not receive any objections on the final accounting report from the Majority Noteholders or the Issuer within 30 days from submission thereof, they shall be deemed to have absolutely and unconditionally accepted the accuracy of the final accounting report) or any of the other Finance Parties. After the resignation or removal of the Security Trustee, the provisions of this Section shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Security Trustee.

Section 15 MISCELLANEOUS PROVISIONS

15.1 Waiver; Cumulative Rights

No failure or delay on the part of any Finance Party in exercising any right, power or remedy accruing to it upon any breach or default of the Issuer under the Finance Documents shall impair any such right, power or remedy nor shall it be construed as a waiver of any such breach or default thereafter occurring, nor shall a waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. All remedies, under the Finance Documents or by law or otherwise afforded to the Finance Parties, shall be cumulative and not alternative. No notice to or demand on the Issuer in any case shall entitle it to any other or further notice or demand in similar or other circumstances.

15.2 Entire Agreement; Amendments

This Agreement and the documents referred to herein, and such other documents as may be executed by the parties contemporaneously herewith or subsequently pursuant hereto, constitute the entire agreement of the parties hereto with respect to the subject matter hereof and shall supersede any prior expressions of intent or agreement with respect to this transaction.

Any term of the Finance Documents may be amended or waived only with the written consent of the Majority Noteholders and the Issuer, and any such amendment or waiver will be binding on all parties, *provided*, that, the unanimous written consent of all Noteholders shall be required for any amendment or waiver that has the effect of changing or which relates to:

(a) the definition of Majority Noteholders;

(b) an extension to the date of payment of any amount due under the Finance Documents;

(c) a reduction in the Interest Rate or a reduction in the amount of any payment of principal, interests or fees;

(d) an increase in, or extension of any Commitment;

(e) a change of Issuer or Guarantor or Pledgor or Parent Guarantor other than as permitted by the Finance Documents;

(f) any provision which requires the consent of all the Noteholders;

(g) Section 3.2 (*Sharing of Payments*);

(h) Section 15.10 (*Interests Joint*);

(i) in any other way changing the provisions of this Section 15.2 (*Entire Agreement and Amendments*).

An amendment or waiver which relates to the rights and obligations of the Facility Agent, Registrar, Paying Agent and Security Agent and the Joint Lead Managers (each in their capacity as such) may not be effected without the consent of the affected party.

15.3 Governing Law

This Agreement and all other Finance Documents shall be governed in all respects, including validity, construction, performance and effect, by the laws of the Philippines.

15.4 Venue for Suit

Each of the Obligors irrevocably agrees that any legal action, suit or proceeding arising out of or relating to this Agreement shall be instituted, at the option of any Finance Party, in any competent court in Makati City, to the exclusion of all other courts of competent jurisdiction and by the execution and delivery of this Agreement, each of the Obligors submits to and accepts with regard to any such action or proceeding for itself and in respect of its properties or assets, generally and unconditionally, the jurisdiction of such court. Each of the Obligors hereby waives any objection which it may now or hereafter have to the laying of the venue of any such action, suit or proceeding, and further waives any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

15.5 Severability of Provisions

If any one or more of the provisions contained in any Finance Document or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, *provided*, that, the commercial intent of the parties is preserved.

15.6 Notices

All communications and notices required or permitted under this Agreement shall be in writing and shall be (i) personally delivered, (ii) transmitted by postage prepaid registered mail, (iii) transmitted by a nationally recognized courier service, (iv) transmitted by telefax to the parties (as elected by the party giving such notice), or (v) e-mail (receipt of which has been duly acknowledged) to their respective addresses and telefax numbers set forth in Schedule II (*Addresses and Contact Details of All Parties*). Except as otherwise specified herein, all notices shall be deemed duly given on the date of receipt. Any party may change its address for purposes hereof by notice to the other parties.

15.7 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

15.8 Set Off

Nothing herein contained shall limit the right of set off, banker's lien or counterclaim which may be available to any Finance Party under Applicable Law.

15.9 Assignment and Participation

(a) An Obligor may not transfer its rights or obligations hereunder without the prior written consent of all of the Noteholders.

(b) Any Noteholder may by written notice to the Facility Agent, the other Noteholders and the Issuer, transfer all or any portion of its rights and obligations hereunder or under any other Finance Document to a Qualified Institutional Lender, *provided* that, in no event shall such transfer be made to a trust account or to a Qualified Institutional Lender that will not hold the Notes for its own account and *provided further* that, notwithstanding the foregoing, a Noteholder may not transfer all or a portion of its rights hereunder or under any Finance Document unless such transfer

(i) shall be least PhP500 million and in increments of PhP100 million.

(ii) shall not result in any additional taxes or increased costs which the Issuer agreed to assume under Section 4.1 (*Taxes*), or if there are such additional taxes or increased costs, the same shall be borne by the transferring Noteholder and its transferor;

(iii) shall not increase the number of Noteholders and other persons who may be holding beneficial interest in the Notes to more than 19;

(iv) shall be carried out in accordance with the requirements of SRC Rule 9.2(2)(B) of the Amended Implementing Rules and Regulations of the SRC; and

(v) shall not result to any one Noteholder owning at least 51% of the aggregate principal amount of the Notes outstanding.

Any transfer in violation of any of the foregoing shall be null and void.

(a) Any act or omission of a Noteholder prior to the assignment, transfer or participation of any of such Noteholder's interest under the Finance Documents shall in all circumstances be conclusive and binding on the assignee, transferee or participant. The assignee, transferee or participant shall agree to assume or perform that portion of the assigning or transferring Noteholder's obligations under this Agreement that corresponds to the proportion of its rights so assigned, transferred or participated, and references to the assigning or transferring Noteholder hereunder shall be construed accordingly as references to its assignee, transferee or participant, as may be relevant.

(b) Without prejudice to any obligations which may have accrued on the date of the assignment, transfer or participation, the transferring Noteholder shall be released from the obligations expressed to be subject of such assignment, transfer or participation, and the transferee Noteholder shall become a party to this Agreement and will be bound by the obligations expressed to be subject of such assignment, transfer and participation.

15.10 Interests Joint

The obligations of each Finance Party hereunder are joint, and nothing in this Agreement shall be deemed to create a partnership or joint venture among them. The amounts payable at any time hereunder to each Finance Party shall be a separate and independent debt, and each Finance Party shall be entitled to protect and enforce its rights arising out of this Agreement without the need for any other Finance Party to be joined as an additional party in any proceedings for such purpose.

15.11 Waiver of Confidentiality; Grant of Authority to Noteholders

Pursuant to BSP Circular No. 472, Series of 2005, as implemented by BIR Revenue Regulations No. 4-2005, the Issuer hereby authorizes the Noteholders to conduct random verification with the BIR to establish the authenticity of the annual income tax returns and accompanying financial statements submitted by the Issuer.

15.12 Counterparts

Each Finance Document may be executed in any number of counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

15.13 Confidentiality

(a) Save as otherwise allowed in this Agreement, the Noteholders shall not, without the prior written consent of the Issuer, disclose any and all information received from the Issuer or Joint Lead Managers to any person, party or entity except to such of their officers, employees and consultants who have been made aware that such confidential information is confidential and are bound to treat it as such and to whom disclosure is necessary for the purposes of this Agreement.

(b) Subject to the provisions of Section 15.13 (c) below, the Facility Agent and each of the Noteholders and their respective Affiliates and representatives (each a "***Recipient***") shall maintain the confidentiality of all information obtained from the Issuer or the Joint Lead Managers, and shall not release such information to third parties without such third party agreeing to sign a confidentiality undertaking in favor of the Issuer in a form acceptable to the Issuer, save as may be required under any Applicable Law, including for the avoidance of doubt, where required by BSP regulations, by Money Laundering Laws and by the Central Credit Information Corporation established pursuant to Republic Act No. 9510 (the Credit Information System Act). This Section shall not apply in respect of any information that was already known to the Recipients when disclosed or which is subsequently disclosed to the Facility Agent and the Noteholders by a third party, in both cases without any obligation on the part of the Recipient to keep such information confidential, or information, which is now or subsequently becomes part of the public domain.

(c) Subject to the provisions of the SRC, a Noteholder may furnish non-public information concerning the Issuer in the possession of such Noteholder from time to time to Transferees (including prospective Transferees) but only with the prior written consent of the Issuer, which consent shall not be unreasonably withheld.

[The remainder of the page has been intentionally left blank. The signature pages, schedules and exhibits follow]

SIGNATURE PAGES

IN WITNESS WHEREOF, the party below has caused this Agreement to be duly executed by its duly authorized officers.

MCE LEISURE (PHILIPPINES) CORPORATION
as Issuer

By: /s/ Yuk Man Chung
Name: Yuk Man Chung
Position: Authorized Signatory

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
as Guarantor and Pledgor

By: /s/ Yuk Man Chung
Name: Yuk Man Chung
Position: Authorized Signatory

MCE HOLDINGS (PHILIPPINES) CORPORATION
as Guarantor and Pledgor

By: /s/ Yuk Man Chung
Name: Yuk Man Chung
Position: Authorized Signatory

MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION
as Guarantor and Pledgor

By: /s/ Yuk Man Chung
Name: Yuk Man Chung
Position: Authorized Signatory

BDO UNIBANK, INC.
as Noteholder

By: /s/ Edmundo S. Soriano
Edmundo S. Soriano
Executive Vice President
Head, Corporate Banking Group

By: /s/ Reynaldo A. Tanjangco, Jr.
Reynaldo A. Tanjangco, Jr.
Senior Vice President
Corporate Banking Group

CHINABANKING CORPORATION
as Noteholder

By: /s/ William C. Whang
William C. Whang
Senior Vice President

By: /s/ Victor O. Martinez
Victor O. Martinez
First Vice President

By: /s/ Juan Jesus C. Macapagal
Juan Jesus C. Macapagal
Assistant Vice President

EAST WEST BANKING CORPORATION
as Noteholder

By: /s/ Ernesto T. Uy
Ernesto T. Uy
Senior Vice President
Group Head, Corporate Banking Group

By: /s/ Vicente P. Ortuoste
Vicente P. Ortuoste
First Vice President
Deputy Group Head, Corporate Banking Group

PHILIPPINE NATIONAL BANK
as Noteholder

By: /s/ Cenon C. Audencial, Jr.
Cenon C. Audencial, Jr.
First Senior Vice President
Head, Institutional Banking Group

By: /s/ Allan L. Ang
Allan L. Ang
First Vice President
Head, Corporate Banking Group

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
as Joint Lead Manager

By: /s/ Charles M. Rodriguez
Charles M. Rodriguez
Executive Vice President
Head of Corporate Client Coverage

DEUTSCHE BANK AG, MANILA BRANCH
as Joint Lead Manager

By: /s/ Enrico S. Cruz
Enrico S. Cruz
Managing Director and Chief Country Officer
Head, Global Markets

By: /s/ Edgar Jose U. Ampil
Edgar Jose U. Ampil
Vice President
Head, Finance

PHILIPPINE NATIONAL BANK – TRUST BANKING GROUP
as Facility Agent, Registrar, Paying Agent, and Security Trustee

By: /s/ Josephine E. Jolejole
Josephine E. Jolejole
First Vice President

By: /s/ Francis T. Songco
Francis T. Songco
Senior Manager

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

BEFORE ME, a Notary Public in and for Makati City, Philippines, this 19th day of December 2013, personally appeared the following, who has satisfactorily proven to me his identity through the following identifications:

Name	Government Issued I.D.	Date Issued Expiration Date and Place Issued
Yuk Man Chung	PP#KJ0117765	13 APR 2013 13 APR 2020 HONG KONG

and that he or she is the same person who executed and voluntarily signed the foregoing instrument which he or she acknowledged before me as his or her free and voluntary act and deed.

WITNESS MY HAND AND SEAL at the place and date first above written.

Doc. No. 206;
Page No. 043;
Book No. II;
Series of 2013.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

BEFORE ME, a Notary Public in and for Makati City, Philippines, this 19th day of December 2013, personally appeared the following, who have satisfactorily proven to me their identity through the following identifications:

Name	Government Issued I.D.	Date Issued Expiration Date and Place Issued
Edmundo S. Soriano	Passport No. EB0483369	June 30, 2010 June 29, 2015 DFA Manila
Reynaldo A. Tanjangco, Jr.	Passport No. EB6718655	November 9, 2012 November 8, 2017 DFA Manila
William C. Whang	SSS ID No. 03-5882607-5	
Victor O. Martinez	Passport No. XX5575540	February 20, 2010 February 19, 2015 DFA – Manila
Juan Jesus C. Macapagal	Passport No. XX2852361	January 23, 2009 January 22, 2014 DFA – Manila
Ernesto T. Uy	Passport No. EB2788543	June 24, 2011 June 23, 2016 DFA – Manila
Vicente P. Ortuoste	Passport No. EB5679736	June 18, 2012 June 17, 2017 DFA – Manila
Cenon C. Audencial, Jr.	Passport No. EB1062063	September 30, 2010 September 29, 2015 DFA Manila
Allan L. Ang	Driver's License No. N04-91-192300	Aug. 15, 2012 August 15, 2015 Manila
Charles M. Rodriguez	Passport No. XX5575189	February 20, 2010 February 19, 2015 DFA Manila

Name	Government Issued I.D.	Date Issued Expiration Date and Place Issued
Enrico S. Cruz	Passport No. EB5396574	May 16, 2012 May 15, 2017 DFA – Manila
Edgar Jose U. Ampil	Passport No. EB2640431	June 7, 2011 June 6, 2016 DFA – Manila
Josephine E. Jolejole	Driver's License No. N26-97-010112	March 27, 2013 Las Pinas City
Francis T. Songco	Driver's License No. N01-99-240945	Dec. 20, 2010; Quezon City

that they are the same persons who executed and voluntarily signed the foregoing instrument which they acknowledged before me as their free and voluntary act and deed.

WITNESS MY HAND AND SEAL at the place and date first above written.

Doc. No. 198;
Page No. 41;
Book No. I;
Series of 2013.

Schedule I NOTEHOLDERS AND COMMITMENTS

Noteholder	Commitments
BDO UNIBANK, INC.	PHP4,750,000,000.00
CHINABANKING CORPORATION	PHP4,250,000,000.00
EASTWEST BANKING CORPORATION	PHP2,000,000,000.00
PHILIPPINE NATIONAL BANK	PHP4,000,000,000.00
Total	**PHP15,000,000,000.00**

Schedule II ADDRESSES AND CONTACT DETAILS OF ALL PARTIES

Party	Address	Attention	Email Address (E) Telephone Number (T) Fax Number (F)
MCE LEISURE (PHILIPPINES) CORPORATION	Aseana Boulevard cor. Roxas Boulevard, Brgy. Tambo Paranaque City, 1701 Philippines With a copy to: MELCO Crown Entertainment Limited 36th Floor The Centrium 60 Wyndham Street Central Hong Kong, SAR Attention: Company Secretary	Corporate Secretary/Frances Yuyucheng	c/o Corporate Secretary/Frances Yuyucheng F: +632 815 3172 With a copy to: c/o Company Secretary F: +852 2537 3618
MELCO CROWN (PHILIPPINES) RESORTS CORPORATION	Aseana Boulevard cor. Roxas Boulevard, Brgy. Tambo Paranaque City, 1701 Philippines With a copy to: MELCO Crown Entertainment Limited 36th Floor The Centrium 60 Wyndham Street Central Hong Kong, SAR Attention: Company Secretary	Corporate Secretary/Frances Yuyucheng	c/o Corporate Secretary/Frances Yuyucheng F: +632 815 3172 With a copy to: c/o Company Secretary F: +852 2537 3618

Party	Address	Attention	Email Address (E) Telephone Number (T) Fax Number (F)
MCE HOLDINGS (PHILIPPINES) CORPORATION	Aseana Boulevard cor. Roxas Boulevard, Brgy. Tambo Paranaque City, 1701 Philippines With a copy to: MELCO Crown Entertainment Limited 36th Floor The Centrium 60 Wyndham Street Central Hong Kong, SAR Attention: Company Secretary	Corporate Secretary/Frances Yuyucheng	c/o Corporate Secretary/Frances Yuyucheng F: +632 815 3172 With a copy to: c/o Company Secretary F: +852 2537 3618
MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION	Aseana Boulevard cor. Roxas Boulevard, Brgy. Tambo Paranaque City, 1701 Philippines With a copy to: MELCO Crown Entertainment Limited 36th Floor The Centrium 60 Wyndham Street Central Hong Kong, SAR Attention: Company Secretary	Corporate Secretary/Frances Yuyucheng	c/o Corporate Secretary/Frances Yuyucheng F: +632 815 3172 With a copy to: c/o Company Secretary F: +852 2537 3618
BDO UNIBANK, INC.	14th Floor South Tower BDO Corporate Center 7899 Makati Avenue 0726 Makati City, Philippines	Reynaldo A. Tanjangco, Jr. Jose Ramon Garcia.	E: rat@bdo.com.ph T: +632 878 4916 / 8787000 local 6150/8784845 F: +632 878 4400

Party	Address	Attention	Email Address (E) Telephone Number (T) Fax Number (F)
CHINABANKING CORPORATION	5th Floor China Bank Building 8745 Paseo de Roxas corner Villar Street Makati City, Philippines	Juan Jesus C. Macapagal Angeli Mae P. Severo	E: jjcmacapagal@chinabank.ph ampsevero@chinbank.ph T: +632 885 5561 / 885 5503 F: +632 892 0233
EASTWEST BANKING CORPORATION	Eastwest Corporate Center 5/F The Beaufort, 5th Ave cor. 23rd St. Bonifacio Global City, Taguig City Metro Manila 1634 Philippines	Vicente P.Ortuoste Ma. Ellen Victor	E: vportuoste@eastwestbanker.com mavictor@eastwestbanker.com T: + 632 575 3868/5756874 F: +632 575 3878
PHILIPPINE NATIONAL BANK	7/F PNB Financial Center Pres. Diosdado Macapagal Blvd Pasay City, Metro Manila 1300 Philippines	Allan L. Ang Byron Jake L. Montiel	E: angal@pnb.com.ph montielbjl@pnb.com.ph T: + 632 / 526 3240/5263131 local 5236 F: +632 526 3088
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	8/F MCC Center 6788 Ayala Avenue Makati City, Philippines	Arlene Lotilla Renee Wee	E: arlene.lotilla@anz.com renee.wee@anz.com T: +632 841 7710 +632 841 7719 F: +632 750 3496

Party	Address	Attention	Email Address (E) Telephone Number (T) Fax Number (F)
DEUTSCHE BANK AG, MANILA BRANCH	26F Ayala Tower One, Ayala Avenue 1226 Makati City, Philippines	Enrico S. Cruz Jethra Pascual	E: enrico.cruz@db.com jethra.banal@db.com T: + 632 894 6888 / 894 6895 F: + 632 894 6890
PHILIPPINE NATIONAL BANK – TRUST BANKING GROUP	3rd Floor, PNB Trust Banking Group, PNB Financial Center President Diosdado Macapagal Blvd. 1300 Pasay City, Metro Manila, Philippines	Atty. Josephine E. Jolejole Francis T. Songco	E: jolejoleje@pnb.com.ph; songcoft@pnb.com.ph T: + 632 573 4665 / 573 4657 F: +632 526 3379

Schedule III CONDITIONS PRECEDENT DOCUMENTS

(1) A notarized certificate of the corporate secretary of each of the Obligors dated as of the date of its submission to the Facility Agent:

(a) having attached to it copies of the articles of incorporation and by-laws, each as amended to date, and the certificate of registration of the Obligor and certifying to the resolutions of the board of directors, and if applicable, the shareholders, of the Obligor:

(i) approving the terms of, and the transactions contemplated by, Finance Documents and resolving that it execute, deliver and perform the Finance Documents to which it is a party,

(ii) authorizing a specified person or persons to execute the Finance Documents to which it is a party on its behalf, and

(iii) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Finance Documents;

(b) certifying to the specimen(s) of the signature(s) of each person authorized by the resolution referred to in sub-paragraph (a) (ii) above; and

(c) certifying that all applicable corporate approvals and approvals by the relevant committee required under the applicable board resolutions have been obtained.

(2) Originals of the following duly executed by the relevant parties:

(a) this Agreement;

(b) the Notes;

(c) the Parent Guarantee; and

(d) Fee Letters.

(3) Certificate of an Authorized Signatory of the Issuer, Guarantors and Pledgors certifying that each copy document relating to it specified in this Schedule III (*Conditions Precedent Documents*) 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 this Agreement.

(4) Copies of the following documents:

(a) Latest audited stand-alone financial statements and corresponding income tax returns, each with BIR stamp, of each of the Issuer, MCP, MCE Holdings and MCE Holdings 2, and latest audited consolidated financial statements of MCP, with the Philippine Securities Exchange Commission stamp; and

(b) Evidence that the fees, costs and expenses then due from Issuer pursuant to Section 6 (*Expenses and Indemnification*) 6 of this Agreement have been paid or will be paid by the initial Issue Date.

(5) A legal opinion of SyCip Salazar Hernandez & Gatmaitan, Philippine counsel to the Joint Lead Managers and Facility Agent on behalf of the Noteholders, substantially in the form distributed to the Noteholders and the Joint Lead Managers prior to the initial Issue Date.

(6) A legal opinion of Milbank, Tweed, Hadley & McCloy, New York counsel to the Joint Lead Managers and Facility Agent on behalf of the Noteholders, substantially in the form distributed to the Noteholders and the Joint Lead Managers prior to the initial Issue Date.

(7) A legal opinion of Romulo Mabanta Buenaventura Sayoc & de los Angeles, Philippine counsel to the Issuer and the other Obligors, substantially in the form distributed to the Noteholders and the Joint Lead Managers prior to the initial Issue Date.

(8) A legal opinion of Latham and Watkins, New York counsel to the Parent Guarantor, substantially in the form distributed to the Noteholders and the Joint Lead Managers prior to the initial Issue Date.

(9) A legal opinion of Walkers, Cayman Islands counsel to the Parent Guarantor, substantially in the form distributed to the Noteholders and the Joint Lead Managers prior to the initial Issue Date.

(10) Proof of full payment of the documentary stamp taxes.

(11) Duly endorsed stock certificates for all the Pledged Shares.

(12) Declarations of trust (with power of attorney) of the nominee directors of the Pledgors in respect of the Pledged Shares registered in the name of such nominees dated not later than the date of this Agreement.

(13) Irrevocable Proxies in respect of the Pledged Shares in such form as may be acceptable to the Facility Agent.

(14) A notarized certificate of the corporate secretary of each Relevant Company, having attached to it certified copies of the ledger portion of the stock and transfer book of the Relevant Company:

(a) setting out the total authorized, issued and subscribed capital stock of the Relevant Company;

(b) listing all of the current shareholders of the Relevant Company together with the number of shares held by each shareholder and the stock certificate numbers of the stock certificates issued to each shareholder;

(c) certifying that the Pledged Shares in the Relevant Company constitute 100% of the outstanding capital stock of the Relevant Company and each Pledged Share has been fully paid; and

(d) certifying that the pledge constituted under this Agreement has been recorded in the Stock and Transfer Book of such Relevant Company.

Schedule IV DISCLOSURES

None.

Schedule V PLEDGED SHARES

A. MCE Holdings (Philippines) Corporation

Shareholder	No. of Shares	Stock Certificate No.
Melco Crown (Philippines) Resorts Corporation	147,894,495	10
	40,000,000	11
Frances T. Yuyucheng	1	2
Rena Rico-Pamfilo	1	3
Maria Tara A. Mercado	1	4
Yuk Man Chung	1	7
William Todd Nisbet	1	8

B. MCE Holdings No. 2 (Philippines) Corporation

Shareholder	No. of Shares	Stock Certificate No.
MCE Holdings (Philippines) Corporation	8,309,995	1
	139,584,500	9
	40,000,000	10
Frances T. Yuyucheng	1	2
Rena Rico-Pamfilo	1	3
Maria Tara A. Mercado	1	4
Yuk Man Chung	1	7
William Todd Nisbet	1	8

C. MCE Leisure (Philippines) Corporation

Shareholder	No. of Shares	Stock Certificate No.
MCE Holdings No. 2 (Philippines) Corporation	8,309,995	1
	139,584,500	9
	40,000,000	10
Frances T. Yuyucheng	1	2
Rena Rico-Pamfilo	1	3
Maria Tara A. Mercado	1	4
Yuk Man Chung	1	7
William Todd Nisbet	1	8

Exhibit A FORM OF NOTICE OF AVAILMENT

[Date of Availment]

[Facility Agent]
[Address]

Attention: [Name/Title]

Gentlemen:

We refer to the Notes Facility and Security Agreement dated [—] among [—] and the other parties named therein (the "***Agreement***"). Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

In accordance with Section 2.2(a) of the Agreement, the Issuer hereby gives notice of its intent to avail of the Facility on [—], or if not a Banking Day, on the next succeeding Banking Day, the amount(s) set out below:

AVAILMENT *(Indicate Tranche)*	**AMOUNT**
Total	

Kindly make the proceeds of the Advances available by crediting the amount thereof to Account No. [—] with [—].

Very truly yours,

[—]

By:

_____

[Name]
[Position]

Exhibit B FORM OF PROMISSORY NOTE

[Issue Date] MATURITY DATE: [—]

For value received, MCE Leisure (Philippines) Corporation (the "***Issuer***") unconditionally promises to pay to the order of [—] (the "***Noteholder***") the principal sum of [—], Philippine Currency, together with stipulated interest thereon, pursuant to the terms of the Notes Facility and Security Agreement dated [—] among the Issuer, [—] and the other parties named therein. (the "***Agreement***"), to which reference is hereby made and which are herein incorporated by reference. The Issuer will pay interest semi-annually in arrears on [—] and [—] of each year, or if any such day is not a Banking Day, on the next succeeding Banking Day (each, an "***Interest Payment Date***"). The first Interest Payment Date shall be _____, 20__. Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

The Issuer further promises to pay any default interest and penalties to the Noteholder on amounts due and owing to the Noteholder at the rates and in the manner provided and calculated in accordance with the provisions of the Agreement.

The principal of and interest on this Note shall be payable without counterclaim, free and clear of and without deduction for Taxes, restrictions or conditions of any nature as provided under the Agreement. If the Issuer is required to make any such deduction or withholding from any such payment, the Issuer shall pay such additional amounts as are provided in the Agreement.

Should an Event of Default occur and be continuing, the principal of, and the interest accrued on, this Note may be declared due and payable in the manner and with the effect provided in the Agreement, presentment, demand, protest or notice of any kind being expressly waived by the Issuer except as provided in the Agreement.

THIS NOTE IS AN EXEMPT SECURITY UNDER SRC RULE 9.2(2)(B) OF THE "AMENDED IMPLEMENTING RULES OF THE SECURITIES REGULATION CODE" PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO SECTION 9.2 OF THE SECURITIES REGULATION CODE (REPUBLIC ACT NO. 8799) AND ACCORDINGLY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THIS NOTE MAY NOT (1) BE ASSIGNED TO ANY ONE OTHER THAN A PRIMARY INSTITUTIONAL LENDER IN ACCORDANCE WITH SRC RULE 9.2(2)) (B) OR (2) BE HELD BY MORE THAN NINETEEN (19) PRIMARY INSTITUTIONAL LENDERS AT ANY ONE TIME. ANY ASSIGNMENT OR TRANSFER OF THE NOTES ARE SUBJECT TO THE CONDITIONS OF THE SAID SRC RULE 9.2.2(B) AND NO TRANSFERS OR ASSIGNMENTS OF THIS NOTE SHALL BE VALID IF SUCH TRANSFER OR ASSIGNMENT IS TO A NON-QUALIFIED TRANSFEREE AND/OR WILL RESULT IN THE NOTES BEING HELD BY MORE THAN NINETEEN (19) PRIMARY INSTITUTIONAL LENDERS.

In case of conflict between the provisions of this Note and the Agreement, the terms and conditions of the Agreement shall prevail.

[—]
By:
[Name]

[Title]

Signed in the presence of:

Exhibit C FORM OF AVAILMENT CERTIFICATE

[Date of Availment]

[—]

Attention: [Name/Title]

Gentlemen:

We refer to the Notes Facility and Security Agreement dated [—] among the [—] and the other parties named therein (the "***Agreement***"). Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

In accordance with Section 9.1 of the Agreement, the Issuer hereby certifies that as of the date of this Certificate:

(a) no event has occurred which constitutes, or which with the giving of notice or the passing of time, or both, would constitute, an Event of Default under the Agreement;

(b) all the representations and warranties of the Issuer contained in Section 7.2 (*Repetition of Representations and Warranties*) or any certificate issued by Issuer pursuant thereto or otherwise in connection therewith with reference to the facts and circumstances existing at the date of this certification remain true and correct;

(c) all applicable conditions for Availment required under Section 9 (*Conditions Precedent*) of the Agreement have been fulfilled, and all documents heretofore delivered to the Noteholder pursuant to Schedule III of the Agreement continue in full force and effect; and

(d) the Issuer is in compliance with all terms and conditions set forth in the Agreement on its part to be observed and performed.

Very truly yours,

[—]

By:

_____

[Name]
[Position]

Exhibit D FORM OF DISCLOSURE STATEMENT

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION

(As Required under Republic Act No. 3765, Truth in Lending Act)

NAME OF ISSUER:
ADDRESS:

1.	LOAN GRANTED (Amount to be financed)		(Peso)_____(A)
2.	FINANCE CHARGES	Not Deducted From PROCEEDS OF LOAN	Deducted From
	a. Interest _____% p.a. from _____ to _____	_____	_____
	( ) Simple ( ) Monthly ( ) Compound ( ) Quarterly ( ) Semi-Annually ( ) Annually		
	b. Non-Interest Charges	(Peso)_____	(Peso)_____
	c. Commitment Fee	(Peso)_____	(Peso)_____
	d. Guarantee Fee	(Peso)_____	(Peso)_____
	e. Other charges incidental to the extension of credit Specify): _____	(Peso)_____	(Peso)_____
	Total Finance Charges	(Peso)_____	(Peso)_____(B)
3.	NON-FINANCE CHARGES		
	a. Insurance Premium	(Peso)_____	(Peso)_____
	b. Taxes	(Peso)_____	(Peso)_____
	c. Documentary Stamp Tax	(Peso)_____	(Peso)_____
	d. Notarial Fees	(Peso)_____	(Peso)_____
	e. Others (Specify): _____	(Peso)_____	(Peso)_____
	Total Non-Finance charges	(Peso)_____	(Peso)_____(C)
4.	TOTAL DEDUCTIONS FROM PROCEEDS OF LOAN (B + C)		(Peso)_____(D)
5.	NET PROCEEDS OF LOAN (A - D)		(Peso)_____
6.	PERCENTAGE OF FINANCE CHARGES TO TOTAL OF AMOUNT FINANCED		_____%
7.	EFFECTIVE INTEREST RATE		_____% p.a.
8.	SCHEDULE OF PAYMENT		
	a. Single Payment due on _____		(Peso)_____
	b. Total Installment Payments		(Peso)_____
	Payable in _____ months/year		
	At (Peso)_____ each installment		
9.	COLLATERAL		
	This loan is wholly/partly secured by (check)		
	( ) real estate	( ) chattels	
	( ) government securities/ deposits/ placements	( ) continuing suretyship	
	( ) shares of stock	( ) assignment of receivables	
	( ) UNSECURED		
10.	ADDITIONAL CHARGES IN CASE CERTAIN STIPULATIONS ARE NOT MET BY THE ISSUER		

Nature	Amount
_____	(Peso)_____
_____	(Peso)_____
_____	(Peso)_____

CERTIFIED CORRECT:

_____
[NOTEHOLDER]
[Name]
[Title]

I acknowledge receipt of a copy of the Disclosure Statement prior to the consummation of the credit transaction and that I understand and fully agree to the terms and conditions thereof.

[—]

By:

[Name]
[Position]

Exhibit E FORM OF COMPLIANCE CERTIFICATE

[Date]

[—]

Attention: [Name/Title]

Gentlemen:

We refer to the Notes Facility and Security Agreement dated [—] among the [—] and the other parties named therein (the "***Agreement***"). Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

In accordance with Section 8.2(b) (*Compliance Certificate*) of the Agreement, the Issuer hereby certifies that as of the date of this Certificate, no Default is continuing.

Very truly yours,

[—]

By:

_____

[Name]
[Position]

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.

Exhibit F FORM OF SECTION 15.9 NOTICE

[Date]

[—]

Attention: [Name/Title]

Gentlemen:

We refer to the Notes Facility and Security Agreement dated [—]among [—]and the other parties named therein (the "***Agreement***"). Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

In accordance with Section 15.9 of the Agreement, the undersigned Noteholder hereby assigns to [name of transferee], all of its rights and interests in the Note up to the amount of [—].

Very truly yours,

[NOTEHOLDER]

By:

[Name]
[Position]

Exhibit G FORM OF ACCESSION AGREEMENT

ACCESSION AGREEMENT

This **ACCESSION AGREEMENT** (“***this Accession Agreement***”) is made and executed this [—]th day of [—] by and between:

[—NEW SUBSIDIARY], a corporation organized and existing under the laws of the Republic of the Philippines, with principal office address at [—] (the “***Acceding Party***”);

and

PHILIPPINE NATIONAL BANK – TRUST AND BANKING GROUP , a banking corporation established under the laws of the Republic of the Philippines and authorized to perform trust and other fiduciary functions, with principal office address at [—], in its capacity as Security Trustee (the “***Security Trustee***”) for the Secured Parties (as such term is defined below).

RECITALS

(A) On [—], [—*name of parent company*] (the parent company of the [—*New Subsidiary*], the Security Trustee and various other parties entered into an Notes Facility and Security Agreement (the “***Notes Facility Agreement***”), pursuant to which [—*name of parent company*] has made an undertaking to cause its future Subsidiaries [to be a Guarantor] [where applicable, to be a Pledgor] under the Notes Facility Agreement.

(B) [The Acceding Party is a new Subsidiary of MCP, having been incorporated after the date of the Notes Facility Agreement. The Acceding Party is willing to constitute a pledge over the shares described in Annex A hereof (the “***Shares***”) in [—*name of the Relevant Company*] (a “***Relevant Company***”) in favour of the Security Trustee for the benefit of the Secured Parties (as such term is defined in the Notes Facility Agreement).] [The Acceding Party is willing to guarantee the Secured Obligations (as such term is defined in and) under the Notes Facility Agreement.]

NOW, THEREFORE, the parties hereto agree as follows:

(1) Unless otherwise defined in this Accession Agreement, capitalized terms shall have the meanings set forth in the Notes Facility Agreement, unless the context otherwise requires.

(2) The Acceding Party agrees with each other person who is or who becomes a party to the Finance Documents that, with effect on and from the date hereof, it will be bound by the Finance Documents [as a Guarantor] [and as Pledgor] and that it shall perform all of the undertakings and agreements set out in the Finance Documents and given by [a Guarantor] [and Pledgor].

(3) [The Acceding Party hereby pledges, assigns, hypothecates, transfers, delivers, sets over and grants to the Security Trustee for the benefit of the Secured Parties, all of its right, title and interest in and to (i) the shares of [—] (a “***Relevant Company***”), which shares are described in Annex A hereof (including shares held by the nominees of the Acceding Party which are pledged hereunder in the Acceding Party’s capacity as Beneficial Owner thereof and as trustor and attorney-in-fact of such nominees), and (ii) the Additional Pledged Shares (as such term is defined in the Notes Facility Agreement), whether now owned or existing or hereafter acquired which shall at all times be a continuing security interest of the first priority securing the Secured Obligations.]

(4) [The Acceding Party acknowledges and agrees that (i) a Pledge has been granted, created, established and constituted on shares more fully described in Annex A hereof in favor of the Security Trustee, (ii) such Pledge is subject to the same provisions, terms and conditions of the Notes Facility Agreement as are applicable to the Pledge on the Pledged Shares thereunder, and (iii) from and after the date hereof, the said shares shall form part of the Pledged Shares under the Notes Facility Agreement.]

(5) [The parties hereto confirm that the Shares shall serve as security for the faithful performance of the Secured Obligations.]

(6) [The Acceding Party agrees with each other person who is or who becomes a party to the Finance Documents that, with effect on and from the date hereof, it will be bound by the Finance Documents as [a Pledgor][a Guarantor] and that it shall perform all of the undertakings and agreements set out in the Finance Documents and given by a [a Pledgor][a Guarantor].

(7) This Accession Agreement will be governed by and construed in accordance with the laws of the Republic of the Philippines

IN WITNESS WHEREOF, this Accession Agreement has been executed on behalf of the parties by their duly authorized representatives as of the date first written above.

[NAME OF ACCEDING PARTY]
New Pledgor

By:

_____

[Name]
[Position]

PHILIPPINE NATIONAL BANK
TRUST AND INVESTMENTS GROUP
Security Trustee

By:

_____

[Name]
[Position]

Signed in the presence of:

_____ _____

[—] [—]

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

BEFORE ME, a Notary Public for and in the City named above, this [—] day of [—], personally appeared the following:

Name	**Passport Number**	**Date and Place of Issue**

Identified by me, through competent evidence of identity, to be the same person who executed the foregoing instrument and who acknowledged to me that same is his free and voluntary acts and deed as well as that of the company which he represents.

This Accession Agreement consists of _____pages including this page where the Acknowledgment is written has been signed by him and every page of which is sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and place hereinabove mentioned.

Doc. No._____;
Page No. _____;
Book No. _____;

Series of 201_____.

Exhibit H FORM OF WRITTEN TRANSFER INSTRUCTIONS

[Date]

[—]

ATTENTION: [—]
RE: [—] Billion Note Facility [—]

Gentlemen:

Please be advised that we have transferred the Notes held by us in the amount of [PHP _____] to [Name of Transferee]_____(the "Transferee"), in accordance with the terms and conditions of the Agreement.

In view of the foregoing, we hereby instruct you to register the said transfer upon your evaluation of the following documents, which are enclosed herewith:

1. Proof of the qualified status of the Transferee
2. Written consent of the Transferee to be bound by the terms and conditions of the Notes.
3. Original Note for cancellation
4. Documents from the transferee:
   (c) articles of incorporation
   (d) by-laws
   (e) Securities and Exchange Commission certificate of registration duly authenticated by its corporate secretary
   (f) secretary's certificate authorizing the transfer and acceptance of the Note and appointing the officers authorized to transact with the Facility Agent with specimen signatures
   (g) two valid identification documents of each of such authorized officers;
5. Proof of payment of Taxes, if any is due
6. Settlement account details of the Transferee

We confirm that our transfer of the Note complies with all requirements under SRC Rule 9.2 (2) (B) of the amended implementing Rules of the Securities Regulation Code.

[NOTEHOLDER]

By:

_____
[Name]
[Position]

Exhibit I FORM OF WRITTEN CONSENT OF A TRANSFEREE NOTEHOLDER

[Date]

[—]

ATTENTION: [—]
RE: [—]

Gentlemen:

[Noteholder] has transferred to [me/us] the Notes held by [him/it] in the amount of [PHP _____], in accordance with the terms and conditions of the Agreement.

In this connection, [I/we] certify that [I/we] have read and understood the terms and conditions of the Agreement, and [I/we] hereby consent to be bound by such terms and conditions of the Agreement as fully and to all intents and purposes as if we were an original party to the said agreement.

[TRANSFEREE]

By:

_____

[Name]
[Position]

Exhibit J SETTLEMENT ACCOUNT DETAILS NOTICE

[Date]

[—]

SUBJECT : [—]

Gentlemen:

Please remit to the settlement account details of [Noteholder] for all receipts of cleared funds representing interest, coupon payments, dividends, other income received by [—] in relation to its function as Facility Agent, net of any fees and remittance charges:

Beneficiary Bank	:	_____
SWIFT Code	:	_____
Beneficiary Name	:	_____
Beneficiary Address	:	_____
Account Number	:	_____

Thank you.

Yours Faithfully,

_____	_____
Signature over Printed Name Authorized Signatory	Signature over Printed Name Authorized Signatory

EXHIBIT K OPTIONAL REDEMPTION NOTICE

[Date]

[Facility Agent]
[Address]

Attention: [Name/Title]

Gentlemen:

We refer to the Notes Facility and Security Agreement dated [—] among [—] and the other parties named therein (the "***Agreement***"). Capitalized terms used herein shall have the same meanings as ascribed to them under the Agreement.

In accordance with Section 2.5(a) of the Agreement, the Issuer hereby gives notice of its intent to redeem, on the Optional Redemption Date or if not a Banking Day, on the next succeeding Banking Day, all of the Notes.

This notice, once received by the Facility Agent, shall be irrevocable and binding on the Issuer.

Very truly yours,

[—]

By:

_____

[Name]
[Position]

EXHIBIT L FORM OF PLEDGE SUPPLEMENT

SUPPLEMENTAL PLEDGE NO. [—]

This Pledge Supplement No. [—] (this "***Supplement***") dated as of [—], is entered into by and between [—], a universal banking corporation organized under the laws of the Philippines, authorized to perform trust and other fiduciary duties (the " ***Security Trustee*****"**) and [—], a corporation duly organized and existing under the laws of [—] (the "***Pledgor*****"**).

RECITALS

(A) The Pledgor, the Security Trustee and [—]. (the "***Issuer***") executed an Notes Facility and Security Agreement dated as of [—] (the "***Agreement***") to provide for, among others, security for the obligations of the Issuer referred to in the Agreement.

(B) The Agreement provides that the Pledgor shall execute Pledge Supplements for the purposes stated therein.

(C) In fulfillment of the continuing obligation of the Pledgor under the Agreement, the Pledgor desires to execute this Supplement with the Security Trustee.

NOW, THEREFORE, the parties hereto agree as follows:

1. Unless otherwise defined in this Supplement, capitalized terms shall have the meanings set forth in the Agreement, unless the context otherwise requires.

2. The Pledgor hereby confirms and acknowledges that [new shares/additional shares of the Issuer have been issued to the Pledgor (collectively the "***Additional Pledged Shares***"), and (ii) the Additional Pledged Shares and the stock certificates covering them are now identified and more fully described in Annex A to this Supplemental Pledge Agreement.

3. The Pledgor hereby acknowledges and agrees that (i) a Pledge has been granted, created, established and constituted, and hereby affirms that it is granting, creating, establishing and constituting a Pledge, on the Additional Pledged Shares in favor of the Security Trustee, (ii) such Pledge is subject to the same provisions, terms and conditions of the Agreement as are applicable to the Pledge on the Pledged Shares thereunder and (iii) from and after the date hereof, the Additional Pledged Shares shall form part of the Pledged Shares under the Agreement.

4. The parties hereto confirm that the Additional Pledged Shares shall serve as security for timely payment, discharge, observance and performance of the Secured Obligations under the Agreement.

IN WITNESS WHEREOF, this Pledge Supplement has been executed on behalf of the parties by their duly authorized representatives as of the date first written above.

[Pledgor]
By:

_____
[Name]
[Position]

[Security Trustee]

By:

_____

[Name]
[Position]

_____

[Name]
[Position]

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }
_____ CITY }ss.

BEFORE ME, a Notary Public in and for [—], on this [—] personally appeared:

Name	**Passport No./CTC No.**	**Date/Place Issued**

who were identified by me through competent evidence of identity to be the same persons described in the foregoing Pledge Supplement, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that of the entities which they respectively represent.

This Pledge Supplement, consists of [•] pages, including the Annexes thereto, and the page where this acknowledgment is written, are signed by the parties and their instrumental witnesses on the left margin of the other pages hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this _____ at _____.

Doc. No._____;
Page No._____;
Book No._____;
Series of 20__.

Exhibit 2.20

EXECUTION VERSION

GUARANTY

DATED AS OF JANUARY 21, 2014

By

Melco Crown Entertainment Limited

in favor of

Philippine National Bank – Trust Banking Group as Facility Agent

on behalf of

itself and the Noteholders under the Notes Facility

MILBANK, TWEED, HADLEY & McCLOY

HONG KONG

CONTENTS

THIS GUARANTY is dated as of January 21, 2014

AND MADE BY:

Melco Crown Entertainment Limited, an exempted company with limited liability (the **Parent Guarantor**)

IN FAVOR OF:

Philippine National Bank – Trust Banking Group, as facility agent (in such capacity, the **Facility Agent**) under the Notes Facility referred to in Recital (A), on behalf of itself and the Noteholders under the Notes Facility.

BACKGROUND:

(A) MCE Leisure (Philippines) Corporation, a company incorporated with limited liability (the **Issuer**), the Facility Agent and the other Secured Parties named therein are concurrently entering into the PhP15 Billion Notes Facility and Security Agreement dated on or about December 19, 2013 (the **Notes Facility**).

(B) It is a condition precedent to the obligations of the Noteholders under the Notes Facility that the Parent Guarantor give this Guaranty.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Capitalized terms defined in the Notes Facility have, unless otherwise defined in this Guaranty, the same meaning in this Guaranty.

1.2 Construction

(a) **Includes** and **including** are not limiting.

(b) **Or** is not exclusive.

(c) **All** includes **any** and **any** includes **all**.

(d) The term **law** includes any law, statute, regulation, regulatory requirement, rule, ordinance, ruling, decision, treaty, directive, order, guideline, regulation, policy, writ, judgment, injunction or request of any court or other governmental, inter-governmental or supranational body, officer or official, fiscal or monetary authority, or other ministry or public entity (and their interpretation, administration and application), whether or not having the force of law.

(e) A reference to a law is a reference to that law as amended or re-enacted and to any successor law.

(f) A reference to an agreement is a reference to that agreement as amended, supplemented, restated or novated.

(g) Clause headings used in this Agreement are for convenience only. They are not a part of this Agreement and shall not be used in construing it.

2. GUARANTY

2.1 Guaranty

The Parent Guarantor irrevocably and unconditionally:

(a) guarantees to each Secured Party the prompt payment by the Issuer of its obligations under the Finance Documents, including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code of 1978 (**Guaranteed Obligations**); and

(b) undertakes with each Secured Party that whenever the Issuer does not pay any amount of Guaranteed Obligations when due, the Parent Guarantor shall forthwith on demand by the Facility Agent pay that amount as if the Parent Guarantor instead of the Issuer were expressed to be the principal obligor.

Without limiting the generality of the foregoing, the Parent Guarantor's liability shall extend to all Guaranteed Obligations that would be owed by any other obligor on the Guaranteed Obligations but for the fact that they are unenforceable because it is the intention of the Parent Guarantor and the Secured Parties that the Guaranteed Obligations guaranteed by the Parent Guarantor pursuant hereto should be determined without regard to any rule of law or order which may relieve the Issuer or any other obligor of any portion of the Guaranteed Obligations.

2.2 Continuing Guaranty

(a) This Guaranty creates a continuing guaranty and will remain in full force and effect until the irrevocable and indefeasible payment in full of the ultimate balance of the Guaranteed Obligations, regardless of any intermediate payment or discharge in whole or in part.

(b) If, at any time for any reason (including the bankruptcy, insolvency, receivership, reorganization, dissolution or liquidation of the Parent Guarantor or the Issuer or the appointment of any receiver, intervenor or conservator of, or agent or similar official for, the Parent Guarantor or the Issuer or any of their respective properties), any payment received by any Secured Party in respect of the Guaranteed Obligations is rescinded or avoided or must otherwise be restored or returned by any Secured Party, this Guaranty will continue to be effective or will be reinstated, if necessary, as if that payment had not been made.

(c) Each Secured Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

2.3 Consideration and enforceability

(a) The Parent Guarantor represents, warrants and agrees that:

(i) it will receive valuable direct and indirect benefits as a result of the transactions financed by the Facility under the Notes Facility; and

(ii) these benefits will constitute "reasonably equivalent value" and "fair consideration" as those terms are used in the fraudulent transfer laws.

(b) The Parent Guarantor acknowledges and agrees that each of the Secured Parties has acted in good faith in connection with this Guaranty and the transactions contemplated by the Notes Facility.

(c) This Guaranty shall be enforceable against the Parent Guarantor to the maximum extent permitted by the fraudulent transfer laws.

(d) For purposes of this Clause, "**fraudulent transfer laws**" mean applicable United States bankruptcy and State fraudulent transfer and conveyance statutes and the related case law.

2.4 Solvency

The Parent Guarantor makes the following representations and warranties to each Secured Party as of the date of this Guaranty:

(a) The Parent Guarantor is able to pay its debts as they fall due under all applicable laws, it has not suspended or threatened to suspend making payments on any of its debts by reason of actual or anticipated financial difficulties and has not commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) No corporate action, legal proceeding or other procedure or step has been taken in relation to the following **:**

(i) any voluntary proceedings to be adjudicated bankrupt or insolvent or the filing of a bankruptcy or insolvency proceeding against the Parent Guarantor with its consent;

(ii) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Parent Guarantor;

(iii) a composition, compromise, assignment or arrangement with any creditor of the Parent Guarantor;

(iv) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Parent Guarantor or any of its assets;

(v) enforcement of any Security over any assets of the Parent Guarantor; or

(vi) any analogous procedure or step is taken against the Parent Guarantor in any jurisdiction.

3. SURETYSHIP PROVISIONS

3.1 Nature of Guarantor's obligations

The Parent Guarantor's obligations under this Guaranty are independent of any obligation of the Issuer or any other person, and a separate action or actions may be brought and prosecuted against the Parent

Guarantor under this Guaranty whether or not any action is brought or prosecuted against the Issuer or any other person and whether or not the Issuer or any other person is joined in any action under this Guaranty. This is a guaranty of payment and not merely of collection.

3.2 Waiver of defenses

(a) The obligations of the Parent Guarantor under this Guaranty will not be affected by, and the Parent Guarantor irrevocably waives any defense it might have by virtue of, any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Guaranty, including (whether or not known to it or any Secured Party):

(i) any time, forbearance, extension or waiver granted to, or composition or compromise with, the Issuer or any other person;

(ii) 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, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realize the full value of any security;

(iii) any disability, incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;

(iv) any amendment or variation (however fundamental) or restatement, replacement or novation of a Finance Document or any other document, guaranty or security so that references to that Finance Document in this Guaranty shall include each amendment, variation, restatement, replacement and novation;

(v) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document, guaranty or security, to the intent that the Parent Guarantor's obligations under this Guaranty shall remain in full force and be construed accordingly, as if there were no unenforceability, illegality or invalidity;

(vi) any avoidance, postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer under a Finance Document resulting from any bankruptcy, insolvency, receivership, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Parent Guarantor's obligations under this Guaranty be construed as if there were no such circumstance; or

(vii) the acceptance or taking of other guaranties or security for the Guaranteed Obligations, or the settlement, release or substitution of any guaranty or security or of any endorser, guarantor or other obligor in respect of the Guaranteed Obligations.

(b) The Parent Guarantor unconditionally and irrevocably waives:

(i) diligence, presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, notice of the creation or incurring of new or additional indebtedness of the Issuer to the Secured Parties, notice of acceptance of this Guaranty, and notices of any other kind whatsoever;

(ii) the filing of any claim with any court in the event of a receivership, insolvency or bankruptcy;

(iii) the benefit of any statute of limitations affecting the Issuer's obligations under the Finance Documents or the Parent Guarantor's obligations under this Guaranty or the enforcement of this Guaranty; and

(iv) any offset or counterclaim or other right, defense, or claim based on, or in the nature of, any obligation now or later owed to the Parent Guarantor by the Issuer or any Secured Party.

(c) The Parent Guarantor irrevocably and unconditionally authorizes the Secured Parties to take any action in respect of the Guaranteed Obligations or any collateral or guaranties securing them or any other action that might otherwise be deemed a legal or equitable discharge of a surety, without notice to or the consent of the Parent Guarantor and irrespective of any change in the financial condition of the Issuer.

3.3 Immediate recourse

The Parent Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on their behalf) to proceed against or enforce any other rights, security or other guaranty or claim payment from the Issuer or any other person before claiming from the Parent Guarantor under this Guaranty.

3.4 Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Finance Documents have been irrevocably and indefeasibly paid in full, each Secured Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security, guaranties or rights held or received by that Secured 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 the Parent Guarantor shall not be entitled to the benefit of the same; and

(b) hold in a suspense account any moneys received from the Parent Guarantor or on account of the Parent Guarantor's liability under this Guaranty, without liability to pay interest on those moneys.

3.5 Non-competition

Until all amounts which may be or become payable by the Issuer under or in connection with the Finance Documents have been irrevocably and indefeasibly paid in full, the Parent Guarantor shall not, after a claim has been made or by virtue of any payment or performance by it under this Guaranty:

(a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Parent Guarantor's liability under this Guaranty; or

(b) claim, rank, prove or vote as a creditor of the Issuer or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or

(c) receive, claim or have the benefit of any payment, distribution or security from or on account of the Issuer, or exercise any right of set-off as against the Issuer,

unless the Facility Agent otherwise consents or directs in writing. The Parent Guarantor shall hold in trust for and forthwith pay or transfer to the Facility Agent (or as directed by the Facility Agent) for the Secured Parties any payment or distribution or benefit of security received by it contrary to this Clause.

3.6 Additional security

This Guaranty is in addition to and are not in any way prejudiced by any other guaranty or security now or subsequently held by any Secured Party.

3.7 Election of remedies

The Parent Guarantor understands that the exercise by the Facility Agent and the other Secured Parties of certain rights and remedies contained in the Finance Documents may affect or eliminate the Parent Guarantor's right of subrogation and reimbursement against the Issuer and that the Parent Guarantor may therefore incur a partially or totally nonreimbursable liability under this Guaranty. The Parent Guarantor expressly authorizes the Facility Agent and the other Secured Parties to pursue their rights and remedies with respect to the Guaranteed Obligations in any order or fashion they deem appropriate, in their sole and absolute discretion, and waives any defense arising out of the absence, impairment, or loss of any or all rights of recourse, reimbursement, contribution, exoneration or subrogation or any other rights or remedies of the Parent Guarantor against the Issuer, any other person or any security, whether resulting from any election of rights or remedies by the Facility Agent or the other Secured Parties, or otherwise.

3.8 Information concerning the Issuer

The Parent Guarantor represents and warrants to each Secured Party that the Parent Guarantor is affiliated with the Issuer and is otherwise in a position to have access to all relevant information bearing on the present and continuing creditworthiness of the Issuer and the risk that the Issuer will be unable to pay the Guaranteed Obligations when due. The Parent Guarantor waives any requirement that any Secured Party advise the Parent Guarantor of information known to that Secured Party regarding the financial condition or business of the Issuer, or any other circumstance bearing on the risk of non-performance of the Guaranteed Obligations, and the Parent Guarantor assumes sole responsibility for keeping informed of the financial condition and business of the Issuer.

4. RIGHTS AND REMEDIES

4.1 Enforcement by Agent

The Parent Guarantor agrees that the Facility Agent may enforce this Guaranty for and on behalf of the Secured Parties.

4.2 No marshaling

Except to the extent required by applicable law, neither the Facility Agent nor any other Secured Party will be required to marshal any collateral securing, or any guaranties of, the Guaranteed Obligations, or to resort to any item of collateral or any guaranty in any particular order, and the Secured Parties' rights with respect to any collateral and guaranties will be cumulative and in addition to all other rights, however existing or arising. To the extent permitted by applicable law, the Parent Guarantor irrevocably waives, and agrees that it will not invoke or assert, any law requiring or relating to the marshaling of collateral or guaranties or any other law which might cause a delay in or impede the enforcement of the Secured Parties' rights under this Guaranty or any other agreement.

4.3 Agent's duties

The grant to the Facility Agent under this Guaranty of any right or power does not impose upon the Facility Agent any duty to exercise that right or power.

4.4 Set-off

A Secured Party may set off any matured obligation owed by the Parent Guarantor under this Guaranty (to the extent beneficially owned by that Secured Party) against any obligation (whether or not matured) owed by that Secured Party to the Parent Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

5. NOTICES

5.1 Giving of notices

All notices or other communications under or in connection with this Guaranty shall be given in writing. Any notice will be deemed to be given:

(a) if by mail or courier, when delivered; and

(b) if by facsimile, when sent with confirmation of transmission,

except that a notice given on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

5.2 Addresses for notices

(a) The address and facsimile number of the Parent Guarantor are:

Melco Crown Entertainment Limited
36/F, The Centrium
60 Wyndham Street
Central
Hong Kong
Attention: Company Secretary
Facsimile: +852 2537 3618

(b) The address and facsimile number of the Facility Agent are:

Philippine National Bank – Trust Banking Group
3rd Floor, PNB Trust Banking Group, PNB Financial Center
President Diosdado Macapagal Blvd.
1300 Pasay City
Metro Manila
Philippines
Attention: Atty. Josephine E. Jolejole, FVP / Francis T. Songco, SM
Facsimile: +63 (2) 526 3379

(c) Either party may change its address or facsimile number for notices by a notice to the other party given in accordance with this Clause 5.

6. JURISDICTION

6.1 Submission

For the benefit of the Facility Agent and the other Secured Parties, the Parent Guarantor agrees that any New York State court or Federal court sitting in the City and County of New York has jurisdiction to settle any disputes in connection with this Guaranty and accordingly submits to the jurisdiction of those courts.

6.2 Service of process

Without prejudice to any other mode of service, the Parent Guarantor:

(a) irrevocably appoints Law Debenture Corporate Services Inc. as its agent for service of process in relation to any proceedings before any New York State court or Federal court located in the City and County of New York in connection with this Guaranty;

(b) agrees to maintain an agent for service of process in the State of New York until this Guaranty is terminated in accordance with the provisions of Clause 2.2(a) (Continuing guaranty) above;

(c) agrees that failure by a process agent to notify the Parent Guarantor of the process will not invalidate the proceedings concerned;

(d) consents to the service of process relating to any proceedings by a notice given in accordance with Clause 5 (Notices) above; and

(e) agrees that if the appointment of any person mentioned in paragraph (a) above ceases to be effective, the Parent Guarantor shall immediately appoint a further person in the State of New York to accept service of process on its behalf in the State of New York and, if the Parent Guarantor does not appoint a process agent within 15 days, the Facility Agent is entitled and authorized to appoint a process agent for the Parent Guarantor by notice to the Parent Guarantor.

6.3 Forum convenience and enforcement abroad

The Parent Guarantor:

(a) to the fullest extent permitted by law, waives objection to the New York State and Federal courts on grounds of personal jurisdiction, inconvenient forum or otherwise as regards proceedings in connection with this Guaranty; and

(b) agrees that a judgment or order of a New York State or Federal court in connection with this Guaranty is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

6.4 Non-exclusivity

Nothing in this Clause 6 limits the right of the Facility Agent or any other Secured Party to bring proceedings against the Parent Guarantor in connection with this Guaranty:

(a) in any other court of competent jurisdiction; or

(b) concurrently in more than one jurisdiction.

7. GENERAL PROVISIONS

7.1 Amendments and waivers

(a) No amendment or waiver of any provision of this Guaranty will be effective unless it is in writing and signed by the Parent Guarantor and the Facility Agent.

(b) A waiver will be effective only in the specific instance and for the specific purpose for which it is given.

7.2 Waivers and remedies cumulative

(a) The rights of the Facility Agent and the other Secured Parties under this Guaranty:

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of their rights under other guaranties or agreements or law; and

(iii) may be waived only in writing and specifically.

(b) Delay in the exercise or non-exercise of any right is not a waiver of that right.

(c) No notice to or demand upon the Parent Guarantor will entitle the Parent Guarantor to any further, subsequent or other notice or demand in similar or any other circumstances.

7.3 Successors and assigns

This Guaranty will be binding upon and inure to the benefit of the Parent Guarantor, the Facility Agent and the other Secured Parties and their respective successors and assigns, except that the Parent Guarantor may not assign its obligations under this Guaranty, and any purported assignment by the Parent Guarantor shall be void and of no effect.

7.4 Costs, expenses and taxes

The Parent Guarantor agrees to pay to the Facility Agent on demand all costs, expenses (including legal fees and expenses) and taxes incurred or arising in connection with the execution, delivery, administration or enforcement of this Guaranty or any amendment of or waiver or consent under this Guaranty.

7.5 Waiver of immunity

To the extent that the Parent Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its properties, the Parent Guarantor irrevocably waives that immunity in respect of its obligations under this Guaranty.

7.6 Governing law

This Guaranty is governed by the laws of the State of New York.

7.7 Severability

If a provision of this Guaranty is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

(a) the validity or enforceability in that jurisdiction of any other provision of this Guaranty; or

(b) the validity or enforceability in other jurisdictions of that or any other provision of this Guaranty.

7.8 Counterparts

This Guaranty 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 Guaranty.

7.9 Integration

This Guaranty contains the complete agreement between the Secured Parties and the Parent Guarantor with respect to the matters to which it relates and supersedes all prior commitments, agreements and understandings, whether written or oral, with respect to those matters.

7.10 Waiver of Jury Trial

THE PARENT GUARANTOR AND THE FACILITY AGENT BY SIGNING BELOW (ON BEHALF OF ITSELF AND THE OTHER SECURED PARTIES) WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED ON OR ARISING FROM THIS GUARANTY. In the event of litigation, this Guaranty may be filed as a written consent to a trial by the court.

THIS GUARANTY has been entered into on the date stated at the beginning of this Guaranty.

SIGNATORIES

Guarantor

Melco Crown Entertainment Limited

By: /s/ Geoffrey Stuart Davis

ACCEPTED AND AGREED:

Facility Agent

Philippine National Bank – Trust Banking Group
as Facility Agent, for and on behalf of the Noteholders under the Notes Facility

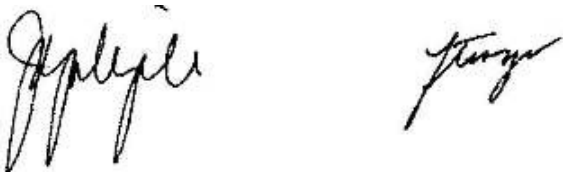
By: 

Exhibit 2.21

Execution version

USD 340,000,000

LOAN AGREEMENT

dated 23 December 2013

for

MCE LEISURE (PHILIPPINES) CORPORATION
as Borrower

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
MCE HOLDINGS (PHILIPPINES) CORPORATION
MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION
as Guarantors

and

MCE (PHILIPPINES) INVESTMENTS LIMITED
as Lender

Execution version

CONTENTS

This Agreement is dated 23 December 2013 and made between:

(1) **MELCO CROWN (PHILIPPINES) RESORTS CORPORATION**, a corporation organized under the laws of the Philippines, with its principal office located at Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, Philippines (the "**Parent**");

MCE LEISURE (PHILIPPINES) CORPORATION, a corporation organized under the laws of the Philippines, with its principal office located at Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, Philippines (the "**Original Borrower**");

(2) **THE SUBSIDIARIES** of the Parent listed in Schedule 1 (*The Original Guarantors*) as original guarantors (together with the Parent, the "**Original Guarantors**"); and

(3) **MCE (PHILIPPINES) INVESTMENTS LIMITED**, a corporation organized under the laws of the British Virgin Islands, with its registered office located at Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands as lender (the "**Lender**").

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceptable Bank**" means a bank or financial institution approved by the Lender.

"**Accession Deed**" means a document substantially in the form set out in Schedule 5 (*Form of Accession Deed*).

"**Accounting Principles**" means generally accepted accounting principles in the Philippines, including PFRS.

"**Accounting Reference Date**" means 31 December or such other date as may be specified or agreed by the Lender.

"**Additional Borrower**" means a company which becomes an Additional Borrower in accordance with Clause 24 (*Changes to the Obligors*).

"**Additional Guarantor**" means a company which becomes an Additional Guarantor in accordance with Clause 24 (*Changes to the Obligors*).

"**Additional Obligor**" means an Additional Borrower or an Additional Guarantor.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Auditors**" means one of PricewaterhouseCoopers, Ernst & Young, KPMG or Deloitte & Touche or any other firm specified or approved in advance by the Lender.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means, in relation to the Facility, the period notified as such by the Lender prior to the First Utilisation of the Facility

"**Available Commitment**" means, in relation to the Facility, the Lender's Commitment under the Facility minus:

(a) the amount of its participation in any outstanding Utilisations under the Facility; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Utilisations that are due to be made under the Facility on or before the proposed Utilisation Date.

"**Available Facility**" means, in relation to the Facility, the aggregate for the time being of the Lender's Available Commitment in respect of the Facility.

"**Borrower**" means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 24 (*Changes to the Obligors*).

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, Hong Kong and Manila.

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit 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 the United States of America or any other government approved or notified by the Lender or by an instrumentality or agency of any of them having an equivalent credit rating, 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 or such other jurisdiction approved or notified by the Lender;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service 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 in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above and (iii) can be turned into cash on not more than 30 days' notice; or

(e) any other debt security specified or approved by the Lender,

in each case, denominated in dollars or such other currency approved or notified by the Lender and to which any Obligor is alone (or together with other Obligors) 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 Security arising under the Transaction Security Documents).

"Casino License" means the Provisional License and upon its issuance, the Regular Casino Gaming License, as the same may be amended, supplemented, or modified from time to time in accordance with the terms thereof.

"**Change of Control**" means MCE or the Lender cease directly or indirectly to:

(a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of, more than 75% (or such other percentage as may be approved or notified by the Lender) of the maximum number of votes that might be cast at a general meeting of the Parent;

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Parent; or

(iii) give directions with respect to the operating and financial policies of the Parent with which the directors or other equivalent officers of the Parent are obliged to comply; or

(b) hold beneficially more than 75% (or such other percentage as may be approved or notified by the Lender) of the issued share capital of the Parent (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

"**Charged Property**" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Commitment**" means, in relation to the Lender, the amount of US$340,000,000 or such other amount as may be approved or notified by the Lender, to the extent not cancelled, reduced or transferred by it.

"**Completion Date**" means the date which the Lender is satisfied was the date on which the Project was fully complete and fully open to patrons for business or on which such other requirements as may be approved or notified by the Lender were met.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*), or in such other form, and setting out such information as the Lender may agree or specify.

"**Constitutional Documents**" means the articles of incorporation, by-laws, and any amendments thereof, of the Parent.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 22 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Delegate**" means any delegate, agent, attorney or trustee appointed by the Lender.

"**Disposal**" has the meaning given to that term in Clause 8.2 (*Disposal and Insurance Proceeds*).

"**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.

"**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

(a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);

(b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(c) land (including, without limitation, land under water).

"**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) the conditions of the workplace; or

(c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

"**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.

"**Event of Default**" means any event or circumstance specified as such in Clause 22 (*Events of Default*).

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2.1 (*The Facility*).

"**Fee Letter**" means any letter or letters from the Lender to the Parent setting out any of the fees referred to in Clause 12 (*Fees*).

"**Finance Document**" means this Agreement, any agreement, approval, consent, notice or specification given by the Lender under this Agreement, any Promissory Note, any MCE Confirmation, any Accession Deed, any Compliance Certificate, any Fee Letter, any Resignation Letter, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Lender and the Parent.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of Finance Leases;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that 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 in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles);

(i) 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 to finance the acquisition or construction of the asset or service in question 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;

(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 or otherwise classified as borrowings under the Accounting Principles or specified as such by the Lender; 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 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 each year or such other date as may be agreed or specified by the Lender.

"**Group**" means the Parent and each of its Subsidiaries for the time being.

"**Group Structure Chart**" means the group structure chart set out in Schedule 8.

"**Guarantor**" means an Original Guarantor or an Additional Guarantor, unless it has

"**Holding Account**" means an account:

(a) held by a member of the Group with an Acceptable Bank;

(b) identified in a letter between the Parent and the Lender as a Holding Account; and

(c) subject to Security in favour of the Lender which Security is in form and substance satisfactory to the Lender,

(as the same may be redesignated, substituted or replaced from time to time).

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**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 an entity means that the entity:

(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:

(iii) 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

(iv) 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 (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(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.

"**Intellectual Property**" means:

(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each Obligor (which may now or in the future subsist).

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Legal Opinion**" means any legal opinion delivered to the Lender under Clause 4.1 (*Initial conditions precedent*) or Clause 24 (*Changes to the Obligors*).

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and

(c) similar principles, rights and defences under the laws of any Relevant Jurisdiction.

"**Limitation Acts**" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

Loan" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**Mandatory Prepayment Account**" means an interest-bearing account:

(a) held by a Borrower with an Acceptable Bank;

(b) identified in a letter between the Parent and the Lender as a Mandatory Prepayment Account;

(c) subject to Security in favour of the Lender which Security is in form and substance satisfactory to the Lender; and

(d) from which no withdrawals may be made by any members of the Group except as contemplated by this Agreement,

(as the same may be redesignated, substituted or replaced from time to time).

"**Material Adverse Effect**" means in the reasonable opinion of the Lender a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole or the Project; or

(b) the ability of an Obligor to perform its obligations under the Finance Documents; or

(c) 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 the Lender under any of the Finance Documents.

"**MCE**" 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.

"**MCE Confirmation**" means a notice identified as such given by MCE or the Lender to the Parent confirming or, as the case may be, specifying, modifying or varying the terms of this Agreement.

"**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) (subject to paragraph (c) below) 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, 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.

"**Note Agent**" means Philippine National Bank Trust – Banking Group (or its permitted successor or assign) as facility agent for the Noteholders on the terms set out in the Notes Facility and Security Agreement.

"**Note Documents**" means the Note Facility and Security Agreement, the Note Guarantees and any other document or instrument which relates to the Notes and is identified as such by the Lender and notified to the Parent.

"**Note Guarantees**" means the guarantees provided by any Obligor to the Note Agent in respect of the Notes.

"**Note Trustee**" means Philippine National Bank Trust – Banking Group (or its permitted successor or assign) as trustee for the Noteholders on the terms set out in the Notes Facility and Security Agreement.

"**Noteholders**" means the holders of the Notes from time to time.

"**Notes**" means the PHP denominated senior notes due 2019 issued or to be issued by the Borrower and subject to the terms of the Notes Facility and Security Agreement.

"**Notes Facility and Security Agreement**" means the notes facility and security agreement entered into or to be entered into on or about the date hereof between (among others) the Borrower and the Note Trustee.

"**Obligor**" means a Borrower or a Guarantor.

"**Obligors' Agent**" means the Parent, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.2 (*Obligors' Agent*).

"**Opening Date**" means the date which the Lender is satisfied was the date on which the Project was first open to patrons or on which such other requirements as may be approved or notified by the Lender were met.

"**Original Jurisdiction**" means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement or, in the case of an Additional Obligor, as at the date on which that Additional Obligor becomes Party as a Borrower or a Guarantor (as the case may be).

"**Original Obligor**" means an Original Borrower or an Original Guarantor.

"**Party**" means a party to this Agreement.

"**Permitted Acquisition**" means, to the extent not notified or specified otherwise by the Lender:

(a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;

(b) an acquisition of shares or securities pursuant to a Permitted Share Issue;

(c) 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;

(d) the incorporation of a company which on incorporation becomes a member of the Group, but only if:

(i) that company is incorporated in the Philippines or such other jurisdiction as the Lender may specify or approve, with limited liability; and

(ii) if the shares in the company are owned by an Obligor, Security over the shares of that company, in form and substance satisfactory to the Lender, is created in favour of the Lender within 30 days of the date of its incorporation;

(e) 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 Philippines or such other jurisdiction as the Lender may specify or approve, 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 (the "**Total Purchase Price**") together with the amount of any investment in any Permitted Joint Venture) does not in any Financial Year of the Parent exceed in aggregate such amount as may be approved or notified by the Lender.

"**Permitted Business**" means, to the extent not notified or specified otherwise by the Lender, the Project and any other incidental or ancillary business necessary therefor and, in each case, carried on in the Philippines or such other jurisdiction as the Lender may specify or approve.

"**Permitted Disposal**" means, to the extent not notified or specified otherwise by the Lender, any sale, lease, licence, transfer or other disposal which, except in the case of paragraph (b), is on arm's length terms:

(a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;

(b) of any 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;

(c) of assets (other than shares, businesses, Real Property or Intellectual Property) in exchange for other assets comparable or superior as to type, value and quality;

(d) of obsolete or redundant vehicles, plant and equipment for cash;

(e) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;

(f) constituted by a licence of intellectual property rights permitted by Clause 19.24 (*Intellectual Property*);

(g) to a Joint Venture, to the extent permitted by Clause 21.10 (*Joint ventures*);

(h) arising as a result of any Permitted Security; and

(i) of assets (other than shares) for cash where the higher of the market value, book value and net consideration receivable (when aggregated with the higher of the market value, book value and net consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed such amount in total during the term of this Agreement nor such amount in any Financial Year of the Parent as, in each case, may be approved or notified by the Lender.

"**Permitted Distribution**" means:

(a) the payment of a dividend to the Parent or any of its wholly-owned Subsidiaries; and

(b) the payment of a dividend by the Parent provided such payment has been approved by the Lender or otherwise satisfies any conditions therefor as may be approved or notified by the Lender.

"**Permitted Financial Indebtedness**" means, to the extent not notified or specified otherwise by the Lender, Financial Indebtedness:

(a) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment or speculative purposes;

(b) arising under a Permitted Loan or a Permitted Guarantee or as permitted by Clause 21.26 (*Treasury Transactions*);

(c) arising under or pursuant to the Note Documents;

(d) of any person acquired by a member of the Group which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of three months following the date of acquisition;

(e) 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 at any time such amount as may be approved or notified by the Lender; and

(f) not permitted by the preceding paragraphs or as a Permitted Transaction and the outstanding amount of which does not exceed in aggregate for the Group at any time such amount as may be approved or notified by the Lender.

"**Permitted Guarantee**" means, to the extent not notified or specified otherwise by the Lender:

(a) the endorsement of negotiable instruments in the ordinary course of trade;

(b) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade;

(c) any guarantee of a Joint Venture to the extent permitted by Clause 21.10 (*Joint ventures*);

(d) any guarantee permitted under Clause 21.21 (*Financial Indebtedness*);

(e) any guarantee arising under or pursuant to the Note Documents;

(f) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of "Permitted Security"; or

(g) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which is a Permitted Acquisition or Permitted Disposal which indemnity is in a customary form and subject to customary limitations.

"**Permitted Joint Venture**" means, to the extent not notified or specified otherwise by the Lender, any investment in any Joint Venture where:

(a) the Joint Venture is incorporated, or established, and carries on its principal business, in the Philippines or such other jurisdiction as the Lender may specify or approve;

(b) the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

(c) in any financial year of the Company, the aggregate (the "**Joint Venture Investment**") of:

(i) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;

(ii) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and

(iii) the higher of book value and market value of any assets transferred by any member of the Group to any such Joint Venture,

when aggregated with the Total Purchase Price in respect of Permitted Acquisitions in that Financial Year permitted pursuant to paragraph (e) of the definition of "Permitted Acquisition" does not exceed such amount as may be approved or notified by the Lender.

"**Permitted Loan**" means, to the extent not notified or specified otherwise by the Lender:

(a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities;

(b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness (except under paragraph (d) of that definition);

(c) a loan made to a Joint Venture to the extent permitted under Clause 21.10 (*Joint ventures*);

(d) a loan made by an Obligor to another Obligor (provided that the creditor of such Financial Indebtedness shall grant security over its rights in respect of such Financial Indebtedness in favour of the Lender on terms acceptable to the Lender);

(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 at any time such amount as may be approved or notified by the Lender; and

(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 at any time such amount as may be approved or notified by the Lender.

"**Permitted Security**" means, to the extent not notified or specified otherwise by the Lender:

(a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;

(b) 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 members of the Group 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 members of the Group which are not Obligors;

(c) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement;

(d) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group if:

(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and

(iii) the Security or Quasi-Security is removed or discharged within three months of the date of acquisition of such asset;

(e) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group if:

(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Security or Quasi-Security is removed or discharged within three months of that company becoming a member of the Group;

(f) any Security or Quasi-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;

(g) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;

(h) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to paragraph (e) of the definition of "Permitted Financial Indebtedness";

(i) any Security created in favour of the Note Trustee arising under or pursuant to the Note Documents;

(j) any Security or Quasi-Security as may be approved or notified by the Lender; or

(k) 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 paragraphs (a) to (h) above) does not exceed such amount as may be approved or notified by the Lender.

"**Permitted Share Issue**" means, to the extent not notified or specified otherwise by the Lender, an issue of:

(a) ordinary shares by the Parent, paid for in full in cash upon issue and which by their terms are not redeemable and where (i) such shares are of the same class and on the same terms as those initially issued by the Parent and (ii) such issue does not lead to a Change of Control of the Parent; or

(b) shares by a member of the Group which is a Subsidiary to its immediate Holding Company where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms.

"**Permitted Transaction**" means, to the extent not notified or specified otherwise by the Lender:

(a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents or the Note 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

(c) any transactions of any kind approved, notified or specified by the Lender.

"**Project**" means the integrated tourism resort located within Entertainment City, Metro Manila, the Philippines being developed by the Original Borrower and the SM Group and which, when completed will be solely operated and managed by the Original Borrower.

"**Project Documents**" means:

(a) Cooperation Agreement dated 25 October 2012 (as amended) between SM Investments Corporation (for itself and on behalf of the SM Group), Belle Corporation, and Premium Leisure and Amusement Inc. and the Original Borrower;

(b) Operating Agreement dated 13 March 2013 (as amended) between SM Investments Corporation, Belle Corporation, and PremiumLeisure and Amusement Inc., MCE Holdings (Philippines) Corporation, MCE Holdings No. 2 (Philippines) Corporation and the Original Borrower;

(c) Lease Agreement dated 25 October 2012 between Belle Corporation and the Original Borrower over the parcels of land located in Aseana Boulevard, Macapagal Avenue, Parañaque City, beneficially owned or leased by Belle; and

(d) such other documents as may be identified as such by the Lender.

"**Promissory Note**" means each note issued pursuant to this Agreement substantially in the form set out in Schedule 4.

"**Provisional License**" means the provisional license dated 12 December 2008 executed by Philippine Amusement and Gaming Corporation with SM Investments Corporation and the SM Group, including any amendments, supplements or restatements thereof.

"**Quarter Date**" means the last day of a Financial Quarter.

"**Quasi-Security**" has the meaning given to that term in Clause 21.15 (*Negative pledge*).

"**Real Property**" means:

(a) any freehold, leasehold or immovable property; 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 or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Regular Casino Gaming License**" means the regular casino gaming license to be issued to SM Investments Corporation, Belle Corporation, and Premium Leisure and Amusement Inc., MCE Holdings (Philippines) Corporation, MCE Holdings No. 2 (Philippines) Corporation and the Original Borrower in accordance with the provisions of the Provisional License.

"**Relevant Jurisdiction**" means, in relation to an Obligor:

(a) its Original Jurisdiction;

(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.

"**Repayment Date**" has the meaning given in Clause 6.1 (*Repayment of Loans*).

" **Repayment Instalment**" has the meaning given in Clause 6.1 (*Repayment of Loans*).

"**Repeating Representations**" means each of the representations set out in Clause 19.2 (*Status*) to Clause 19.7 (*Governing law and enforcement*).

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

"**Secured Parties**" means the Lender and any Receiver or Delegate.

"**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.

"SM Group" means SM Land, Inc., SM Hotels Corporation, SM Commercial Properties, Inc., SM Development Corporation.

"**Subsidiary**" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

"**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).

"**Termination Date**" means, in relation to the Facility, the final Repayment Date for the Facility.

"**Trade Instruments**" means any performance bonds, or advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

"**Transaction Documents**" means the Finance Documents and the Project Documents.

"**Transaction Security**" means the Security created or expressed to be created in favour of the Lender pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means this Agreement, any document required and notified as such by the Lender (whether in an MCE Confirmation or otherwise, at any time) and any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents, including any supplements, amendments, and/or restatements thereof.

"**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.

"**Utilisation**" means a Loan.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the relevant form set out in Schedule 3 (*Utilisation Request*).

1.2 **Construction**

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;

(ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Parent and the Lender or, if not so agreed, is in the form specified by the Lender;

(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 or restated;

(v) "**guarantee**" means (other than in Clause 18 (*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 individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(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 of any regulatory, self-regulatory or other authority or organisation;

(ix) a provision of law is a reference to that provision as amended or re-enacted; and

(x) a time of day is a reference to Hong Kong time.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.

1.3 **Currency symbols and definitions**

(a) "**$**", "**USD**" and "**dollars**" denote the lawful currency of the United States of America.

(b) "**PHP**" denotes the lawful currency of the Republic of Philippines.

1.4 **MCE Confirmation**

This Agreement and each of the Finance Documents is made subject to any MCE Confirmation and shall only apply accordingly.

1.5 **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 this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

SECTION 2
THE FACILITY

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lender makes available a US dollar term loan facility in an aggregate amount equal to the Commitment.

2.2 Obligors' Agent

(a) Each Obligor (other than the Parent) by its execution of this Agreement or an Accession Deed irrevocably appoints the Parent (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Lender and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Deed, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) the Lender to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,

and in each case the Obligor shall be bound as though the 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 Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that 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 Obligor, those of the Obligors' Agent shall prevail.

3. **PURPOSE**

3.1 **Purpose**

Each Borrower shall apply all amounts borrowed by it under the Facility towards:

(a) payment of certain costs and expenses incurred by members of the Group (or the financing or refinancing thereof) in connection with the development, construction, installation, commissioning, fit-out, pre-opening and opening of the Project; and

(b) the general corporate purposes of the Group provided that the same relates to or is in connection with the Project,

each as described in the MCE Confirmation or otherwise specified or approved by the Lender.

3.2 **Monitoring**

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

Save to the extent notified or specified otherwise by the Lender, the Lender will only be obliged to comply with Clause 5.4 (*Lender's participation*) in relation to any Utilisation under the Facility if, on or before the Utilisation Date for that Utilisation, the Lender has received all of the documents and other evidence listed in Part IA, Part IB and Part IC (as applicable) of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Lender. The Lender shall notify the Parent promptly upon being so satisfied.

4.2 **Further conditions precedent**

Save to the extent notified or specified otherwise by the Lender, and subject to Clause 4.1 (*Initial conditions precedent*), the Lender will only be obliged to comply with Clause 5.4 (*Lender's participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) no Default is continuing or would result from the proposed Utilisation;

(b) in relation to the first Utilisation, all the representations and warranties in Clause 19 (*Representations*) or, in relation to any other Utilisation, the Repeating Representations to be made by each Obligor are true; and

(c) such other requirements as may be notified by the Lender or specified in any MCE Confirmation have, to the satisfaction of the Lender, been met, including such Transaction Security over all or any part of the assets and undertakings of each Obligor (provided that in the case of the Parent, Transaction Security shall be limited to a shares pledge over all of its shares in any Obligor) as the Lender may specify therein, in each case, in form and substance reasonably satisfactory to the Lender (and the Lender shall notify the Parent promptly upon being so satisfied).

4.1 **Conditions subsequent**

Save to the extent notified or specified otherwise by the Lender, the Borrower shall provide to the Lender as a condition subsequent, in relation to any Utilisation under the Facility, evidence in form and substance satisfactory to the Lender that all amounts due from the Parent pursuant to Clause 13.5 (*Stamp taxes*) have been paid, including without limitation payment of any documentary stamp tax due on each Promissory Note and/or any Transaction Security Documents (and any supplements thereto) in an amount sufficient to cover the aggregate Loans utilised (including such Utilisation), in each case within five Business Days of such payment being made.

4.2 **Maximum number of Utilisations**

A Borrower (or the Parent) may not deliver a Utilisation Request if as a result of the proposed Utilisation five (or such other number as may be approved or notified by the Lender) or more Loans would be outstanding.

SECTION 3
UTILISATION

5. UTILISATION - LOANS

5.1 Delivery of a Utilisation Request

A Borrower (or the Parent on its behalf) may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than five (or such other number as may be approved or notified by the Lender) Business Days prior to the proposed Utilisation Date.

5.2 Completion of a Utilisation Request

(a) Save to the extent notified or specified otherwise by the Lender, each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(ii) the currency and amount of the Utilisation complies with Clause 5.3 (*Currency and amount*); and

(iii) the proposed Interest Period complies with Clause 11 (*Interest Periods*),

and it otherwise complies with any requirements notified or specified by the Lender.

(b) Only one Utilisation may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be US dollars.

(b) The amount of the proposed Utilisation must be a minimum of $5,000,000 (or such other amount as may be approved or notified by the Lender) or, if less, the Available Facility.

5.4 Lender's participation

If the conditions set out in this Agreement have been met, the Lender shall make its participation in each Loan available by the Utilisation Date by deposit to the account (including, as the case may be, the account of a third party to whom a Borrower proposes to make payment directly) specified in the Utilisation Request (and agreed by the Lender).

5.5 Promissory Note

Each Utilisation of the Facility by the Borrower shall be evidenced by a Promissory Note, in the amount of such Utilisation, to be issued on the date of such Utilisation and payable to the order of the Lender.

5.6 **Cancellation of Commitment**

(a) Save to the extent notified or specified otherwise by the Lender, the Commitment which, at that time, is unutilised shall be immediately cancelled at the end of the Availability Period.

(b) Upon issuance of the Notes by the Borrower following completion under the terms of the Note Documents, the Lender may give not less than 30 days written notice to the Parent to immediately cancel the Commitment and require all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, to become immediately due and payable.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Loans

(a) The Borrowers shall repay the aggregate Loans in equal quarterly instalments (or such other amounts as may be approved or notified by the lender) (each a "**Repayment Instalment**") commencing on the Quarter Date falling at the end of the second full Financial Quarter after the Opening Date and then on each of the twenty-one Quarter Dates thereafter (or on such other dates as may be approved or notified by the Lender) (each a "**Repayment Date**").

(b) Unless otherwise approved or notified by the Lender, the Borrowers may not reborrow any part of the Facility which is repaid.

6.2 Effect of prepayment on scheduled repayments

(a) If any Loan is repaid or prepaid in accordance with Clause 7.4 (*Right of cancellation and repayment*) or Clause 7.1 (*Illegality*) then the amount of the Repayment Instalments for each Repayment Date falling after that repayment or prepayment will reduce *pro rata* (or in such other manner as may be approved or notified by the Lender) by the amount of the Loan repaid or prepaid.

(b) If any Loan is prepaid in accordance with Clause 7.3 (*Voluntary prepayment*) or Clause 8.2 (*Disposal and Insurance Proceeds*) then the amount of the Repayment Instalment for each Repayment Date falling after that prepayment will reduce *pro rata* (or in such other manner as may be approved or notified by the Lender) by the amount of the Loan prepaid.

7. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

(a) the Lender shall promptly notify the Parent;

(b) upon the Lender notifying the Parent, the Available Commitment of the Lender will be immediately cancelled; and

(c) each Borrower shall repay the Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Lender has notified the Parent or, if earlier, the date specified by the Lender in the notice delivered to the Lender and the Lender's corresponding Commitment shall be cancelled in the amount of the participations repaid.

7.2 **Voluntary cancellation**

The Parent may, if it gives the Lender not less than five (or such other number as may be approved or notified by the Lender) Business Days' prior notice and the Lender is satisfied that, following such cancellation, the Group will have sufficient available funding to complete the Project (and/or meet such other requirements as may be approved or notified by the Lender), cancel the whole or any part (being a minimum amount of $10,000,000 (or such other amount as may be approved or notified by the Lender)) of the Available Facility.

7.3 **Voluntary prepayment**

(a) Subject to paragraph (c) below, a Borrower to which a Loan has been made may, if it or the Parent gives the Lender not less than five (or such other number as may be approved or notified by the Lender) Business Days' prior notice and the Lender is satisfied that, following such prepayment, the Group will have sufficient available funding to complete the Project (and/or meet such other requirements as may be approved or notified by the Lender), prepay the whole or any part of that Loan (but, if in part, being an amount that reduces the amount of that Loan by a minimum amount of $10,000,000 (or such other amount as may be approved or notified by the Lender)).

(b) A Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the Available Facility is zero).

(c) A Loan shall only be prepaid if all the Loans are:

(i) prepaid at the same time; and

(ii) prepaid in amounts which reduce each Loan by the same proportion.

7.4 **Right of cancellation and repayment in relation to the Lender**

(a) Unless the Lender specifies otherwise, if:

(i) any sum payable to the Lender by an Obligor is required to be increased under paragraph (c) of Clause 13.2 (*Tax gross-up*); or

(ii) the Lender claims indemnification from the Parent or an Obligor under Clause 13.3 (*Tax indemnity*) or Clause 14.1 (*Increased costs*),

the Parent may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Lender notice of cancellation of the Commitment of the Lender and its intention to procure the repayment of its participation in the Utilisations.

(b) On receipt of a notice referred to in paragraph (a) above, the Commitment of the Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Parent has given notice under paragraph (a) above (or, if earlier, the date specified by the Parent in that notice), each Borrower to which a Utilisation is outstanding shall repay the Lender's participation in that Utilisation together with all interest and other amounts accrued under the Finance Documents.

8. MANDATORY PREPAYMENT AND CANCELLATION

8.1 Change of Control

(a) Unless the Lender specifies otherwise, upon the occurrence of:

(i) a Change of Control; or

(ii) the sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions,

the Facility 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.

8.2 Disposal and Insurance Proceeds

(a) For the purposes of this Clause 8.2, Clause 8.3 (*Application of mandatory prepayments*) and Clause 8.4 (*Mandatory Prepayment Accounts and Holding Accounts*):

"**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) other than (save to the extent otherwise notified by the Lender) any Permitted Disposal or Permitted Transaction.

"**Disposal Proceeds**" means the consideration receivable by any member of the Group for any Disposal made by any member of the Group except for Excluded Disposal Proceeds and after deducting:

(i) any reasonable expenses which are incurred by any member of the Group with respect to that Disposal to persons who are not members of the Group; and

(ii) any Tax incurred and required to be paid by the seller in connection with that Disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"**Excluded Disposal Proceeds**" means any Disposal Proceeds as may be approved or notified as such by the Lender.

"**Excluded Insurance Proceeds**" means, save to the extent notified or specified otherwise by the Lender, any proceeds of an insurance claim which the Parent notifies the Lender are, or are to be, applied:

(i) to meet a third party claim;

(ii) to cover operating losses in respect of which the relevant insurance claim was made; or

(iii) in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made,

in each case as soon as possible (but in any event within 30 days, or such other period as may be approved or notified by the Lender) after receipt.

"**Insurance Proceeds**" means the proceeds of any insurance claim under any insurance maintained by any member of the Group except for Excluded Insurance Proceeds and after deducting any reasonable expenses in relation to that claim which are incurred by any member of the Group to persons who are not members of the Group.

(b) Unless otherwise agreed or notified by the Lender, the Parent shall ensure that the Borrowers prepay Utilisations in amounts equal to the following amounts at the times and in the order of application contemplated by Clause 8.3 (*Application of mandatory prepayments*):

(i) the amount of Disposal Proceeds; and

(ii) the amount of Insurance Proceeds.

8.3 **Application of mandatory prepayments**

(a) A prepayment of Utilisations made under Clause 8.2 (*Disposal and Insurance Proceeds*) shall be applied in prepayment of Loans as contemplated in paragraphs (b) to (e) inclusive below.

(b) Unless the Parent makes an election under paragraph (d) below, the Borrowers shall prepay Loans, in the case of any prepayment relating to Disposal Proceeds or Insurance Proceeds, promptly upon receipt of those proceeds.

A prepayment under Clause 8.2 (*Disposal and Insurance Proceeds*) shall prepay the Loans as follows:

(i) in amounts which reduce the Loans by the same proportion; and

(ii) in reducing the relevant Repayment Instalment for each Repayment Date falling after the date of prepayment in the manner contemplated by paragraph (b) of Clause 6.2 (*Effect of prepayment on scheduled repayments*).

(c) Subject to paragraph (d) below, the Parent may elect that any prepayment under Clause 8.2 (*Disposal and Insurance Proceeds*) be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Parent makes that 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 Parent has made an election under paragraph (d) 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 Lender otherwise agrees).

8.4 **Mandatory Prepayment Accounts and Holding Accounts**

(a) Unless otherwise agreed or notified by the Lender, the Parent shall ensure that:

(i) Disposal Proceeds and Insurance Proceeds in respect of which the Parent has made an election under paragraph (d) of Clause 8.3 (*Application of mandatory prepayments*) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a member of the Group; and

(ii) Excluded Disposal Proceeds and Excluded Insurance Proceeds which are to be applied for a purpose set out in or specified in relation to the definitions thereof, are paid into a Holding Account as soon as reasonably practicable after receipt by a member of the Group.

(b) The Parent and each Borrower irrevocably authorise the Lender to apply:

(i) amounts credited to the Mandatory Prepayment Account; and

(ii) amounts credited to the Holding Account which have not been applied for the purpose notified by the Parent and set out in or specified in relation to the relevant definition of Excluded Disposal Proceeds or Excluded Insurance Proceeds within 30 days of receipt of the relevant proceeds (or such other period as may be approved or notified by the Lender),

to pay amounts due and payable under Clause 8.3 (*Application of mandatory prepayments*) and otherwise under the Finance Documents. The Parent and each Borrower further irrevocably authorise the Lender to so apply amounts credited to the Holding Account whether or not such period has elapsed since receipt of those proceeds if a Default has occurred and is continuing. The Parent and each Borrower also irrevocably authorise the Lender to transfer any amounts credited to the Holding Account referred to in this paragraph (b) 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 Lender acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to the Mandatory Prepayment Account and the Holding Account 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.

8.5 **Excluded proceeds**

Unless otherwise agreed or notified by the Lender, where Excluded Disposal Proceeds and Excluded Insurance Proceeds include amounts which are intended to be used for a specific purpose within a specified period (as set out in or specified in relation to the relevant definition of Excluded Disposal Proceeds or Excluded Insurance Proceeds), the Parent shall ensure that those amounts are used for that purpose and shall promptly deliver a certificate to the Lender 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.

9. RESTRICTIONS

9.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality, voluntary prepayment and cancellation*), paragraph (d) of Clause 8.3 (*Application of Mandatory prepayments*) or Clause 8.4 (*Mandatory Prepayment Accounts and Holding Accounts*) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2 **Interest and other amounts**

Unless otherwise agreed or specified by the Lender, any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, without premium or penalty.

9.3 **No reborrowing of Facilities**

Unless otherwise agreed or specified by the Lender, no Borrower may reborrow any part of the Facility which is prepaid.

9.4 **Prepayment in accordance with Agreement**

Unless otherwise agreed or specified by the Lender, no Borrower shall repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement.

9.5 **No reinstatement of Commitment**

Unless otherwise agreed or specified by the Lender, no amount of the Commitment cancelled under this Agreement may be subsequently reinstated.

9.6 **Effect of repayment and prepayment on Commitment**

If all or part of the Lender's participation in a Utilisation under the Facility is repaid or prepaid and is not available for redrawing, an amount of the Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment.

SECTION 5
COSTS OF UTILISATION

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is 5 per cent per annum.

10.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period save that, in the case of any Interest Period ending prior to the first Repayment Date, the Lender may, by notice to the Parent, elect that interest accrued during that period be paid on the first Repayment Date.

10.3 Default interest

(a) Unless otherwise agreed or specified by the Lender, if an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount 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. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan for successive Interest Periods, each of a duration selected by the Lender (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Lender.

(b) Unless otherwise agreed or specified by the Lender, if any overdue amount 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 overdue amount 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 overdue amount during that first Interest Period shall be 2 per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.

(c) Unless otherwise agreed or specified by the Lender, default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

The Lender shall promptly notify the relevant Borrower (or the Parent) of the determination of a rate of interest under this Agreement.

11. INTEREST PERIODS

11.1 Selection of Interest Periods and Terms

(a) Subject to this Clause 11 (*Interest Periods*), each Interest Period for a Loan shall, unless otherwise agreed or specified by the Lender, be 3 Months.

(b) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.

(c) 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.

11.2 **Changes to Interest Periods**

(a) The Lender may shorten an Interest Period for any Loan so as to ensure that (unless otherwise approved or notified by the Lender) all Loans have Interest Periods which:

(i) end on the same date; and

(ii) if they would otherwise end after the next Repayment Date under that Facility, they end on that Repayment Date.

(b) If the Lender makes any of the changes to an Interest Period referred to in this Clause 11.2, it shall promptly notify the Parent.

11.3 **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).

11.4 **Consolidation of Loans**

If two or more Interest Periods:

(a) relate to Loans made to the same Borrower; and

(b) end on the same date,

those Loans will, unless otherwise approved or notified by the Lender, be consolidated into, and treated as, a single Loan on the last day of the Interest Period. For the avoidance of doubt, each Promissory Note shall be treated as if it were a Loan and may be consolidated in the same manner and at the same time for the purposes of this Clause 11.4,

12. **FEES**

The Parent shall pay to the Lender commitment, arrangement and such other fees (in each case, if any) in the amounts and at the times set out by the Lender in a Fee Letter.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

13. TAX GROSS UP AND INDEMNITIES

13.1 Definitions

In this 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.

"**Tax Payment**" means either the increase in a payment made by an Obligor to the Lender under Clause 13.2 (*Tax gross-up*) or a payment under Clause 13.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 13 a reference to " **determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

13.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Parent shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Parent on becoming so aware in respect of a payment payable to it.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that 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 an Obligor is required to make a Tax Deduction, that 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 Obligor making that Tax Deduction shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

13.3 Tax indemnity

(a) The Parent shall (within three Business Days of demand by the Lender) pay to the Lender an amount equal to the loss, liability or cost which the Lender determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Lender in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on the Lender under the law of the jurisdiction in which it is incorporated or, if different, the jurisdiction (or jurisdictions) in which it is treated as resident for tax purposes, 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 the Lender; or

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 13.2 (*Tax gross-up*).

(c) If the Lender makes, or intends to make a claim under paragraph (a) above, it shall promptly notify the Parent of the event which will give, or has given, rise to the claim.

13.4 **Tax Credit**

If an Obligor makes a Tax Payment and the Lender determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) the Lender has obtained and utilised that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

13.5 **Stamp taxes**

The Parent shall pay and, within three Business Days of demand, indemnify the Lender and each other Secured Party against any cost, loss or liability the Lender or that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.6 **Indirect tax**

(a) All amounts expressed to be payable under a Finance Document by any Party to the Lender are deemed to be exclusive of any Indirect Tax, and accordingly, if any Indirect Tax is or becomes chargeable on any supply made by the Lender to any Party under a Finance Document, that Party must pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the Indirect Tax.

(b) Where a Finance Document requires any Party to reimburse or indemnify the Lender for any cost or expense, that Party shall reimburse or indemnify (as the case may be) the Lender for the full amount of such cost or expense, including such part thereof as represents Indirect Tax, save to the extent that the Lender reasonably determines that it is entitled to credit or repayment in respect of such Indirect Tax from the relevant tax authority.

(c) In relation to any supply made by the Lender to any Party under a Finance Document, if reasonably requested by the Lender, that Party must promptly provide the Lender with such information as is reasonably requested in connection with the Lender's Tax reporting requirements in relation to such supply.

14. INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.3 (*Exceptions*) the Parent shall, within three Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.

(b) In this Agreement "**Increased Costs**" means:

(i) a reduction in the rate of return from the Facility or on the Lender's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under any Finance Document.

14.2 Increased cost claims

The Lender intending to make a claim pursuant to Clause 14.1 (*Increased costs*) shall notify the Parent of the event giving rise to the claim.

14.3 Exceptions

(a) Clause 14.1 (*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 an Obligor;

(ii) compensated for by Clause 13.3 (*Tax indemnity*); or

(iii) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.

(b) In this Clause 14.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 13.1 (*Definitions*).

15. OTHER INDEMNITIES

15.1 Currency indemnity

(a) If any sum due from an 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 Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify the Lender and each other Secured 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 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.

15.2 **Other indemnities**

(a) The Parent shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify the Lender and each other Secured Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date;

(iii) funding, or making arrangements to fund, its participation in a Utilisation 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 the Lender alone); or

(iv) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Parent.

(b) The Parent shall promptly indemnify the Lender, each Affiliate of the Lender and each officer or employee of the Lender or its Affiliate, against any cost, loss or liability incurred by the Lender or its Affiliate (or officer or employee of the Lender or its Affiliate) in connection with or arising out of the Project or the funding of the Project (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Project), unless such loss or liability is caused by the gross negligence or wilful misconduct of the Lender or its Affiliate (or employee or officer of the Lender or its Affiliate). Any Affiliate or any officer or employee of the Lender or its Affiliate may rely on this Clause 15.2 subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Parent shall promptly indemnify the Lender against:

(i) any cost, loss or liability incurred by the Lender (acting reasonably) as a result of:

(A) investigating any event which it reasonably believes is a Default;

(B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(C) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and

(ii) any cost, loss or liability incurred by the Lender (otherwise than by reason of the Lender's gross negligence or wilful misconduct) in acting as the Lender under the Finance Documents.

(d) Each Obligor jointly and severally shall promptly indemnify the Lender and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

(i) any failure by the Parent to comply with its obligations under Clause 17 (*Costs and expenses*);

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, holding, protection or enforcement of the Transaction Security;

(iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Lender and each Receiver and Delegate by the Finance Documents or by law;

(v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or

(vi) acting as the Lender, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Charged Property (otherwise, in each case, than by reason of the Lender's, Receiver's or Delegate's gross negligence or wilful misconduct).

(e) The Lender and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 15.2 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

16. MITIGATION BY THE LENDER

16.1 Mitigation

(a) The Lender shall, in consultation with the Parent, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased Costs*).

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

16.2 Limitation of liability

(a) The Parent shall promptly indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 16.1 (*Mitigation*).

(b) The Lender is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

17. COSTS AND EXPENSES

17.1 Transaction expenses

The Parent shall, promptly on demand, pay the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by any of them (and by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

(a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and

(b) any other Finance Documents executed after the date of this Agreement.

17.2 Amendment costs

If an Obligor requests an amendment, waiver or consent, the Parent shall, within three Business Days of demand, reimburse each of the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request.

17.3 Management time and additional remuneration

(a) Any amount payable to the Lender under Clause 15.2 (*Other indemnities*) and this Clause 17 shall, unless otherwise agreed or notified by the Lender, include the cost of utilising the Lender's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Lender may notify to the Parent, and is in addition to any other fee or other amount paid or payable to the Lender.

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Lender being requested by an Obligor or determining to undertake duties which the Lender and the Parent agree to be of an exceptional nature or outside the scope of normal duties under the Finance Documents; or

(iii) the Lender and the Parent agreeing that it is otherwise appropriate in the circumstances,

the Parent shall, unless otherwise agreed or notified by the Lender, pay to the Lender any additional remuneration that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Lender and the Parent fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Lender and approved by the Parent or, failing approval, nominated (on the application of the Lender) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Parent) and the determination of any investment bank shall be final and binding upon the Parties.

17.4 **Enforcement and preservation costs**

The Parent shall, within three Business Days of demand, pay to the Lender and each other Secured Party the amount of all costs and expenses (including legal fees) 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 Lender as a consequence of taking or holding the Transaction Security or enforcing these rights.

SECTION 7
GUARANTEE

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to the Lender punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;

(b) undertakes with the Lender 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 the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender 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 18 if the amount claimed had been recoverable on the basis of a guarantee.

18.2 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.

18.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 18 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Waiver of defences

The obligations of each Guarantor under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause 18, would reduce, release or prejudice any of its obligations under this Clause 18 (without limitation and whether or not known to it or the Lender) 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 restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or 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; or

(g) any insolvency or similar proceedings.

18.5 **Guarantor Intent**

Without prejudice to the generality of Clause 18.4 (*Waiver of defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: any change in the size, nature or cost of the Project; business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing Facility; refinancing any other indebtedness; making Facility available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18.6 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring the Lender (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 18. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.7 **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, the Lender (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 the Lender (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 moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 18.

18.8 **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 Lender 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 or by reason of any amount being payable, or liability arising, under this Clause 18:

(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 Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

(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 Clause 18.1 (*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 the Lender.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with Clause 27 (*Payment mechanics*).

18.9 **Release of Guarantors' right of contribution**

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

18.10 **Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS

19.1 General

Save to the extent agreed or notified by the Lender, each Obligor makes the representations and warranties set out in this Clause 19 to the Lender.

19.2 Status

(a) It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.

(b) Each of its Subsidiaries is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(c) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

19.3 Binding obligations

Subject to the Legal Reservations:

(a) the obligations expressed to be assumed by it 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.

19.4 Non-conflict with other obligations

The entry into and performance by it 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 it;

(b) the constitutional documents of any member of the Group; or

(c) any agreement or instrument binding upon it or any member of the Group (including any of the Note Documents) or any of its or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument.

19.5 Power and authority

(a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

(b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

19.6 **Validity and admissibility in evidence**

(a) All Authorisations required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in 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 the conduct of the business, trade and ordinary activities of members of the Group have been obtained or effected and are in full force and effect if failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

19.7 **Governing law and enforcement**

(a) The choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions.

(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.

19.8 **Insolvency**

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 22.7 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 22.8 (*Creditors' process*),

has been taken or, to the knowledge of the Parent, threatened in relation to a member of the Group; and none of the circumstances described in Clause 22.6 (*Insolvency*) applies to a member of the Group.

19.9 **No filing or stamp taxes**

Under the laws of its Relevant Jurisdiction 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 except for:

(a) the documentary stamp tax due on this Agreement, the Transaction Security Documents and/or the Promissory Notes, which will be paid promptly and as a condition precedent to each Utilisation hereunder (other than in respect of the documentary stamp tax on the Promissory Notes, which shall paid as soon as practicable after the execution of each such Promissory Note); and

(b) such other registration fees, notarial fees and other costs that may be applicable in any Transaction Security Documents that the parties may enter into in accordance with this Agreement.

19.10 **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document except for a Tax Deduction in respect of any applicable final interest withholding tax at the relevant rate required by law.

19.11 **No default**

(a) No Event of Default and, on the date of this Agreement and the date of commencement of the Availability Period, no 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.

(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 Project Document or any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is reasonably likely to have a Material Adverse Effect.

19.12 **No misleading information**

Save as disclosed in writing to the Lender prior to the date of this Agreement:

(a) all material information provided to the Lender by or on behalf of the Parent or any other Obligor in connection with the Project and/or the Group on or before the date of this Agreement and not superseded before that date is accurate and not misleading in any material respect and all projections provided to the Lender on or before the date of this Agreement have been prepared in good faith on the basis of assumptions which were reasonable at the time at which they were prepared and supplied; and

(b) all other information provided by any member of the Group (including its advisers) to the Lender was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

19.13 **Financial statements**

To the extent required to be delivered or supplied under this Agreement:

(a) any financial statements delivered pursuant to this Agreement (whether under Clause 20 (*Information Undertakings*) or otherwise):

(i) have been prepared in accordance with the Accounting Principles as applied to the Original Financial Statements; 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 budgets or forecasts supplied pursuant to this Agreement (whether under Clause 20 (*Information Undertakings*) or otherwise) were arrived at after careful consideration and have been prepared in good faith 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

(c) since the date of such financial statements, budgets or forecast delivered pursuant to this Agreement there has been no material adverse change in the business, assets or financial condition of the Group.

19.14 **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, are reasonably likely to have a Material Adverse Effect have been started or (to the best of its knowledge and belief (having made due and careful enquiry)) threatened against it or any of its Subsidiaries.

19.15 **No breach of laws**

(a) It has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

(b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

19.16 **Environmental laws**

(a) Each member of the Group is in compliance with Clause 21.3 (*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 is reasonably likely to have a Material Adverse Effect.

(b) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Group where that claim has or is reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

19.17 **Taxation**

(a) It is not (and none of its Subsidiaries is) materially overdue in the filing of any Tax returns and it is not (and none of its Subsidiaries is) overdue in the payment of any amount in respect of Tax.

(b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) with respect to Taxes.

(c) It is resident for Tax purposes only in its Original Jurisdiction.

19.18 **Anti-corruption law**

Each member of the Group has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

19.19 **Security and Financial Indebtedness**

(a) No Security or Quasi-Security exists over all or any of the present or future assets of any member of the Group other than as permitted by this Agreement.

(b) No member of the Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

19.20 **Ranking**

The Transaction Security has (if such Transaction Security has been granted) or will have first ranking priority (or such other ranking in priority as may be approved or notified by the Lender) and it is not subject to any prior ranking or *pari passu* ranking Security other than as permitted by this Agreement.

19.21 **Good title to assets**

It and each of its Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted and as required for the Project.

19.22 **Legal and beneficial ownership**

It and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it purports to grant any Security (other than in respect of any shares it owns in another Obligor that are legally held on its behalf by the directors of that Obligor or other nominees, in which case it is the sole beneficial owner of such shares) and their respective assets are free from any claims, third party rights or competing interests other than Permitted Security permitted under Clause 21.15 (*Negative pledge*).

19.23 **Shares**

The shares of any member of the Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security.

19.24 **Intellectual Property**

It and each of its Subsidiaries:

(a) is the sole legal and beneficial owner of or has licensed to it on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted and as required for the Project;

(b) does not, in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and

(c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it.

19.25 **Group Structure Chart**

The Group Structure Chart is true, complete and accurate in all material respects and shows the following information:

(a) each member of the Group, including current name and company registration number, its Original Jurisdiction (in the case of an Obligor), its jurisdiction of incorporation (in the case of a member of the Group which is not an Obligor) and/or its jurisdiction of establishment, a list of shareholders (other than in respect of the Parent) and indicating whether a company is not a company with limited liability; and

(b) all minority interests in any member of the Group (other than in respect of the Parent) and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.

19.26 **Obligors**

Each Subsidiary of the Parent is an Obligor.

19.27 **Accounting Reference Date**

The Accounting Reference Date of each member of the Group is 31 December.

19.28 **No adverse consequences**

(a) It is not necessary under the laws of its Relevant Jurisdictions:

(i) in order to enable the Lender to enforce its rights under any Finance Document; or

(ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,

that the Lender should be licensed, qualified or otherwise entitled to carry on business in any of its Relevant Jurisdictions.

(b) The Lender will not be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

19.29 **Business**

(a) Except for the Parent, neither it nor any of its Subsidiaries has engaged in any business other than a Permitted Business.

(b) The Original Guarantors are not engaged in any business other that what is stated in their respective constitutional documents.

19.30 **Times when representations made**

(a) All the representations and warranties in this Clause 19 are made by each Original Obligor on the date of this Agreement.

(b) All the representations and warranties in this Clause 19 are deemed to be made by each Obligor on the date of commencement of the Availability Period.

(c) The Repeating Representations are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

(d) All the representations and warranties in this Clause 19 except Clause 19.12 (*No misleading information*) and Clause 19.25 (*Group Structure Chart*) 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 date of this Agreement 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.

20. INFORMATION UNDERTAKINGS

The undertakings in this Clause 20 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.

20.1 Provision and contents of Compliance Certificate

(a) Unless otherwise agreed or notified by the Lender, the Parent shall within ten Business Days (or such other period as may be agreed or notified by the Lender) of each Quarter Date supply a Compliance Certificate to the Lender.

(b) Unless otherwise agreed or notified by the Lender, each Compliance Certificate shall be signed by two directors of the Parent and, if so requested by the Lender, shall be reported on by the Parent's Auditors in the form requested by the Lender.

20.2 Year-end

Unless otherwise agreed or notified by the Lender, the Parent shall not change its Accounting Reference Date and procure that each Financial Year-end of each member of the Group continues to falls on 31 December.

20.3 Information: miscellaneous

Unless otherwise agreed or notified by the Lender, the Parent shall supply to the Lender:

(a) at the same time as they are dispatched, copies of all documents dispatched by the Parent to its shareholders generally (or any class of them) or dispatched by the Parent or any Obligors to its creditors generally (or any class of them);

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which, if adversely determined, are reasonably likely to have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding such amount as the Lender may specify;

(c) promptly upon becoming aware of them, details of any disposal or insurance claim which will require a prepayment under Clause 8.2 (*Disposal and Insurance Proceeds*);

(d) promptly, such information as the Lender may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents; and

(e) promptly on request, such further information regarding the Project, the business, financial condition, assets and operations of the Group and/or any member of the Group (including financial statements, budgets, projections and any amplification or explanation of any item in any of the foregoing or any other material supplied pursuant to this Agreement, any changes to management of the Group and an up to date copy of its shareholders' register (or equivalent in its Original Jurisdiction)), and in such form, as the Lender may request.

20.4 **Notification of default**

(a) Each Obligor shall notify the Lender 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 Lender, the Parent shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21. GENERAL UNDERTAKINGS

Save to the extent agreed or notified otherwise by the Lender, the undertakings in this Clause 21 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.

Authorisations and compliance with laws

21.1 **Authorisations**

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Lender of:

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

(i) enable it to perform its obligations under the Finance Documents;

(ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document; and

(iii) carry out the Project and carry on its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

21.2 **Compliance with laws**

Each Obligor shall (and the Parent shall ensure that each member of the Group will) comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

21.3 **Environmental compliance**

Each Obligor shall (and the Parent shall ensure that each member of the Group will):

(a) comply with all Environmental Law;

(b) obtain, maintain and ensure compliance 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 is reasonably likely to have a Material Adverse Effect.

21.4 **Environmental claims**

Each Obligor shall (through the Parent), promptly upon becoming aware of the same, inform the Lender in writing of:

(a) any Environmental Claim against any member of the Group which is current, pending or threatened; and

(b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

21.5 **Anti-corruption law**

(a) No Obligor shall (and the Parent shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) Each Obligor shall (and the Parent shall ensure that each other member of the Group will):

(i) conduct its businesses in compliance with applicable anti-corruption laws; and

(ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

21.6 **Taxation**

(a) Each Obligor shall (and the Parent shall ensure that each member of the Group will) pay and discharge all Taxes imposed upon it or its assets 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 and the costs required to contest them have been disclosed to the Lender; and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) No member of the Group may change its residence for Tax purposes.

Restrictions on business focus

21.7 **Merger**

Unless agreed or notified otherwise by the Lender, no Obligor shall (and the Parent shall ensure that no other member of the Group will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction.

21.8 **Change of business**

Unless agreed or notified otherwise by the Lender, no Obligor shall (and the Parent shall ensure that no other member of the Group will) engage in any Business other than a Permitted Business.

21.9 **Acquisitions**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other 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.

21.10 **Joint ventures**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other member of the Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(ii) 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).

(b) Paragraph (a) above does not apply to any acquisition of (or agreement to acquire) any interest in a Joint Venture or transfer of assets (or agreement to transfer assets) to a Joint Venture or loan made to or guarantee given in respect of the obligations of a Joint Venture if such transaction is a Permitted Acquisition, a Permitted Disposal, a Permitted Loan or a Permitted Joint Venture.

21.11 **Holding Companies**

Except to the extent agreed or notified otherwise by the Lender, none of the Parent and the Original Guarantors shall trade, carry on any business, own any assets or incur any liabilities except for:

(a) the provision of administrative services (excluding treasury services) to other members of the Group of a type customarily provided by a holding company to its Subsidiaries;

(b) ownership of shares in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalent Investments but only if those shares are subject to the Transaction Security;

(c) any liabilities under the Transaction Documents and the Note Documents to which it is a party and professional fees and administration costs in the ordinary course of business as a holding company;

(d) and such other business as may be authorised by the constitutional documents of the Parent and the Original Guarantors (in each case, as may be approved and notified by the Lender).

Restrictions on dealing with assets and Security

21.12 **Preservation of assets**

Each Obligor shall (and the Parent shall ensure that each other member of the Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

21.13 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of the Lender 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 or whose claims are or will be preferred pursuant to any agreement or instrument entered into pursuant to or in connection with the Note Documents.

21.14 **Project Documents**

(a) Except to the extent agreed or notified otherwise by the Lender, each Obligor shall (and the Parent shall ensure that each other member of the Group will) comply with its obligations under the Project Documents.

(b) Except to the extent agreed or notified otherwise by the Lender, each Obligor shall, (and the Parent shall ensure that each other member of the Group will), take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Project Documents.

21.15 **Negative pledge**

In this Clause 21.15, "**Quasi-Security**" means an arrangement or transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below or otherwise agreed or notified by the Lender:

(a) No Obligor shall (and the Parent shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.

(b) No Obligor shall (and the Parent shall ensure that no other 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 an Obligor or any other member of the Group;

(ii) sell, transfer 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.

21.16 **Disposals**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other 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.

21.17 **Arm's length basis**

(a) Except as permitted by paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other member of the Group will) enter into any transaction with any person except on arm's length terms and for full market value (or better for such Obligor or Group member).

(b) The following transactions shall not be a breach of this Clause 21.17:

(i) intra-Group loans permitted under Clause 21.18 (*Loans or credit*) and other intra-Group transactions (provided that, where any one Group member involved in the transaction is an Obligor, so is each other Group member);

(ii) fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Lender under Clause 4.1 (*Initial conditions precedent*) or agreed by the Lender;

(iii) any Permitted Transaction; and

(iv) any other transaction approved or notified as such by the Lender.

Restrictions on movement of cash - cash out

21.18 **Loans or credit**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other 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.

21.19 **No Guarantees or indemnities**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other 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.

21.20 **Dividends and share redemption**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, the Parent shall not (and 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 dividend or share premium reserve;

(iii) pay or allow any member of the Group to pay any management, advisory or other fee to or to the order of any of the shareholders of the Parent; or

(iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.

(b) Paragraph (a) above does not apply to:

(i) a Permitted Distribution; or

(ii) a Permitted Transaction (other than one referred to in paragraph (e) of the definition of that term).

Restrictions on movement of cash - cash in

21.21 **Financial Indebtedness**

(a) Except as permitted under paragraph (b) below or otherwise agreed or notified by the Lender, no Obligor shall (and the Parent shall ensure that no other 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.

21.22 **Share capital**

Unless agreed or notified otherwise by the Lender, no Obligor shall (and the Parent shall ensure that no other member of the Group will) issue any shares except pursuant to:

(a) a Permitted Share Issue; or

(b) a Permitted Transaction.

Miscellaneous

21.23 **Insurance**

(a) Each Obligor shall (and the Parent shall ensure that each other 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 insurances must be with reputable independent insurance companies or underwriters.

21.24 **Access**

If a Default is continuing or the Lender reasonably suspects a Default is continuing or may occur, each Obligor shall, and the Parent shall ensure that each member of the Group will, permit the Lender and/or accountants or other professional advisers and contractors of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor to (a) the premises, assets, books, accounts and records of each member of the Group and (b) meet and discuss matters with their management.

21.25 **Intellectual Property**

Unless agreed or notified otherwise by the Lender, each Obligor shall (and the Parent shall procure that each other member of the Group will):

(a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of, and carrying out of the Project by, the relevant Group member;

(b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;

(c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Group to use such property; and

(e) not discontinue the use of the Intellectual Property,

where, unless the Lender has notified or specified otherwise, failure to do so, in the case of paragraphs (a) and (b) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, is reasonably likely to have a Material Adverse Effect.

21.26 **Treasury Transactions**

Unless agreed or notified otherwise by the Lender, no Obligor shall (and the Parent will procure that no other member of the Group will) enter into any Treasury Transaction, other than (unless the Lender has notified or specified otherwise):

(a) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and

(b) 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 and not for speculative purposes.

21.27 **Project**

(a) Each Obligor shall obtain and/or maintain in full force and effect all Authorisations necessary and applicable to it in connection with the Project, including governmental approvals for the occupancy and operation of the Project, and any of the Project Documents as and when such Authorisations are required to be obtained in accordance with applicable legal requirements; and

(b) The Original Borrower shall notify the Lender of the commencement of the Project's commercial operations within five days thereof.

21.28 **Further assurance**

(a) Each Obligor shall (and the Parent shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender 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 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) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Lender Security over any property and assets of that Obligor 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.

(b) Each Obligor shall (and the Parent shall procure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Finance Documents.

22. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 22 is an Event of Default (save for Clause 22.18 (*Acceleration*)).

22.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless 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.

22.2 Other key obligations

(a) An Obligor does not comply with the provisions of Clause 20 (*Information Undertakings*).

(b) An Obligor does not comply with any provision of any Transaction Security Document (other than Part A).

22.3 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 22.1 (*Non-payment*) and Clause 22.2 (*Other key obligations*)).

(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 earlier of (i) the Lender giving notice to the Parent or relevant Obligor and (ii) the Parent or an Obligor becoming aware of the failure to comply (or such other period as may be approved or notified by the Lender).

22.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

22.5 Cross default

(a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any 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 member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).

(d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 22.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than $10,000,000 (or its equivalent in any other currency or currencies) or such other amount as may be approved or notified by the Lender.

22.6 **Insolvency**

(a) A member of the Group:

(i) is unable or admits inability to pay its debts as they fall due;

(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(iii) suspends or threatens to suspend making payments on any of its debts; or

(iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any 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 member of the Group. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

22.7 **Insolvency proceedings**

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group;

(ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or

(iv) enforcement of any Security over any assets of any member of the Group,

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 90 days (or such other period as may be approved or notified by the Lender) of commencement.

22.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member of the Group having an aggregate value of $10,000,000 (or such other amount as may be approved or notified by the Lender) and is not discharged within 90 days (or such other period as may be approved or notified by the Lender).

22.9 **Unlawfulness and invalidity**

(a) It is or becomes unlawful for an Obligor 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.

(b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lender under the Finance Documents.

(c) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective.

22.10 **Cessation of business**

In the reasonable opinion of the Lender, any 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 or the Project except as a result of a Permitted Disposal or a Permitted Transaction.

22.11 **Change of ownership**

An Obligor (other than the Parent) ceases (save to the extent of any shares which are required by applicable law to be held by another person) to be a wholly-owned Subsidiary of the Parent.

22.12 **Audit qualification**

The Auditors of the Group qualify the financial statements of the Parent or any other member of the Group with a "going concern" or like qualification or exception or any other qualification arising out of the scope of their audit or any qualification which the Lender reasonably considers to be material.

22.13 **Expropriation**

The authority or ability of any member of the Group to conduct its business and carry out the Project is, in the reasonable opinion of the Lender, limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets.

22.14 **Repudiation and rescission of agreements**

(a) An Obligor (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, in the reasonable opinion of the Lender, evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

(b) Any party to a Project Document rescinds or purports to rescind or repudiates or purports to repudiate that agreement or instrument in whole or in part or, in the reasonable opinion of the Lender, evidences an intention to do so, where to do so has or is, in the reasonable opinion of the Lender, reasonably likely to have a Material Adverse Effect.

22.15 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any member of the Group or its assets which have or are reasonably likely to have (or, in the reasonable opinion of the Lender, have or are reasonably likely to have) a Material Adverse Effect.

22.16 **Project**

(a) Any Authorisation

(i) is not issued;

(ii) is issued on terms or subject to conditions;

(iii) (or if any of its terms or conditions) is not complied with or satisfied or an event of default or termination event (or circumstances which may, in the reasonable opinion of the Lender, give rise to such an event, however described) occurs in respect thereof;

(iv) (or its operations or any terms or rights or interests in respect thereof) is suspended, revoked, cancelled, varied or terminated, becomes invalid or illegal or otherwise ceases to be in full force or effect or any such is sought or the Authorisation is otherwise challenged in any way by any person; and

in each case, the Lender reasonably determines that this has or is reasonably likely to have a Material Adverse Effect.

(b) It becomes unlawful for any Obligor to engage in the Project or perform any of its obligations under the Finance Documents or the Transaction Documents.

(c) The Original Borrower or any of the Original Guarantors ceases to be a party to the Casino License.

(d) There is a breach in any term of a Project Document by any party thereto or an event of default or termination event (or circumstances which may, in the reasonable opinion of the Lender, give rise to such an event, however described) occurs or the operation or any term of any Project Document is suspended, revoked, cancelled, varied or terminated, becomes invalid or illegal or otherwise ceases to be in full force or effect and, in each case, the Lender reasonably determines that this has or is reasonably likely to have a Material Adverse Effect.

22.17 **Material adverse change**

Any event or circumstance occurs which the Lender reasonably believes has or is reasonably likely to have a Material Adverse Effect.

22.18 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Lender may by notice to the Parent:

(a) cancel the Commitment at which time it shall immediately be cancelled;

(b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;

(c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Lender; and/or

(d) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

SECTION 9
CHANGES TO PARTIES

23. CHANGES TO THE LENDER

The Lender may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to another person in such manner and on such terms as it may determine (and each of the Obligors shall do all such things as the Lender may reasonably require in order to effect such assignment or transfer).

24. CHANGES TO THE OBLIGORS

24.1 Assignment and transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

24.2 Additional Borrowers

(a) The Parent may request that any of its Subsidiaries becomes a Borrower. That Subsidiary shall become a Borrower if:

(i) it is incorporated in the same jurisdiction as an existing Borrower (or such other jurisdiction as the Lender may specify or agree) and the Lender approves the addition of that Subsidiary;

(ii) the Parent and that Subsidiary deliver to the Lender a duly completed and executed Accession Deed;

(iii) the Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;

(iv) the Parent confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(v) save to the extent the Lender agrees or specifies otherwise, the Lender has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Lender.

(b) Subject to paragraph (a) above, the Lender shall notify the Parent promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

24.3 Resignation of a Borrower

(a) In this Clause 24.3, Clause 24.5 (*Resignation of a Guarantor*) and Clause 24.7 (*Resignation and release of Security on disposal*), "**Third Party Disposal**" means the disposal of an Obligor to a person which is not a member of the Group where that disposal is permitted under Clause 21.16 (*Disposals*) or made with the approval of the Lender (and the Parent has confirmed this is the case).

(b) If a Borrower is the subject of a Third Party Disposal, the Parent may request that such Borrower (other than the Parent or the Original Borrower) ceases to be a Borrower by delivering to the Lender a Resignation Letter.

(c) The Lender shall accept a Resignation Letter and notify the Parent of its acceptance if:

(i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents;

(iii) where the Borrower is also a Guarantor (unless its resignation has been accepted in accordance with Clause 24.5 (*Resignation of a Guarantor*)), its obligations in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect (subject to the Legal Reservations) and the amount guaranteed by it as a Guarantor is not decreased (and the Parent has confirmed this is the case);

(iv) the Parent has confirmed that it shall ensure that any relevant Disposal Proceeds will be applied in accordance with Clause 8.2 (*Disposal and Insurance Proceeds*); and

(v) the Lender's prior consent has been obtained.

(d) Upon notification by the Lender to the Parent of its acceptance of the resignation of a Borrower, that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower except that the resignation shall not take effect (and the Borrower will continue to have rights and obligations under the Finance Documents) until the date on which the Third Party Disposal takes effect.

(e) The Lender may, at the cost and expense of the Parent, require a legal opinion from counsel to the Lender confirming the matters set out above and the Lender shall be under no obligation to accept a Resignation Letter until it has obtained such opinion in form and substance satisfactory to it.

24.4 **Additional Guarantors**

(a) The Parent may request that any of its Subsidiaries become a Guarantor.

(b) The Parent shall procure that each 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 Lender may require.

(c) A member of the Group shall become an Additional Guarantor if:

(i) the Parent and the proposed Additional Guarantor deliver to the Lender a duly completed and executed Accession Deed;

(ii) save to the extent the Lender agrees or specifies otherwise, the Lender has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Lender; and

(iii) the Lender's prior consent has been obtained.

(d) Subject to paragraph (c) above, the Lender shall notify the Parent promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

24.5 **Resignation of a Guarantor**

(a) The Parent may request that a Guarantor (other than the Parent or the Original Borrower) ceases to be a Guarantor by delivering to the Lender a Resignation Letter if that Guarantor is being disposed of by way of a Third Party Disposal (as defined in Clause 24.3 (*Resignation of a Borrower*)) and the Parent has confirmed this is the case.

(b) The Lender shall accept a Resignation Letter and notify the Parent of its acceptance if:

(i) the Parent has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;

(ii) no payment is due from the Guarantor under Clause 18.1 (*Guarantee and indemnity*);

(iii) where the Guarantor is also a Borrower, it is under no actual or contingent obligations as a Borrower and has resigned and ceased to be a Borrower under Clause 24.3 (*Resignation of a Borrower*);

(iv) the Parent has confirmed that it shall ensure that the Disposal Proceeds will be applied in accordance with Clause 8.2 (*Disposal and Insurance Proceeds*); and

(v) the Lender's prior consent has been obtained.

(c) The resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

24.6 **Repetition of Representations**

Delivery of an Accession Deed constitutes confirmation by the relevant Subsidiary that the representations and warranties referred to in paragraph (d) of Clause 19.30 (*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.

24.7 **Resignation and release of security on disposal**

If a Borrower or Guarantor is or is proposed to be the subject of a Third Party Disposal then:

(a) where that Borrower or Guarantor created Transaction Security over any of its assets or business in favour of the Lender, or Transaction Security in favour of the Lender was created over the shares (or equivalent) of that Borrower or Guarantor, the Lender may, at the cost and request of the Parent, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation; and

(b) any resignation of that Borrower or Guarantor and related release of Transaction Security referred to in paragraph (a) above shall become effective only on the making of that disposal.

SECTION 10
THE LENDER

25. ROLE OF THE LENDER

25.1 No fiduciary duties

Nothing in any Finance Document constitutes the Lender as a trustee or fiduciary of any other person.

25.2 Business with the Group

The Lender may engage in any kind of lending or other business with any member of the Group.

25.3 Rights and discretions

(a) The Lender may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised; and

(ii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Lender may assume (unless it has received notice to the contrary in its capacity as such) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party has not been exercised; and

(iii) any notice or request made by the Parent is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Lender may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) The Lender may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Lender or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(e) The Lender may act in relation to the Finance Documents through its officers, employees and agents and the Lender shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by the Lender's gross negligence or wilful misconduct.

(f) Notwithstanding any other provision of any Finance Document to the contrary, the Lender is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(g) Notwithstanding any provision of any Finance Document to the contrary, the Lender is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

25.4 **No duty to monitor**

The Lender shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

25.5 **Exclusion of liability**

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Lender), the Lender will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or 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; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Lender) may take any proceedings against any officer, employee or agent of the Lender, in respect of any claim it might have against the Lender 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 Lender may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Lender 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 Lender if the Lender 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 Lender for that purpose.

(d) Without prejudice to any provision of any Finance Document excluding or limiting the Lender's liability, any liability of the Lender arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Lender or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Lender at any time which increase the amount of that loss. In no event shall the Lender be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Lender has been advised of the possibility of such loss or damages.

25.6 **Lender's management time**

Any amount payable to the Lender under Clause 15 (*Other Indemnities*) and Clause 17 (*Costs and expenses*) shall include the cost of utilising the Lender's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Lender may notify to the Parent, and is in addition to any fee or other amount paid or payable to the Lender under Clause 12 (*Fees*).

26. CONDUCT OF BUSINESS BY THE LENDER

No provision of this Agreement will:

(a) interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

SECTION 11
ADMINISTRATION

27. PAYMENT MECHANICS

27.1 Payments to the Lender

(a) On each date on which an Obligor is required to make a payment under a Finance Document, that Obligor shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account and with such bank as the Lender, in each case, specifies.

27.2 Payments by the Lender

Each payment to be made or which has been received by the Lender under the Finance Documents for another Party shall, subject to Clause 27.3 (*Payments to an Obligor*) and Clause 27.4 (*Clawback*) be made available by the Lender as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement, to such account as that Party may notify to the Lender by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency or as specified by that Party (in each case, as may be approved, and subject to any notification to the contrary, by the Lender).

27.3 Payments to an Obligor

The Lender may (with the consent of the Obligor or in accordance with Clause 28 (*Set-Off*)) apply any amount payable to or 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.

27.4 Clawback

(a) Where a sum is to be received or paid to the Lender under the Finance Documents for payment to another Party, the Lender 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 Lender pays an amount to another Party and it proves to be the case that the Lender 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 Lender shall on demand refund the same to the Lender together with interest on that amount from the date of payment to the date of receipt by the Lender, calculated by the Lender to reflect its cost of funds.

27.5 **Partial payments**

(a) If the Lender 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 Lender shall (subject to any variation which may be approved or notified by it) apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Lender under those Finance Documents (other than any amount specified in paragraphs (ii) or (iii) below);

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and

(iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.

(b) Paragraph (a) above will override any appropriation made by an Obligor.

27.6 **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.

27.7 **Business Days**

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

27.8 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, the US dollar 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, pursuant to this Agreement, 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, pursuant to this Agreement, 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 US dollar shall be paid in that other currency.

27.9 **Disruption to Payment Systems etc.**

If either the Lender determines (in its discretion) that a Disruption Event has occurred or the Lender is notified by the Parent that a Disruption Event has occurred:

(a) the Lender may, and shall if requested to do so by the Parent, consult with the Parent with a view to agreeing with the Parent such changes to the operation or administration of the Facility as the Lender may deem necessary in the circumstances;

(b) the Lender shall not be obliged to consult with the Parent in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) any such changes agreed upon by the Lender and the Parent or, as the case may be, determined by the Lender shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents;

(d) the Lender shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 27.9; and

(e) the Lender shall notify the Parent of all changes determined pursuant to paragraph (d) above.

28. **SET-OFF**

The Lender may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

29. **NOTICES**

29.1 **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.

29.2 **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 Parent, that identified with its name below;

(b) in the case of any other Obligor, that identified with its name below or notified in writing to the Lender on or prior to the date on which it becomes a Party; and

(c) in the case of the Lender, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the other Parties, if a change is made by the Lender) by not less than five Business Days' notice.

29.3 **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 29.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

(c) Any communication or document made or delivered to the Parent in accordance with this Clause 29.3 will be deemed to have been made or delivered to each of the Obligors.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

29.4 **Notification of address and fax number**

Promptly upon changing its address or fax number, the Lender shall notify the other Parties.

29.5 **Electronic communication**

(a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:

(i) 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

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.

(c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

29.6 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

30. CALCULATIONS AND CERTIFICATES

30.1 **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 the Lender are *prima facie* evidence of the matters to which they relate.

30.2 **Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

30.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days (or as may otherwise be approved or notified by the Lender).

31. **PARTIAL INVALIDITY**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Lender or other Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of the Lender or any other Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

33. **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.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

34. GOVERNING LAW

This Agreement is governed by English law.

35. ENFORCEMENT

35.1 Jurisdiction of English courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) (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 35.1 is for the benefit of the Lender and the other Secured Parties only. As a result, neither the Lender nor any other 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 Lender and any other Secured Parties may take concurrent proceedings in any number of jurisdictions.

35.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:

(i) irrevocably appoints Law Debenture Corporate Services 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 Parent (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 Lender. Failing this, the Lender 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

THE ORIGINAL GUARANTORS

Name of Original Guarantor	Original Jurisdiction	Registration number (or equivalent, if any)
MCE Holdings (Philippines) Corporation		CS201214789
MCE Holdings No. 2 (Philippines) Corporation		CS201215365

SCHEDULE 2
CONDITIONS PRECEDENT

Part IA
Conditions precedent to signing of the Agreement

1. **Obligors**

(a) A copy of the Constitutional Documents and of the constitutional documents of each other Original Obligor.

(b) A copy of a resolution of the board of directors of each Original Obligor:

(i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A certificate of the Parent (signed by an authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Commitment would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor to be exceeded.

(d) A certificate of an authorised signatory of the Parent or other relevant Original Obligor certifying that each copy document relating to it specified in this Part IA of Schedule 2 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 this Agreement.

2. **Project Documents**

A copy of each of the Project Documents as executed by the parties to those documents.

3. **Finance Documents**

(a) This Agreement executed by the members of the Group party to this Agreement.

(b) The Fee Letter executed by the Parent.

(c) A copy of all notices required to be sent under the Transaction Security Documents executed by relevant Obligors duly acknowledged by the addressee.

4. **Other documents and evidence**

(a) Evidence that any process agent referred to in Clause 35.2 (*Service of process*) has accepted its appointment.

(b) A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Parent accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document, or for the validity and enforceability of any Transaction Document, or otherwise comprised in or in any way related to the Group or the Project.

Part IB
Conditions precedent to initial Utilisation

1. **Finance Documents**

(a) An MCE Confirmation.

(b) A copy of the duly-executed Promissory Note issued in respect of the initial Utilisation.

(c) At least two originals of each Transaction Security Document executed by the relevant Obligors as may be required and specified by the Lender.

(d) A copy of all notices required to be sent under the Transaction Security Documents executed by relevant Obligors duly acknowledged by the addressee.

2. **Other documents and evidence**

(a) Evidence that the fees, costs and expenses then due from the Parent pursuant to Clause 12 (*Fees*), Clause 13.5 (*Stamp taxes*) and Clause 17 (*Costs and expenses*) have been paid (or provided for to the satisfaction of the Lender) on or prior to the first Utilisation Date, including without limitation payment of any documentary stamp tax due on each Promissory Note and/or any Transaction Security Documents (and any supplements thereto) in an amount sufficient to cover the proposed Utilisation.

(b) A letter from the Parent to the Lender specifying the Holding Account and the Mandatory Prepayment Account including details of each account name, account number and the name and address of the bank where each account is held.

(c) A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Parent accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document (or for the validity and enforceability of any Transaction Document) or otherwise comprised in or in any way related to the Group or the Project

Part IC
Conditions precedent to each Utilisation

1. **Finance Documents**

(a) A copy of the duly-executed Promissory Note in respect of each Utilisation.

(b) Evidence that the fees, costs and expenses then due from the Parent pursuant to Clause 12 (*Fees*), Clause 13.5 (*Stamp taxes*) and Clause 17 (*Costs and expenses*) have been paid (or provided for to the satisfaction of the Lender) on or prior to the relevant Utilisation Date, including without limitation payment of any documentary stamp tax due on each Promissory Note and/or any Transaction Security Documents (and any supplements thereto) in an amount sufficient to cover the aggregate Loans utilised (including such proposed Utilisation).

Part II
Conditions precedent required to be delivered by an Additional Obligor

1. An Accession Deed executed by the Additional Obligor and the Parent.

2. A copy of the constitutional documents of the Additional Obligor.

3. A copy of a resolution of the board or, if applicable, a committee of the board of directors of the Additional Obligor:

   (a) approving the terms of, and the transactions contemplated by, the Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Accession Deed and any other Finance Document to which it is party;

   (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;

   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

   (d) authorising the Parent to act as its agent in connection with the Finance Documents

4. If applicable, a copy of a resolution of the board of directors of the Additional Obligor, establishing the committee referred to in paragraph 3 above.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

6. If applicable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

7. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Commitment would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.

8. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 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 Deed.

9. A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.

10. If available, the latest audited financial statements of the Additional Obligor.

11. The following legal opinions, each addressed to the Lender:

    (a) A legal opinion from legal advisers to the Lender as to English law.

    (b) Legal opinions from the legal advisers to the Lender as to the jurisdiction of incorporation of the Additional Obligor (or its equivalent) and such other laws as the Lender may require.

12. Evidence that the process agent specified in Clause 35.2 (*Service of process*) has accepted its appointment in relation to the proposed Additional Obligor.

13. Evidence that any fees, costs and expenses then due from the Parent in respect of the Additional Obligor pursuant to Clause 12 (*Fees*), Clause 13.5 (*Stamp taxes*) and Clause 17 (*Costs and expenses*) have been paid (or provided for to the satisfaction of the Lender) on or prior to the date of the Accession Deed, including without limitation payment of any documentary stamp tax due on each Promissory Note and/or any Transaction Security Documents (and any supplements thereto) in an amount sufficient to cover the aggregate Loans utilised.

14. Any security documents which are required by the Lender to be executed by the proposed Additional Obligor.

15. Any notices or documents required to be given or executed under the terms of those security documents and evidence that each has been duly authorised, executed and delivered by the parties thereto and (where required) duly filed, recorded, stamped and registered.

16. A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Parent accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document (or for the validity and enforceability of any Transaction Document) or otherwise comprised in or in any way related to the Group or the Project.

SCHEDULE 3

UTILISATION REQUEST

From: [*Borrower*]/[*Parent*]*
To: [*Lender*]
Dated:

Dear Sirs

[Parent] – [ ] Loan Agreement dated [ ] (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the 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:	[ ]
(b)	Proposed Utilisation Date:	[ ] (or, if that is not a Business Day, the next Business Day)
(c)	Amount:	[ ] or, if less, the Available Facility
(d)	Interest Period:	[ ]

3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4. This Loan is to be made for the purpose of [ ].

5. The proceeds of this Loan should be credited to [*account*].

6. This Utilisation Request is irrevocable.

Yours faithfully

……
authorised signatory for
[the Parent on behalf of [*insert name of relevant Borrower*]]/ [*insert name of Borrower*]*

NOTES:

* Amend as appropriate. The Utilisation Request can be given by the Borrower or by the Parent.

SCHEDULE 4

FORM OF PROMISSORY NOTE

[***Date of Utilisation***] TERMINATION DATE: •

1. For value received, MCE Leisure (Philippines), Inc. (the "***Borrower***") unconditionally promises to pay to the order of MCE (Philippines) Investment Limited (the "***Lender***") the principal sum of USD[—], [***US Dollars***], together with stipulated interest thereon, pursuant to the terms of the Loan Agreement between, amongst others, the Borrower and the Lender dated [—] (the "***Agreement***"), as may be amended, supplemented and/or restated from time to time (including pursuant to any MCE Confirmation), to which reference is hereby made and which are herein incorporated by reference. All capitalised terms used herein as proper nouns shall have the same meaning set out in the Agreement.

2. The Borrower further promises to pay any default interest, costs and expenses to the Lender on amounts due and owing to the Lender at the rates and in the manner provided and calculated in accordance with the provisions of the Agreement.

3. All payments under this Promissory Note shall be made in US Dollars in immediately cleared funds in full and shall be payable without counterclaim, free and clear of and without deduction for taxes, restrictions or conditions of any nature as provided under the Agreement. If the Borrower is required to make any such deduction or withholding from any such payment, the Borrower shall pay such additional amounts as are provided in the Agreement.

4. The Borrower hereby waives presentment, demand for payment, notice of dishonour, protest and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this promissory note.

5. The Lender may assign their rights under this Promissory Note without restriction.

6. The Borrower has the right on giving notice as set out in the Agreement to prepay this Promissory Note in whole or in part in accordance with the terms of the Agreement.

7. The repayment of all sums due under this Promissory Note is secured by the Transaction Security set forth in or granted pursuant to the Agreement, to which reference is hereby made and which is incorporated herein by said reference.

8. This Promissory Note shall be governed by, and construed in accordance with, the law of England. The Borrower irrevocably agrees that, subject to Section 12 of the Agreement (which shall also apply *mutatis mutandis* as between the parties in respect of this Promissory Note) the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Promissory Note.

This Promissory Note is executed as a deed by the Borrower and is delivered on the date stated above

Executed as deed by:

MCE Leisure (Philippines) Corporation.

By:

Signature of authorised signatory:

Name:

Title:

In the presence of:

Signature of witness:

Name:

Occupation:

SCHEDULE 5

FORM OF ACCESSION DEED

To: [ ] as Lender

From: [*Subsidiary*] and [*Parent*]

Dated:

Dear Sirs

[Parent] – [ ] Loan Agreement
dated [ ] (the " Agreement")

1. We refer to the Agreement. This deed (the "**Accession Deed**") shall take effect as an Accession Deed for the purposes of the Agreement. Terms defined in the Agreement have the same meaning in paragraphs 1-[3]/[4] of this Accession Deed unless given a different meaning in this Accession Deed.

2. [*Subsidiary*] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Agreement and the other Finance Documents as an Additional [Borrower]/[Guarantor] pursuant to Clause [24.2 (*Additional Borrowers*)]/[Clause 24.4 (*Additional Guarantors*)] of the Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company and registered number [ ].

3. [The Parent confirms that no Default is continuing or would occur as a result of [*Subsidiary*] becoming an Additional Borrower]. [1]

4. [*Subsidiary's*] administrative details for the purposes of the Agreement are as follows:

   Address:

   Fax No.:

   Attention:

5. This Accession Deed is governed by English law.

THIS ACCESSION DEED has been signed on behalf of the Parent and executed as a deed by [*Subsidiary*] and is delivered on the date stated above.

---

[1] Include in the case of an Additional Borrower.

[*Subsidiary*]

[EXECUTED AS A DEED)
By: [*Subsidiary*])

_____ Director

_____ Director/Secretary

OR

[EXECUTED AS A DEED

By: [*Subsidiary*]

_____ Signature of Director

_____ Name of Director

in the presence of

_____ Signature of witness

_____ Name of witness

_____ Address of witness

_____

_____

_____

_____ Occupation of witness]

The Parent

_____ [*Parent*]

By:

SCHEDULE 6

FORM OF RESIGNATION LETTER

To: [ ] as Lender

From: [*resigning Obligor*] and [*Parent*]

Dated:

Dear Sirs

[Parent] - [ ] Loan Agreement dated [ ] (the "Agreement")

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to [Clause 24.3 (*Resignation of a Borrower*)]/[Clause 24.5 (*Resignation of a Guarantor*)], we request that [*resigning Obligor*] be released from its obligations as a [Borrower]/[Guarantor] under the Agreement and the Finance Documents.

3. We confirm that:

   (a) no Default is continuing or would result from the acceptance of this request; and

   (b) *[[this request is given in relation to a Third Party Disposal of [*resigning Obligor*];

   (c) [the Disposal Proceeds have been or will be applied in accordance with Clause 8.2 (*Disposal and Insurance Proceeds*);]**]

   (d) [ ]***

4. This Resignation Letter is governed by English law.

[Parent]	[*resigning Obligor*]
By:	By:

NOTES:

* Insert where resignation only permitted in case of a Third Party Disposal.
** Amend as appropriate, e.g. to reflect agreed procedure for payment of proceeds into a specified account.
*** Insert any other conditions required by the Agreement.

SCHEDULE 7

FORM OF COMPLIANCE CERTIFICATE

To: [ ] as Lender

From: [*Parent*]

Dated:

Dear Sirs

[Parent] - [ ] Loan Agreement
dated [ ] (the "Agreement")

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. [We confirm that no Default is continuing.]

Signed _____ _____

Director
of
[Parent]

Director
of
[Parent]

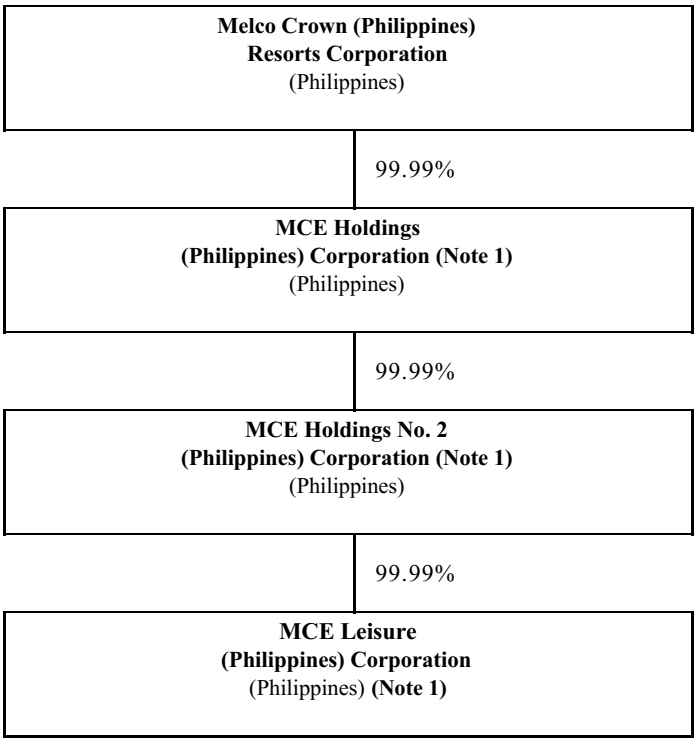
NOTES:

* 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

GROUP STRUCTURE CHART[2]



2 Note 1: Balance of shares owned by directors of each relevant company

SIGNATURES

THE PARENT

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION

By: /s/ Yuk Man Chung

Address: Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines

Fax: +632 815 3172

Attention: Corporate Secretary/ Frances T. Yuyucheng

THE ORIGINAL BORROWER

MCE LEISURE (PHILIPPINES) CORPORATION

By: /s/ Yuk Man Chung

Address: Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines

Fax: +632 815 3172

THE ORIGINAL GUARANTORS

MCE HOLDINGS NO. 2 (PHILIPPINES) CORPORATION

By: /s/ Yuk Man Chung

Address: Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines

Fax: +632 815 3172

SIGNATURES

MCE HOLDINGS (PHILIPPINES) CORPORATION

By: /s/ Yuk Man Chung

Address: Aseana Boulevard corner Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines

Fax: +632 815 3172

THE LENDER

MCE (PHILIPPINES) INVESTMENTS LIMITED

By: /s/ Yuk Man Chung

Address: c/o MELCO Crown Entertainment Limited
36th Floor, The Centrium, 60 Wyndham Street
Central Hong Kong SAR

Fax: +852 2537 3618

Attention: The Company Secretary

Exhibit 4.44

AMENDMENT NO. 2
TO
SHAREHOLDERS' AGREEMENT

This AMENDMENT NO.2 TO SHAREHOLDERS AGREEMENT (**Amendment No 2**), dated as of May 17, 2013, is entered into by and among MCE Cotai Investments Limited, a company incorporated in the Cayman Islands (**MCE Cotai**), New Cotai, LLC, a Delaware limited liability company (**New Cotai**), Melco Crown Entertainment Limited, a company incorporated in the Cayman Islands (**MCE**), and Studio City International Holdings Limited (formerly known as Cyber One Agents Limited), a company incorporated in the British Virgin Islands (**Company**).

Background

A. MCE Cotai, New Cotai, MCE and the Company (**The Parties**) entered into a Shareholders' Agreement dated July 27, 2011 (**Shareholders' Agreement**), which governs their relationship in connection with, and the conduct and operations of, the Company and its Subsidiaries.

B. On September 25, 2012, The Parties entered into an agreement to amend the Shareholders' Agreement (**Amendment No 1**).

C. Under Amendment No 1, New Cotai has the option to acquire from MCE Cotai a Financial Interest in the MCE Follow On Commitment in an amount up to but not exceeding 40%.

D. The New Cotai Equity Option has been exercised by New Cotai on 19 April 2013 and The Parties wish to document this fact and the effect that this has on Schedule 1 of the Shareholders' Agreement at closing of the exercise of the New Cotai Equity Option.

E. This Amendment No 2 is being executed and delivered by The Parties in accordance with clause 41.1 of the Shareholders' Agreement.

AGREED TERMS

1. **Definitions**

In this Amendment No 2, all capitalized terms used herein without definition shall have the respective meanings given to such terms in the Shareholders' Agreement and Amendment No 1.

2. **New Cotai Equity Option**

New Cotai has exercised the New Cotai Equity Option on 19 April 2013. On the date of this Amendment No 2, Schedule 1 of the Shareholders' Agreement will be replaced by Schedule 1 as set forth on Annexure A.

3. **General**

a) Except as expressly modified by this Amendment No 2, all of the terms, covenants, agreements, conditions and other provisions of the Shareholders' Agreement as amended by Amendment No 1, shall remain in full force and effect in accordance with their respective terms. As used in the Shareholders'

Agreement, as amended by Amendment No 1, the terms "this Agreement," "herein," "hereinafter," "hereunder," "hereto" and words of similar import shall mean and refer to, from and after the date hereof, unless the context otherwise requires, the Shareholders' Agreement as amended by Amendment No 1 and further amended by this Amendment No 2.

b) This Amendment No 2 may be executed in multiple counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall together be considered one and the same agreement, and shall become effective when counterparts have been signed by each of the parties and delivered to the other parties. Delivery of an executed counterpart of a signature page to this Amendment No 2 by facsimile transmission or by electronic transmission of a .pdf or electronic file shall be as effective as delivery of a manually signed counterpart of this Amendment No 2.

c) This Amendment No 2 is governed by and is to be construed in accordance with laws applicable in Hong Kong.

*****

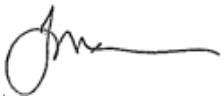
Executed as an agreement

SIGNED by

HO Lawrence Yau Lung

for and on behalf of
MCE COTAI INVESTMENTS LIMITED
as its authorised representative
with authority from the board
in the presence of:

Authorised Representative



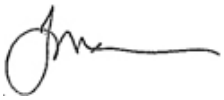
Name of witness: Man Ka Ki Judy
Title of witness Solicitor, HKSAR

SIGNED by

HO Lawrence Yau Lung

for and on behalf of
MELCO CROWN ENTERTAINMENT LIMITED
as its authorised representative
with authority from the board
in the presence of:

Authorised Representative



Name of witness: Man Ka Ki Judy
Title of witness Solicitor, HKSAR

SIGNED by

Michael Gatto

for and on behalf of
NEW COTAI, LLC
as its authorised representative
with authority from the board
in the presence of:

Authorised Representative

Name of witness: BRADFORD ROBIN
Title of witness ASSOCIATE

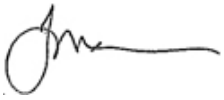
Michael A. Gatto
Authorised Signatory

SIGNED by

HO Lawrence Yau Lung

for and on behalf of
STUDIO CITY INTERNATIONAL HOLDINGS LIMITED
as its authorised representative
with authority from the board
in the presence of:

Authorised Representative



Name of witness: Man Ka Ki Judy
Title of witness Solicitor, HKSAR

ANNEXURE A

Schedule 1

Financial Interest

Original Capital Commitments

Shareholder	Financial Interest
New Cotai	40
MCE Cotai	60

MCE Follow On Commitment

Shareholder	Financial Interest
New Cotai	40
MCE Cotai	60

CLIFFORD
CHANCE

CLIFFORD CHANCE
高 偉 紳 律 師 行

AMENDMENT AND RESTATEMENT AGREEMENT

dated 22 June 2011

between, amongst others,

MELCO CROWN GAMING (MACAU) LIMITED
as the Company

with

DEUTSCHE BANK AG, HONG KONG BRANCH
acting as Agent

and

DB TRUSTEES (HONG KONG) LIMITED
acting as Security Agent

FIFTH AMENDMENT AGREEMENT IN RESPECT OF THE SENIOR FACILITIES AGREEMENT

CONTENTS

THIS AGREEMENT is dated 22 June 2011 and made

BETWEEN:

(1) **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. 25, Edificio Montepio, 1. andar, comp. 13, Macau (the "**Company**");

(2) **MPEL (DELAWARE) LLC**, a Delaware limited liability company (registered number 4356658), whose registered office is at 32 West Lockerman Square, Suite 210, City of Dover, County of Kent 19904, USA (together with the Company, the "**Original Borrowers**");

(3) **THE PARTIES LISTED ON THE SIGNING PAGES AS RELEVANT OBLIGORS** (together with the Original Borrowers, the "**Relevant Obligors**");

(4) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANK OF AMERICA, N.A., BANK OF CHINA LIMITED, MACAU BRANCH, COMMERZBANK AG** and **DEUTSCHE BANK AG, SINGAPORE BRANCH** as coordinating lead arrangers and bookrunners (the "**Coordinating Lead Arrangers and Bookrunners** ");

(5) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNING PAGES AS CONTINUING LENDERS** (the "**Continuing Lenders**");

(6) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNING PAGES AS NEW LENDERS** (the "**New Lenders**");

(7) **THE FINANCIAL INSTITUTIONS LISTED ON THE SIGNING PAGES AS HEDGE COUNTERPARTIES** ;

(8) **DEUTSCHE BANK AG, HONG KONG BRANCH** as facility agent of the other Finance Parties (the " **Agent**"); and

(9) **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 and as further amended pursuant to a fourth amendment agreement between, *inter alios*, the Company and the Agent dated 10 May 2010 (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 letters entered into by the Company and the Coordinating Lead Arrangers and Bookrunners on 21 April 2011.

IT IS AGREED as follows:

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*);

(ii) "**Effective Date**" has the meaning given to it in Clause 4 below;

(iii) "**Relevant Subordinated Creditor**" means a person which is party to the Subordination Deed as a Subordinated Creditor and which is not also a Relevant Obligor;

(iv) "**Transferor Lenders**" means the persons listed in Part I of Schedule 4 (*The Transfer Parties*); and

(v) "**Transferee Lenders**" means the persons listed in Part II of Schedule 4 (*The Transfer Parties*).

(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 the Schedule, 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 18.2 of the commitment letter dated 21 April 2011 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) Notwithstanding paragraph 4 of the fee letter dated 21 April 2011 between the Company and the Coordinating Lead Arrangers and Bookrunners, the Company agrees with the Coordinating Lead Arrangers and Bookrunners that the fees and all other amounts payable by the Company pursuant to that letter 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. **PREPAYMENTS AND CANCELLATION**

(a) Each Continuing Lender confirms that upon receipt of the notice of prepayment and cancellation referred to in step 3 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, notwithstanding the notice requirements set out in Clause 7.2(a) (*Voluntary Cancellation*) of the Senior Facilities Agreement, and subject always to Clause 2(d) and Clause 3 below, the notices of prepayment and cancellation from the Company to Lenders (under and as defined in the Senior Facilities Agreement) referred to in step 3 of the Funds Flow Memorandum will, once issued, also constitute notices of cancellation in accordance with Clause 7.2 (*Voluntary Cancellation*) of the Senior Facilities Agreement in the amounts and in respect of the Facility referred to therein.

(c) The Agent confirms that it has received evidence satisfactory to it that the Group (as defined in the Senior Facilities Agreement) will have sufficient Working Capital (as defined in the Senior Facilities Agreement) available following the cancellation referred to in Clause 2(b) above.

(d) Each Continuing Lender and the Company agree that (without prejudice to the validity of the notices of prepayment and cancellation referred to in step 3 of the Funds Flow Memorandum given by the Company to the Lenders under the Senior Facilities Agreement (other than the Continuing Lenders)) the notices of prepayment and cancellation referred to in step 3 of the Funds Flow Memorandum given to the Continuing Lenders shall have no effect.

3. **TRANSFER BY NOVATION**

3.1 **Commitment increase and reduction**

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 Transferor Lenders is hereby increased so that it equals US$800,000,000, and such that after such increase and the transfer under Clauses 3.2 (*Transfer by novation*) and 3.3 (*Procedure for transfer by novation*), 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 5 (*Commitments and Loans*); and

(b) notwithstanding any notice of prepayment or cancellation given by the Company, the aggregate of the Revolving Credit Facility Commitments of the Transferor Lenders is hereby increased so that it equals US$400,000,000, and such that after such increase and the transfer under Clauses 3.2 (*Transfer by novation*) and 3.3 (*Procedure for transfer by novation*), the Revolving Credit 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 "Revolving Credit Facility Commitment" in Part I of Schedule 5 (*Commitments and Loans*).

3.2 **Transfer by novation**

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), each Transferor Lender shall transfer by novation all or part of its Commitment, its participation in any or all of the Loans, and corresponding rights and obligations under the Senior Facilities Agreement to each Transferee Lender, so that:

(a) each Transferee Lender will become a Lender under the Amended Senior Facilities Agreement with (i) a Term Loan Facility Commitment as set out beside its name under the heading "Term Loan Facility Commitment" in Part I of Schedule 5 (*Commitments and Loans*) and (ii) a Revolving Credit Facility Commitment as set out beside its name under the heading "Revolving Credit Facility Commitment" in Part I of Schedule 5 (*Commitments and Loans*);

(b) each Transferor Lender's Term Loan Facility Commitment shall be reduced to the amount set out beside its name under the heading "Term Loan Facility Commitment" in Part I of Schedule 5 (*Commitments and Loans*), and each Transferor Lender's Revolving Credit Facility Commitment shall be reduced to the amount set out beside its name under the heading "Revolving Credit Facility Commitment" in Part I of Schedule 5 (*Commitments and Loans*);

(c) each Transferee Lender will become a Lender under the Amended Senior Facilities Agreement with (i) an aggregate participation in the Term Loan Facility Loans as set out beside its name under the heading "Term Loan Facility Loans" in Part II of Schedule 5 (*Commitments and Loans*) and (ii) an aggregate participation in the Revolving Credit Facility Loans as set out beside its name under the heading "Revolving Credit Facility Loans" in Part II of Schedule 5 (*Commitments and Loans*); and

(d) each Transferor Lender's aggregate participation in the Term Loan Facility Loans shall be reduced to the amount set out beside its name under the heading "Term Loan Facility Loans" in Part II of Schedule 5 (*Commitments and Loans*), and each Transferor Lender's aggregate participation in the Revolving Credit Facility Loans shall be reduced to the amount set out beside its name under the heading "Revolving Credit Facility Loans" in Part II of Schedule 5 (*Commitments and Loans*).

3.3 **Procedure for transfer by novation**

The transfer by novation set out in Clause 3.2 (*Transfer by novation*) shall take effect on the Effective Date (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) so that:

(a) to the extent that in Clause 3.2 (*Transfer by novation*) a Transferor Lender seeks to transfer by novation its rights and obligations under the Finance Documents to a Transferee Lender, each of the Relevant Obligors and such Transferor Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

(b) each of the Relevant Obligors and such Transferee 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 Relevant Obligor and such Transferee Lender have assumed and/or acquired the same in place of that Relevant Obligor and such Transferor Lender;

(c) the Agent, the Security Agent, the Arrangers, the Hedge Counterparties, such Transferee Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had such Transferee Lender been originally party to the Senior Facilities Agreement as a Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer (the subject of Clause 3.2 (*Transfer by novation*)) and to that extent the Agent, the Security Agent, the Arrangers, the Hedge Counterparties and such Transferor Lender shall each be released from further obligations to each other under the Finance Documents; and

(d) such Transferee Lender shall become party to the Senior Facilities Agreement and the Amended Senior Facilities Agreement as a " **Lender**".

3.4 **Amounts due on or before the Effective Date**

Any amounts payable to any Transferor Lender by any Relevant Obligor under or pursuant to any Finance Document (including, without limitation, all interest, fees and commission payable on the Effective Date) in respect of any period ending on or before the Effective Date shall be for the account of such Transferor Lender and none of the Transferee Lenders shall have any interest in, or any rights in respect of, any such amount.

3.5 **Limitation of responsibility of existing Lenders**

The provisions of clause 23.4 (*Limitation of responsibility of Existing Lenders*) of the Senior Facilities Agreement shall apply *mutatis mutandis* with respect to any transfer by any Transferor Lender to any Transferee Lender made pursuant to this Agreement.

3.6 **Administrative Details**

The address, fax number and attention details of each Continuing Lender and each New Lender for the purposes of clause 30.2 (*Addresses*) of the Senior Facilities Agreement and/or the Amended Senior Facilities Agreement are those identified with its name on the signing pages below. Each New Lender has delivered details of its Facility Office to the Agent on or prior to the date of this 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 7 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 (*Transfer by Novation*)) the Commitments and outstanding participations of the parties (and their respective rights and obligations as between each other) were as set out in Schedule 5 (*Commitments and Loans*).

5. **REPRESENTATIONS**

5.1 **Representations 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.

(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 14 (*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.

(d) **Power and authority**

(i) 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.

(ii) No limit on any Relevant Obligor's powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities or the entry into or performance of the transactions, contemplated by this Agreement or the Amended Senior Facilities Agreement or any Amendment Agreement.

(e) **Validity and admissibility in evidence**

(i) All Permits (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 Permits necessary for the conduct of the business, trade and ordinary activities of each Relevant Obligor that are part of the Mocha Slot Business or the Projects have been, to the extent they are material, 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) **Insolvency**

(i) No:

(A) corporate action, legal proceeding or other procedure or step described in paragraph 7 (*Insolvency proceedings*) of Schedule 9 (*Events of Default*) of the Senior Facilities Agreement; or

(B) creditors' process described in paragraph 8 (*Creditors' process*) of Schedule 9 (*Events of Default*) of the Senior Facilities Agreement,

has been taken or to the best of its knowledge and belief (having made due and careful enquiry) threatened in relation to any Relevant Obligor and none of the circumstances described in paragraph 6 (*Insolvency*) of Schedule 9 (*Events of Default*) of the Senior Facilities Agreement applies to any Relevant Obligor.

(ii) The Managing Director has not commenced nor has there been commenced against the Managing Director any case, proceeding or other action relating to his bankruptcy or any analogous proceedings in any jurisdiction.

(j) **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 is reasonably likely 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 schedule 5 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 notice of prepayment or cancellation contemplated by the Funds Flow Memorandum and 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. FAILURE TO PRE-FUND

(a) In the event that one or more Raptor Lenders (as defined in the Pre-Funding Indemnity Letter) party to this Agreement have failed to make cleared funds available to the Agent in the amounts and at the time set out in step 5 of the Funds Flow Memorandum (such amount not so made available, the "**Unfunded Amount**"), then each such Lender shall, save in respect (and to the extent) of any funded participations it may have as at the Effective Date in any Loans under the Amended Senior Facilities Agreement (which shall not, in any event, include any Unfunded Amount) and without prejudice to any right or claim which any Obligor may have against it, cease to be a Lender for the purposes of the Amended Senior Facilities Agreement and the other Finance Documents, its remaining Commitments shall be reduced to zero, and the Total Commitments shall be reduced by equivalent amounts and that Lender shall, save in respect (and to the extent) of any funded participations it may have as at the Effective Date in any Loans under the Amended Senior Facilities Agreement (which shall not, in any event, include any Unfunded Amount), cease to have any rights or interests of any kind under any of the Finance Documents (and shall, in any event, have no right of any kind to any payment of fees (including any commitment fee) nor shall its participations be given any account whatsoever for the purposes of any consent, waiver, amendment or other vote under the Finance Documents and it shall otherwise be a Defaulting Lender for all purposes thereunder).

(b) The Company may elect to pay an amount equal to the Unfunded Amount (as defined in paragraph (a) above) to the Agent in accordance with step 5 of the Funds Flow Memorandum. Notwithstanding any other provision of the Finance Documents, it may freely apply any moneys referred to in paragraph (d)(i) of the definition of "Permitted Distribution" in clause 1.1 of the Amended Senior Facilities Agreement for this purpose.

9. RESIGNATION OF MPEL (DELAWARE) LLC

(a) MPEL (Delaware) LLC confirms to the Finance Parties that, as at the date of this Agreement and as at the Effective Date, no payment is due and payable from it as a Borrower or as a Guarantor under any of the Finance Documents.

(b) With effect from the Effective Date, MPEL (Delaware) LLC shall cease to be a Borrower and a Guarantor and shall have no further rights or obligations (other than any payment obligation that arose prior to the Effective Date) under the Finance Documents as a Borrower or Guarantor.

10. MISCELLANEOUS

10.1 Incorporation of terms

The provisions of clause 1.3 (*Third Party Rights*), clause 18.1 (*Transaction Expenses*), clause 30 (*Notices*), clause 32 (*Partial Invalidity*), clause 33 (*Remedies and Waivers*) and clause 38 (*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.

10.2 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.

10.3 **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.

11. 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) A certificate of an authorised signatory of the Company certifying that the Constitutional Documents of each Relevant Obligor previously delivered to the Agent for the purposes of the Senior Facilities Agreement have not been amended or, where there have been amendments to such Constitutional Documents or where such Constitutional Documents have not previously been delivered to the Agent, which attaches the relevant person's or relevant persons' Constitutional Documents.

(b) A copy of the Constitutional Documents of each Relevant Subordinated Creditor.

2. **Corporate documents**

(a) A copy of a resolution of the board of directors of each Relevant Obligor and each Relevant Subordinated Creditor (save if such resolution is not required under the law of incorporation or the Constitutional Documents of that Relevant Obligor or Relevant Subordinated Creditor) 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 either that (i) no Relevant Obligor or Relevant Subordinated Creditor has registered one or more "establishments" (as that term is defined in Part 1 of the Overseas Companies Regulations 2009) with the Registrar of Companies in the United Kingdom; or (ii) if any such Relevant Obligor or Relevant Subordinated Creditor has registered such an establishment, specifying the name and registered number under which it is registered with the Registrar of Companies in the United Kingdom.

(d) 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;

(ii) the Pre-Funding Indemnity Letter;

(iii) the Deed of Amendment; and

(iv) each agreement, deed, acknowledgements, confirmation, amendment or other instrument listed in Schedule 2 (*Security Amendments and Confirmations*).

(b) Receipt by the Agent of evidence that each Document has been duly authorised, executed and delivered by or on behalf of such of the Relevant Obligors as are party thereto and duly filed, notified, recorded, stamped and registered as necessary and all other actions necessary in the reasonable opinion of the Agent or the Security Agent to perfect the Transaction Security have been carried out.

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 Manuela António Advogados & Notários, legal advisers to the Company as to Macau SAR law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.

(c) 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.

(d) A legal opinion of Clifford Chance, 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.

(e) A legal opinion of Clifford Chance, legal advisers to the Agent as to English law, substantially in the form distributed to the Finance Parties prior to signing this Agreement.

(f) A legal opinion of Clifford Chance US LLP, legal advisers to the Agent as to US 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,

have been paid or shall be paid by no later than the Effective Date.

6. **Other documents and evidence**

(a) The Insurance Report.

(b) The Appraisal Report.

(c) The Financial Model.

(d) The Margin Documents.

(e) Evidence of all required registrations, filings or other similar steps required to carry out transactions contemplated by the Finance Documents (to the extent not already provided pursuant to the Senior Facilities Agreement).

(f) 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.

(g) 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.

(h) The Funds Flow Memorandum, in the agreed form.

(i) A certificate setting out projected levels of Cash and Cash Equivalents required to be held by the Group for operating purposes as at the Effective Date and, from time to time, for the remainder of the Financial Year ending 31 December 2011 (the "**Cash Balance Certificate**").

(j) 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).

(k) A copy of any other authorisation or other document, opinion or assurance (including, without limitation, any Permit) which the Agent considers to be necessary or desirable (if it has notified the Company accordingly prior to the date of this Agreement) in connection with the entry into and performance of the transactions contemplated any Finance Document or for the validity and enforceability of any Finance Document.

SCHEDULE 2
SECURITY AMENDMENTS AND CONFIRMATIONS

1. A composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

2. a composite security confirmation 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 each dated 13 September 2007 and entered into by certain Relevant Obligors and MPEL International Limited (formerly known as Melco PBL International Limited);

3. a composite security confirmation with respect to the Macau law security documents listed therein dated 5 September 2007, 16 May 2008 and 21 August 2008 and entered into by certain Relevant Obligors;

4. a composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

5. an amendment agreement 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, MPEL Investments Limited and MPEL (Delaware) LLC (as amended pursuant to an amendment agreement dated 10 May 2010);

6. a composite amendment agreement with respect to the Hong Kong law assignment of reinsurances dated 9 April 2008 entered into by Macau Insurance Company Limited;

7. a composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

8. a composite amendment agreement with respect to the Macau law pledges over onshore accounts dated 5 September 2007, 17 December 2007, 1 February 2008, 17 June 2008 and 12 August 2008 and entered into by certain Relevant Obligors (each as amended pursuant to an amendment agreement, each dated 10 May 2010);

9. a composite amendment agreement 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;

10. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (HR) Hotel Limited dated 12 August 2008;

11. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (GH) Hotel Limited dated 12 August 2008;

12. an amendment agreement with respect to the Macau law floating charge of COD Theatre Limited dated 12 August 2008;
13. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (CT) Hotel Limited dated 12 August 2008;
14. an amendment agreement with respect to the Macau law floating charge of Melco Crown Hospitality and Services Limited dated 17 December 2007;
15. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Retail Services Limited dated 17 December 2007;
16. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Hotels Limited dated 1 February 2008;
17. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Ventures Limited dated 17 December 2007;
18. an amendment agreement with respect to the Macau law floating charge of Altira Developments Limited dated 5 September 2007;
19. an amendment agreement with respect to the Macau law floating charge of Altira Hotel Limited dated 5 September 2007;
20. an amendment agreement with respect to the Macau law floating charge of Melco Crown Gaming (Macau) Limited dated 5 September 2007;
21. an amendment agreement with respect to the Macau law floating charge of Golden Future (Management Services) Limited dated 5 September 2007;
22. an amendment agreement with respect to the Macau law floating charge of Melco Crown (Cafe) Limited dated 5 September 2007;
23. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Developments Limited dated 1 February 2008;
24. a composite amendment agreement 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;
25. an amendment agreement with respect to the Hong Kong law IP direct agreement dated 30 August 2008 (as amended from time to time); and
26. an amendment agreement with respect to Hong Kong law Altira IP direct agreement dated 15 April 2009 (as amended from time to time).

SCHEDULE 3
AMENDED SENIOR FACILITIES AGREEMENT

DATED 5 SEPTEMBER 2007

MELCO CROWN GAMING (MACAU) LIMITED

arranged by

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
BANK OF AMERICA, N.A.
BANK OF CHINA LIMITED, MACAU BRANCH
COMMERZBANK AG
DEUTSCHE BANK AG, SINGAPORE BRANCH
as Coordinating Lead Arrangers and Bookrunners

with

DEUTSCHE BANK AG, HONG KONG BRANCH
acting as Agent

and

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 AN AMENDMENT AND RESTATEMENT
AGREEMENT DATED JUNE 2011)

CONTENTS

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 and an amendment and restatement agreement dated June 2011) and made between:

(10) **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.°25, Edificio Montepio, 1. andar, comp. 13, Macau (the **"Company**" and the "**Original Borrower**");

(11) **THE PERSONS** listed in Part D of Schedule 4 (*Original Parties*) as guarantors (together with the Company, the "**Original Guarantors**");

(12) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANK OF AMERICA, N.A., BANK OF CHINA LIMITED, MACAU BRANCH, COMMERZBANK AG** and **DEUTSCHE BANK AG, SINGAPORE BRANCH** as coordinating lead arrangers and bookrunners (the "**Coordinating Lead Arrangers and Bookrunners**");

(13) **THE FINANCIAL INSTITUTIONS** listed in Part A and Part B of Schedule 4 (*Original Parties*) as lenders (the "**Original Lenders**");

(14) **THE PERSONS** listed in Part C of Schedule 4 (*Original Parties*) as hedge counterparties (the "**Original Hedge Counterparties**");

(15) **DEUTSCHE BANK AG, HONG KONG BRANCH** as facility agent of the other Finance Parties (the "**Agent**"); and

(16) **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

12. DEFINITIONS AND INTERPRETATION

12.1 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 A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 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; or

(d) any other bank or financial institution approved by the Agent.

"**Accession Letter**" means a document substantially in the form set out in Schedule 15 (*Form of Accession Letter*).

"**Account**" means each of the accounts specified in or permitted by paragraph 1 of Schedule 10 (*Accounts*), and any other bank account opened from time to time by a Relevant Obligor in any jurisdiction (excluding any Permitted Account).

"**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 35 (*Changes to the Obligors*).

"**Additional Guarantor**" means a company which becomes a Guarantor in accordance with Clause 35 (*Changes to the Obligors*).

"**Additional Hotel**" means the additional hotel tower to be constructed and located on the City of Dreams Site in accordance with the Land Concession for the City of Dreams Site.

Additional Hotel Plan" has the meaning given to such term in paragraph 3.39 (*Additional Hotel*) of Schedule 9 (*Covenants*).

"**Additional Hotel Report**" means a report in respect of the progress of the construction and development of the Additional Hotel and the application for extension of, and any extension granted in respect of, the date set out in the Land Concession for the City of Dreams Site by which completion of the City of Dreams Site (including the Additional Hotel) must occur which shall include an update on such progress of construction and development, an update (together with commentary thereon from the Company) on any material correspondence received and discussions held with any Macau SAR Governmental Authority in respect of the progress of such construction and development and an update (together with commentary thereon from the Company) on the likelihood of achieving practical completion of the Additional Hotel by the date set out in the Land Concession for the City of Dreams Site (as the same may be extended from time to time by the applicable Macau SAR Governmental Authority).

"**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 another 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 12.1 (*Definitions*).

"**Altira Insurance Proceeds**" has the meaning given to it in paragraph 1 (*Definitions*) of Schedule 7 (*Mandatory Prepayment*).

"**Altira Loss Event**" has the meaning given to it in paragraph 1 (*Definitions*) of Schedule 7 (*Mandatory Prepayment*).

"**Altira Project**" means the ownership, operation and maintenance of a hotel and casino 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 and a lease agreement dated 16 April 2006 made between Altira Developments Limited and the Company.

"**Altira Site**" means the land described in the Land Concession in relation to the Altira Project.

"**Amendment and Restatement Agreement**" means the amendment and restatement agreement dated June 2011 between, amongst others, the Agent and the Company.

"**Amendment and Restatement Effective Date**" means the "Effective Date" as defined in the Amendment and Restatement Agreement.

"**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.

"**Appraisal Report**" means the report by the Appraiser dated 2 June 2011 provided by the Company to the Agent, together with any supplements thereto, and addressed to and capable of being relied upon by the Finance Parties.

"**Appraiser**" means, as the case may be:

(a) Savills (Macau) Limited; or

(b) the project appraiser appointed by the Agent and, unless an Event of Default has occurred and is continuing, approved by the Company (such approval not to be unreasonably withheld or delayed), to advise the Finance Parties as and when required in respect of any of the Projects or the Group's other Permitted Businesses.

"**Approved Additional Hotel Plan**" means the Additional Hotel Plan approved by the Required Finance Parties (as such term is defined in paragraph 3.39 (*Additional Hotel*) of Schedule 9 (*Covenants*)) in accordance with paragraph 3.39 (*Additional Hotel*) of Schedule 9 (*Covenants*).

"**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 14 (*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 Amendment and Restatement Effective Date; and

(b) in relation to the Revolving Credit Facility, the period from and including the 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.

"**Available Commitment**" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the 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 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.

"**Bond**" means the US$600,000,000 10.25% Senior Notes due 2018 issued by Bondco on or about 17 May 2010.

"**Bond Guarantee**" means the guarantees given by the Bond Guarantors in respect of the Bond and referred to in paragraph (f) of the definition of "Permitted Guarantee" set out in this Clause 12.1 (*Definitions*).

"**Bond Guarantors**" means, at any time, any of the following Relevant Obligors:

(a) the Company;

(b) MPEL Nominee One Limited;

(c) MPEL Investments;

(d) Altira Hotel Limited;

(e) Altira Developments Limited;

(f) Melco Crown (COD) Hotels Limited;

(g) Melco Crown (COD) Developments Limited;

(h) Melco Crown (Cafe) Limited;

(i) Golden Future (Management Services) Limited;

(j) MPEL (Delaware) LLC;

(k) Melco Crown Hospitality and Services Limited;

(l) Melco Crown (COD) Retail Services Limited;

(m) Melco Crown (COD) Ventures Limited;

(n) COD Theatre Limited;

(o) Melco Crown COD (HR) Hotel Limited;

(p) Melco Crown COD (CT) Hotel Limited; and

(q) Melco Crown COD (GH) Hotel Limited,

and any other Relevant Obligors which, in each case, at that time, are "Guarantors" as defined in the indenture dated 17 May 2010 entered into by, amongst others, Bondco and The Bank of New York Mellon in respect of the Bond.

"**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 the loan advanced by Bondco to MPEL Investments pursuant to the Bondco Intercompany Note (the principal amount of which equals the principal amount of the Bond).

"**Bondco Intercompany Note**" means the note issued on 17 May 2010 pursuant to which Bondco advanced the Bondco Loan to MPEL Investments.

"**Borrower**" means the Original Borrower or an Additional Borrower.

"**Borrowings**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**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 New York.

"**Capital Expenditure**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**Capital Stock**" means:

(a) (where used in the definition of "Change of Control" set out in this Clause 12.1):

(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 Balance Certificate**" has the meaning given to such term in the Amendment and Restatement Agreement.

"**Cash Equivalent Investments**" means at any time:

(a) deposit 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 the United States of America or Hong Kong SAR or by an instrumentality or agency of any of them having an equivalent credit rating, 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-1 or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or P-1 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-1 or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or P-1 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).

"**Cashflow**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**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) subject to the proviso below, the Sponsors cease collectively to beneficially own, directly or indirectly, at least 51% of the outstanding Capital Stock of the Company (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (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,

provided that paragraph (c) will only result in a Change of Control upon the occurrence of the events set forth in paragraph (c) and a Ratings Decline.

"**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 and a right to use agreement dated 21 April 2009 between the City of Dreams Project Operating Company and the Company, 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 12.1 (*Definitions*)) and the leasing, operation and maintenance of the remainder of the City of Dreams Project by the City of Dreams Project Operating Company in accordance with a right to use agreement dated 12 March 2009 between Melco Crown (COD) Developments Limited and the City of Dreams Project Operating Company.

"**City of Dreams Site**" means the land described in the City of Dreams Land Concession.

"**Commitment**" means a Term Loan Facility Commitment or Revolving Credit Facility Commitment.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 16 (*Form of Compliance Certificate*).

"**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 paragraph 2.1 of Schedule 9 (*Covenants*).

"**Consolidated Total Debt**" has the meaning given to such term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**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.

"**Corporate Structure Chart**" means the corporate structure chart in the agreed form prepared by the Company and dated on or about the 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, the Projects and the Mocha Slot Business) as at the Amendment and Restatement Effective Date and addressed to and capable of being relied upon by the Finance Parties.

"**Crown**" means 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 on or about the Amendment and Restatement Effective Date 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 Schedule 12 (*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 16.4 (*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; and

payment 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.

"**Direct Insurances**" means a contract or policy of insurance of any kind from time to time required to be taken out or effected by, on behalf of or in favour of a Relevant Obligor (whether or not in conjunction with any other person) with one or more insurers pursuant, in each case, to the terms of Schedule 11 (*Insurance*).

"**Direct Insurer**" means the insurer(s) with whom a Direct Insurance is placed from time to time in accordance with Schedule 11 (*Insurance*).

"**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.

"**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 Schedule 12 (*Events of Default*).

"**Excess Cashflow**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**Excluded Project**" means any gaming, hotel or resort related business, development, project, undertaking or venture of any kind in the Macau SAR (other than the Projects and the Mocha Slot Business but including, without limitation:

(a) subject to paragraph 3.39 (d) (*Additional Hotel*) of Schedule 9 (*Covenants*), the construction, development and operation of the Additional Hotel;

(b) such business, development or undertaking at the Hotel Taipa Square in Macau SAR; and

(c) such business, projects development, undertaking or venture at or comprised in the proposed Macau Studio City development in Macau),

and any other property development or management business or undertaking or any other Permitted 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, or, in the case of the Additional Hotel, an Excluded Subsidiary, such other person outside the Group or a member of the Group referred to in sub-paragraph (b) of paragraph 3.39 (*Additional Hotel*) of Schedule 9 (*Covenants*) **provided that** the foregoing neither involves nor permits any claim, interest, liability or right of recourse of any kind in connection therewith against or in any member of the Group or its assets (including, without limitation, any Project) save as permitted (or contemplated by any agreement, document, transaction or other thing permitted) by the Finance Documents or the Approved Additional Hotel Plan 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, condition (financial or otherwise) or prospects of the Group taken as a whole; or

(b) the ability of an Obligor to perform its obligations under the Finance Documents to which it is a party; or

(c) 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, Melco Crown (Macau Peninsula) Hotel Limited or MPEL (Delaware) LLC 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 or the Mocha Slot Business 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 or the Revolving Credit 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.

"**Fee Letter**" means any letter or letters dated on or about the date of the Amendment and Restatement Agreement between the Arrangers and the Company (or the Agent and the Company, the Security Agent and the Company or the POA Agent and the Company) setting out, amongst other things, any of the fees referred to in Clause 24 (*Fees*), the letter dated 21 April 2011 entitled "Fee Letter" between the Arrangers and the Company and the agreement entitled "Fee Proposal" dated 30 May 2011 between the Agent, the Security Agent and the Company.

"**Final Repayment Date**" means, in relation to any Facility, the date falling 60 Months from the Amendment and Restatement Effective Date.

"**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 Amendment and Restatement Agreement;

(p) the Pre-Funding Indemnity Letter; and

(q) 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 or a Hedge Counterparty.

"**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 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 Amendment and Restatement Effective Date.

"**Financial Quarter**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**Financial Year**" has the meaning given to that term in paragraph 2.1 of Schedule 9 (*Covenants*).

"**Fitch**" means Fitch, Inc., a subsidiary of Fimalac, S.A.

"**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 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 Gaming (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 18 (*Hedging Arrangements*), Clause 34.9 (*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 18 (*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 33.1 (*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 in accordance with Schedule 18 (*Hedging Arrangements*).

"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 18 (*Hedging Arrangements*), Clause 34.9 (*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 18 (*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 or the Interest Period of 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 Hong Kong interbank market,

at or about 11:00 a.m. (Hong Kong time) on the Quotation Date for the offering of deposits in HK dollars for a period comparable to the Interest Period for that Loan.

"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 in Schedule 10 (*Accounts*) or in a letter 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; and

payment 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.

"Indirect Tax" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"Information Memorandum" means each document so entitled and any supplement thereto in the form approved by the Company concerning the Permitted Businesses, the Projects, the Sponsor Group Shareholders, the Obligors and their Subsidiaries which, at the request of the Company and on its behalf, is to be prepared in relation to the transactions contemplated herein and in the other Finance Documents, approved by the Company and distributed by the Coordinating Lead Arrangers and Bookrunners prior to the Syndication Date in connection with the syndication of the Facilities.

"Information Package" means the Reports and the Financial Model.

"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" means a Direct Insurance or a Reinsurance.

"Insurance Adviser" means, as the case may be:

(a) Jardine Lloyd Thompson as the insurance adviser for the Finance Parties appointed pursuant to the engagement letter dated 6 June 2007 (as may be amended or supplemented from time to time); or

(b) the insurance adviser appointed by the Agent and, unless an Event of Default has occurred and is continuing, approved by the Company (such approval not to be unreasonably withheld or delayed), to advise the Finance Parties as and when required in respect of any of the Projects or the Mocha Slot Business.

"Insurance Proceeds Account" means the Mandatory Prepayment Account or Holding Account into which Insurance Proceeds or, as the case may be, Excluded Insurance Proceeds are required to be paid pursuant to Schedule 7 (*Mandatory Prepayment*).

"Insurance Requirements" means all material terms of any insurance policy required pursuant to the Finance Documents for each Project and the Mocha Slot Business.

"Insurance Report" means the report (in the agreed form) by the Insurance Adviser dated December 2010, together with any supplements thereto, addressed to and capable of being relied upon by the Finance Parties.

"Insurer" means a Direct Insurer or a Reinsurer.

"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 paragraph 2.1 (*Financial definitions*) of Schedule 9 (*Covenants*).

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 22 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 21.3 (*Default interest*).

"Investment Grade" means a rating of "BBB-" or better by S&P (or its equivalent under any successor rating category of S&P), a rating of "BBB-" or better by Fitch (or its equivalent under any successor rating category of Fitch) and a rating of "Baa3" or better by Moody's (or its equivalent under any successor rating category of Moody's), as the case may be.

"IPO" means the initial primary offering to the public of ordinary shares in MPEL and the listing thereof on the NASDAQ Stock Market.

"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; 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 and integral part of Dispatch 45/2010 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 S.A.R., 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 Amendment and Restatement Agreement or Clause 35 (*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;

(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 Revolving Credit Facility Lender.

"Leverage" has the meaning given to that term in paragraph 2.1 (*Financial definitions*) of Schedule 9 (*Covenants*).

"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 arm's length transactions in connection with the collection, adjustment or settlement thereof.

"Loan" means a Term Loan Facility Loan or 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 21 April 2011 between the Coordinating Lead Arrangers and Bookrunners and the Company.

"Mandatory Prepayment Account" means any of the Accounts so designated in Schedule 10 (*Accounts*) or in a letter between the Company and the Agent.

"Margin" means, in relation to any Loan or Unpaid Sum, 2.75 per cent. per annum but if no Event of Default has occurred and is continuing and Leverage, in respect of the most recently completed Relevant Period (or, as the case may be, as at the 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:

Leverage	Margin
Equal to or greater than 2.5:1	2.75%
Less than 2.5:1 but equal to or greater than 2.0:1	2.50%
Less than 2.0:1 but equal to or greater than 1.5:1	2.25%
Less than 1.5:1	1.75%

and **provided that**:

(i) as at the Amendment and Restatement Effective Date, the Margin will be determined by reference to the Margin Documents delivered to the Agent pursuant to clause 4 (*Amendment*) of the Amendment and Restatement Agreement, and, in respect of the most recently completed Relevant Period thereafter, determined by reference to the latest Compliance Certificate delivered to the Agent;

(ii) in respect of the increase or decrease in the Margin for a Loan as at the Amendment and Restatement Effective Date, that increase or decrease shall take effect on the Amendment and Restatement Effective Date;

(iii) after the Amendment and Restatement Effective Date, 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 paragraph 1.3 of Schedule 9 (*Covenants*);

(iv) 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 21.2 (*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;

(v) while an Event of Default is continuing, the Margin shall be 2.75 per cent. per annum; and

(vi) for the purpose of determining the Margin, Leverage and Relevant Period shall be determined in accordance with paragraph 2 of Schedule 9 (*Covenants*).

"Margin Documents" means a margin certificate (in the agreed form) signed by the chief financial officer of the Company setting out the Leverage (calculated on a *pro forma* basis for the Relevant Period ending on 31 March 2011 and on the basis that the refinancing of certain Financial Indebtedness of the Obligors as contemplated by this Agreement and the Funds Flow Memorandum has occurred and the Utilisations referred to therein are outstanding) and attaching Quarterly Financial Statements in the agreed form which comply with the requirements of Schedule 9 (*Covenants*) in respect of the Relevant Period ending on 31 March 2011.

"Material Adverse Effect" means a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; or

(b) the ability of an Obligor to perform its obligations under the Finance Documents to which it is a party; or

(c) 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 or the Mocha Slot Business.

"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 at the date hereof by the Company and previously carried on by the Mocha Slot Group.

"Mocha Slot Group" means Mocha Slot Group Limited, Mocha Slot Management Limited and Mocha Café Limited.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. **"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 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", in relation to a Hedging Agreement, has the meaning given in paragraph 6(d) of Part A of Schedule 18 (*Hedging Arrangements*).

"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 13.3 (*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.

"Original Financial Statements" means the audited consolidated financial statements for the financial year ended 31 December 2010 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.

"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 Permitted Businesses as contemplated under the Transaction Documents, including those listed in Schedule 19 (*Permits*).

"Permitted Account" means any account of any Relevant Obligor in any jurisdiction which has been opened or is maintained solely for the purpose of holding (and which does solely hold), from time to time, Excluded Project Revenues, Equity, any amounts that may be applied towards a Permitted Distribution or (without double counting) Permitted Payment other than just to another member of the Group (all requirements (as set out in the applicable definition) to such Permitted Distribution or Permitted Payment being made being satisfied) and, in each case, amounts derived therefrom.

"Permitted Acquisition" means:

(a) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal or any other acquisition made pursuant to the Approved Additional Hotel Plan;

(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;

(e) the incorporation of a company in the Macau SAR or other jurisdiction acceptable to the Agent 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 for the purposes of carrying out all or any part of a Project or the Mocha Slot Business and the shares in, and assets of, which become subject to Security in form and substance 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 Businesses" means:

(a) the Mocha Slot Business;

(b) each Project;

(c) any Excluded Project; and

(d) the provision of credit to gaming patrons, food and beverage, spa, entertainment, entertainment production, convention, advertising, marketing, retail, foreign exchange, transportation, travel and outsourcing of in-house facilities and other businesses and activities which are necessary for, incidental to, arising out of, supportive of or connected to any Permitted Business.

"Permitted Disposal" means any Disposal:

(a) comprised in the grant of any lease, licence or right to occupy or equivalent interest made by the Altira Project Operating Company or the City of Dreams Project Operating Company or any Subsidiary (which is an Obligor) of a Project Company or a Project Operating Company in respect of that Project in the ordinary course of trading of the disposing entity with respect to any part of any Real Property of the disposing entity including, without limitation, in respect of restaurants, retail 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 or redundant vehicles, plant, tools, equipment, fittings, furnishings, utensils or other assets used in the ordinary course of trading 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 the Company, the Altira Project Operating Company or the City of Dreams Project Operating Company in the ordinary course of trading for customers or patrons customary in the Permitted Business activities of the type conducted by that person;

(f) of the registered strata title to any casino in either of the Altira Project or the City of Dreams Project 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 or made pursuant to the Approved Additional Hotel Plan or (subject to the provisions of Schedule 12 (*Events of Default*)) in connection with an Event of Eminent Domain (as defined in paragraph 1 of schedule 4 (*Mandatory Prepayment*) of the Senior Facilities Agreement (as such term is defined in the Amendment and Restatement Agreement));

(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 or the Mocha Slot Business;

(i)

(i) (prior to commencement of any construction or development in relation to the Additional Hotel) of such portion of the Real Property of the City of Dreams Project Company comprised in the City of Dreams Project which, if it is proposed to construct the Additional Hotel, is required for such Additional Hotel to be constructed (including such relevant portion of the podium as is comprised in the Additional Hotel), **provided that** neither any such Disposal nor the construction and development of the Additional Hotel will 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; or

(ii) (on or following commencement of any construction or development in relation to the Additional Hotel) of such portion of the Real Property of the City of Dreams Project Company comprised in the City of Dreams Project required for construction or development of the Additional Hotel (including such relevant portion of the podium as is comprised in the Additional Hotel), any construction or development in relation to 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 or the Mocha Slot Business), subject to neither any such Disposal nor any subsequent construction and development of the Additional Hotel (to the extent required to complete the Additional Hotel) will 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;

(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 paragraph 1 of Schedule 4 (*Mandatory Prepayment*) of this Agreement), or (iii) Intellectual Property required in relation to the City of Dreams Project or the Mocha Slot Business) 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 or the Mocha Slot Business) (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 Schedule 7 (*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) of any asset (other than any Capital Stock in the Company) 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;

(n) 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 other currency or currencies) in the aggregate in any Financial Year; and

(o) 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 any such Disposal is on arm's length terms and for fair market value (or, in each case, better (for the relevant member of the Group)), other than in the case of paragraphs (e), (f), (g), (h), (i)(i), (to the extent that it relates to an Excluded Project Agreement) (j), (l) and (m) above, for any Disposal **provided that**, in the case of paragraph (h), save as contemplated by the New Cotai 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 or the Mocha Slot Business).

"Permitted Distribution" means:

(a) the payment of a dividend to the Company or any member of the Group;

(b) the payment of a dividend by the Parent **provided that**:

(i) such payment is made from Excess Cashflow that has been generated since the Amendment and Restatement Effective Date and is made during the period commencing on the date of the relevant Compliance Certificate which sets out the amount of that Excess Cashflow and ending on the date immediately prior to the scheduled delivery date (pursuant to paragraph 1.3 (*Provision and contents of Compliance Certificate*) of Schedule 9 (*Covenants*) of this Agreement) of the immediately succeeding Compliance Certificate;

(ii) the provisions of paragraph 2 (*Financial Covenants)* of Schedule 9 (*Covenants*) are being (and, following such payment, would continue to be) complied with; and

(iii) no Event of Default or Default is continuing or is likely to occur as a result of making of any such payment;

(c) the payment of a dividend by the Parent **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 or the Mocha Slot Business and which may be applied for such purpose under (and are not required for any other purpose contemplated by) any Excluded Project Agreement; and

(d) the payment of a dividend by the Parent **provided that** such payment is made from Cash held by the Group and:

(i) the amount of such payment (when taken together with all other payments made pursuant to this paragraph (d)) is in an amount not in excess of the aggregate amount of Cash and Cash Equivalent Investments held by the Group on the Amendment and Restatement Effective Date less the amount thereof notified by the Company to the Agent in the Cash Balance Certificate as being required to be retained for operating purposes;

(ii) following such payment being made, the aggregate amount of Cash and Cash Equivalent Invesments held by the Group is at least equal to the amount of Cash and Cash Equivalent Investments projected as being held by the Group at the time the payment is made pursuant to the then most recent Projections delivered by the Company under paragraph 1.5 (*Projections*) of Schedule 9 (*Covenants*) (or, in case of, the Financial Year ending 31 December 2011, as set out in the Cash Balance Certificate as being required to be held by the Group for operating purposes at the relevant time); and

(iii) no Event of Default or Default is continuing or is likely to occur as a result of making of any such payment.

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 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;

(b) arising under a Permitted Loan or a Permitted Guarantee or as permitted by paragraph 3.31 (*Hedging and Treasury Transactions*) of Schedule 9 (*Covenants*);

(c) 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;

(d) 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) 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 (d) would not exceed the applicable ratio set forth opposite that Test Date in paragraph 2 (*Financial Covenants)* of Schedule 9 (*Covenants*));

(e) contemplated by the Approved Additional Hotel Plan; and

(f) not permitted by the preceding sub-paragraphs or as a Permitted Transaction and the outstanding amount of which does not exceed USD50,000,000 (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 paragraph 3.23 (*Financial Indebtedness*) of Schedule 9 (*Covenants*) or contemplated by the Approved Additional Hotel Plan;

(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, **provided that** such guarantees do not exceed (in respect of the principal amount of the Notes referred to therein and guaranteed thereunder) the principal amount of the Bondco Loan;

(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 12.1 (*Definitions*) and **provided that** any recourse under such guarantee or other payment undertaking is limited to the value of such Security; and

(i) any guarantee not permitted by any of the preceding sub-paragraphs and the outstanding principal amount of which does not exceed USD 20,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

"Permitted Investments" has the meaning given to such term in paragraph 3.1 of Schedule 10 (*Accounts*).

"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 the Mocha Slot Business 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) any other loan made by an Obligor to another Obligor or any loan contemplated by the Approved Additional Hotel Plan;

(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 paragraphs (b) or (d) 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 or the Mocha Slot Business; 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;

(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 USD5,000,000 (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) such payment is made from Excess Cashflow and is made during the period commencing on the date of the relevant Compliance Certificate which sets out the amount of that Excess Cashflow and ending on the date immediately prior to the scheduled delivery date (pursuant to paragraph 1.3 (*Provision and contents of Compliance Certificate*) of Schedule 9 (*Covenants*) of this Agreement) of the immediately succeeding Compliance Certificate;

(B) the provisions of paragraph 2 (*Financial Covenants)* of Schedule 9 (*Covenants*) are being (and, following such payment, would continue to be) complied with; and

(C) no Event of Default or Default is continuing or is likely to occur as a result of making of any such payment; 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 or the Mocha Slot Business), 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 paragraph 2 (*Financial Covenants*) of Schedule 9 (*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 or the Mocha Slot Business; 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 (including using the amounts standing to the credit of the Accounts specified therein); 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 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) or (d) of the definition of Permitted Distribution set out in Clause 12.1 (*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*.

"PermittedSecurity" 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 or contemplated by the Approved Additional Hotel Plan;

(c) any lien arising or subsisting by operation of law and in the ordinary course of trading 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 (c) 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 trading;

(l) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Security arising in the ordinary course of trading 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 (including any Excluded Project Revenues in respect of that Excluded Project standing to the credit of that member of the Group's Permitted Accounts) 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 or the Mocha Slot Business 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 12.1 (*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 USD25,000,000 (or its equivalent in other currencies);

"Permitted Share Issue" means an issue of shares by a member of the Group which is a Subsidiary to its immediate Holding Company 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.

"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;

(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); or

(h) transactions contemplated by the Approved Additional Hotel Plan.

"POA Agent" has the meaning given in the Deed of Priority.

"Pre-Funding Indemnity Letter" means the pre-funding indemnity letter dated on or about June 2011 between, amongst others, the Company and the Lenders as at the Amendment and Restatement Effective Date.

"Project" means:

(a) the City of Dreams Project; or

(b) the Altira Project.

"Project Certificates of Occupancy" means, in relation to a Project or part thereof, the Licenças de Ocupaçâo issued by the Macau SAR pursuant to applicable Legal Requirements for that Project or part thereof.

"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"**); or

(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"**).

"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"**); or

(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"**) .

"Projections" means the projections to be delivered by the Company to the Agent pursuant to paragraph 1.5 of Schedule 9 (*Covenants*).

"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 paragraph 2.1 of Schedule 9 (*Covenants*).

"Quarterly Financial Statements" has the meaning given to that term in paragraph 1.1 (*Definitions*) of Schedule 9 (*Covenants*).

"Quasi-Security" has the meaning given to that term in paragraph 3.16 (*Negative pledge*) of Schedule 9 (*Covenants*).

"Quotation Date" means, in relation to any period for which an interest rate is to be determined, the first day of that period.

"Rating Agencies" means any of S&P, Moody's or Fitch.

"Rating Category" means:

(a) with respect to S&P, any of the following categories: "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories);

(b) with respect to Moody's, any of the following categories: "Aaa," "Aa," "A," "Baa," "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and

(c) with respect to Fitch, any of the following categories "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories),

and in determining whether a rating has decreased by one or more gradations, gradations within Rating Categories ("+" and "–" for S&P and Fitch or "1," "2" and "3" for Moody's) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "B+" to "B-," will constitute a decrease of one gradation).

"Rating Date" means, in relation to a Change of Control of the kind referred to in paragraph (c) of the definition of "Change of Control", the date which is 90 days prior to the earlier of (x) such Change of Control and (y) a public notice of the occurrence of such Change of Control or of the intention by MPEL or any other person or persons to effect such Change of Control.

"Ratings Decline" means, in relation to a Change of Control of the kind referred to in paragraph (c) of the definition of "Change of Control", the occurrence on, or within six Months after, the date, or public notice of the occurrence of the events set forth in paragraph (c) or the announcement by MPEL or any other person or persons of the intention by MPEL or such other person or persons to effect such Change of Control, of any of the events listed below:

(a) in the event that the Company is rated by two Rating Agencies on the Rating Date relating to such Change of Control as Investment Grade, such rating of the Company by either such Rating Agency shall be below Investment Grade;

(b) in the event that the Company is rated by one, and only one, of the Rating Agencies on the Rating Date relating to such Change of Control as Investment Grade, such rating of the Company by such Rating Agency shall be below Investment Grade; or

(c) in the event that the Company is rated below Investment Grade by any two Rating Agencies on the Rating Date relating to such Change of Control, such rating of the Company by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the rating given by that Rating Agency with respect to the Company on such Rating Date,

provided however that a Ratings Decline will be deemed to have occurred if as at the relevant time none of the Rating Agencies provide a rating with respect to the Company.

"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 the principal offices in Hong Kong of Bank of America, N.A., Deutsche Bank, AG, Commerzbank AG and Australia and New Zealand Banking Group Limited or such other banks as may be appointed by the Agent in consultation with the Company.

"Reinsurance" means any contract or policy of reinsurance from time to time to the extent required by Schedule 11 (*Insurance*) to be taken out or effected in respect of any Direct Insurance.

"Reinsurer" means an international reinsurer of good standing and responsibility with whom a Reinsurance is placed from time to time to the extent required by and in accordance with Schedule 11 (*Insurance*).

"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 the Hong Kong 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 paragraph 2.1 (*Financial definitions*) of Schedule 9 (*Covenants*).

"Relevant Property" means the City Dreams Site or the Altira Site.

"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 17.1 (*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 17.1 (*Term Loan Facility*).

"Repeating Representations" means each of the representations set out in paragraphs 1 (*Status*) to 34 (*Establishments*) (excluding paragraphs (g) (*No filing or stamp taxes*), (h) (*Deduction of Tax*), 13(a) to 13(f) (*No Misleading Information*), 14(c) (*Financial Statements*) and 21 (*Business*) of Schedule 8 (*Representations and Warranties*)).

"Reports" means each Additional Hotel Report, the Insurance Report and the Appraisal Report.

"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 12.1 (*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 Permitted Businesses, including payments received by any Relevant Obligor under any Material Document, net payments, if any, received under Hedging Agreements, Liquidated Damages, Insurance Proceeds, Eminent Domain Proceeds, together with any receipts derived from the sale or disposal of rights of any other property pertaining to the Projects or the Permitted Businesses or incidental to the operation or management of the Projects or the Permitted Businesses, all as determined in conformity with cash accounting principles, and the proceeds of any condemnation awards relating to any Project or the Permitted Businesses.

"Revolving Credit Facility" means the revolving credit facility made available pursuant to this Agreement as described in paragraph (b) of Clause 13.1 (*The Facilities*).

"Revolving Credit Facility Commitment" means:

(a) in relation to an Original Lender, the aggregate of the amount set opposite its name under the heading "Revolving Credit Facility Commitment" in Part B of Schedule 4 (*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 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 or under clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement.

"Revolving Credit Facility Lender" means:

(a) a lender identified as such in Part B of Schedule 4 (*Original Parties*); or

(b) any person, bank, financial institution, trust, fund or other entity which has become a Party as a Lender under the Revolving Credit Facility in accordance with Clause 34 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Party in accordance with the terms of this Agreement or clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement.

"Revolving Credit Facility Loan" means a loan made or to be made under 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 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.

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.

"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 6 (*Requests*) given in accordance with Clause 22 (*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 Gaming (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 Gaming (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 Limited,

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.

"Sponsor Group Shareholder's Undertaking" means the undertakings in the agreed form given by the Sponsor Group Shareholders in favour of the Finance Parties prior to the Amendment and Restatement Effective Date.

"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 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).

"Technical Adviser" means, as the case may be:

(a) Franklin + Andrews (Hong Kong) Limited as the technical adviser for the Finance Parties; or

(b) the technical adviser appointed by the Agent and, unless an Event of Default has occurred and is continuing, approved by the Company (such approval not to be unreasonably withheld or delayed) to advise the Finance Parties as and when required in respect of any of the Projects or the Group's other Permitted Businesses.

"Term Loan Facility" means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 13.1 (*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 4 (*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 or under clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement.

"Term Loan Facility Lender" means:

(a) a lender identified as such in Part A of Schedule 4 (*Original Parties*); or

(b) any person, bank, financial institution, trust, fund or other entity which has become a Party as a Lender under the Term Loan Facility in accordance with Clause 34 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Party in accordance with the terms of this Agreement or clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement.

"Term Loan Facility Loan" means 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 Amendment and Restatement Effective Date.

"Total Leverage" has the meaning given to that term in paragraph 2.1 (*Financial definitions*) of Schedule 9 (*Covenants*).

"Total Revolving Credit Facility Commitments" means (subject to clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement) the aggregate of the Revolving Facility Commitments, being HKD 3,120,720,000 at the Amendment and Restatement Effective Date.

"Total Term Loan Facility Commitments" means (subject to clause 8 (*Failure to Pre-fund*) of the Amendment and Restatement Agreement) the aggregate of the Term Loan Facility Commitments, being HKD 6,241,440,000 at the Amendment and Restatement Effective Date.

"Transaction Documents" means:

(a) the Finance Documents;

(b) the Material Documents;

(c) the Constitutional Documents of each Relevant Obligor;

(d) the Subconcession Bank Guarantee Facility Agreement; and

(e) 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 14 (*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 13 (*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** 6 (*Requests*).

"Voting Entitlement" means, at any time:

(a) in relation to a Lender, the sum 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 equivalent amount in HKD 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.

12.2 **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 30 (*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) Section, Clause and Schedule headings are for ease of reference only.

(c) 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).

(d) A Default (other than an Event of Default) is **"continuing"** if it has not been remedied or waived and an Event of Default is **"continuing"** if it has not been waived, save that, in respect of an Event of Default under paragraph 1 (*Non-payment*) of Schedule 12 (*Events of Default*) 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 15.2 (*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.

12.3 **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.

12.4 **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 Limited;

(b) Trade Mark Sub-Licence Agreement dated 9 February 2007 between Melco Crown Entertainment Limited and Melco Crown Gaming (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 Gaming (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 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 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 Gaming (Macau) Limited; and

(x) Altira Trade Mark Sub-Licence Agreement dated 15 April 2009 between MPEL Services Limited and Altira Hotel Limited (f/k/a 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 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.

SECTION 2
THE FACILITIES

13. THE FACILITIES

13.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrowers term loan and revolving credit facilities in an amount of USD1,200,000,000 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 HKD revolving credit facility in an aggregate amount equal to the Total Revolving Credit Facility Commitments.

13.2 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.

13.3 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.

14. PURPOSE

14.1 Purpose

(a) Subject to Clause 16.5 (*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.

(b) Subject to Clause 16.5 (*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;

(ii) funding Maintenance Capital Expenditure in respect of the Projects (excluding the Additional Hotel); or

(iii) general working capital purposes.

14.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

15. CONDITIONS OF UTILISATION

15.1 Initial conditions precedent

[Not used]

15.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 16.4 (*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.

15.3 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 10 or more Revolving Credit Facility Loans would be outstanding.

(b) A Borrower may not request that a Term Loan Facility Loan be divided.

SECTION 3
UTILISATION

16. UTILISATION REQUESTS AND LENDER PARTICIPATION

16.1 Delivery of a Utilisation Request

(a) A Borrower (or the Company on its behalf) may utilise a Facility in accordance with Clause 13.1 (*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 Amendment and Restatement Effective Date (as such Utilisations of the Term Loan Facility and the Revolving Credit Facility will occur, pursuant to Clause 16.6 (*Utilisations on the Amendment and Restatement Effective Date*), on the Amendment and Restatement Effective Date). The Utilisation Request in respect of the Utilisations of the Term Loan Facility and Revolving Credit Facility contemplated by Clause 16.6 (*Utilisations on the Amendment and Restatement Effective Date*) shall be deemed to have been delivered by the Company on the Amendment and Restatement Effective Date in accordance with Clause 16.6 (*Utilisations on the 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 and Revolving Credit Facility contemplated by Clause 16.6 (*Utilisations on the Amendment and Restatement Effective Date*)).

16.2 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 16.3 (*Currency and amount*); and

(iv) the proposed Interest Period complies with Clause 22 (*Interest Periods*).

(b) Utilisations under the Term Loan Facility and/or the Revolving Credit Facility may be requested in the same Utilisation Request.

16.3 Currency and amount

(a) The currency specified in a Utilisation Request must be Hong Kong dollars.

(b) The amount of the proposed Utilisation must be a minimum of HKD40,000,000 or, if less, the Available Facility.

16.4 **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 17.2 (*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 will notify each Lender of the amount of each Term Loan Facility Loan or Revolving Credit Facility Loan and the amount of its participation in that Loan 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 16.6 (*Utilisations on the Amendment and Restatement Effective Date*), such notification shall be made on or prior to the Amendment and Restatement Effective Date).

16.5 **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 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 or (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:

(i) finance (or refinance) the making of 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 any member of the Group's share capital, the repayment or distribution of any share premium reserve of any member of the Group, the payment of any management, advisory or other fee to or to the order of any Sponsor Group Shareholder or any Affiliate thereof, or the redemption, repurchase, defeasance, retirement or repayment of any member of the Group's share capital; or

(ii) finance (or refinance) the design, development, construction or operation of the Additional Hotel (or for any other purpose connected therewith).

(c) The Parties hereby acknowledge that, notwithstanding any other provision of this Agreement, following the making of the Utilisations of the Term Loan Facility contemplated by Clause 16.6 (*Utilisations on the Amendment and Restatement Effective Date*) below, the Term Loan Facility has been fully drawn and accordingly no further Utilisations of the Term Loan Facility are possible.

16.6 **Utilisations on the Amendment and Restatement Effective Date**

(a) Notwithstanding any other provision of this Agreement (including, without limitation, this Clause 16), on the Amendment and Restatement Effective Date, the Utilisations of the Term Loan Facility and the Revolving Credit Facility described in Part I of Appendix 3 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 3 of the Funds Flow Memorandum have been made under this Agreement and are outstanding.

16.7 **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.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

17. REPAYMENT

17.1 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 Amendment and Restatement Effective Date)	Percentage of Facility to be Repaid Term Loan Facility Term Loan
27	8.0%
30	8.0%
33	8.0%
36	8.0%
39	8.0%
42	8.0%
45	8.0%
48	8.0%
51	8.0%
54	8.0%
57	8.0%
60	12.0%
Total	**100.0%**

(b) No Borrower may reborrow any part of the Term Loan Facility which is repaid.

17.2 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.

18. ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION

18.1 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).

18.2 **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 of HKD160,000,000) of an Available Facility. Any cancellation under this Clause 18.2 shall reduce the Commitments of the Lenders rateably under that Facility.

18.3 **Voluntary prepayment**

(a) Subject to paragraph (b) below, 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 aggregate amount of such Loans by a minimum amount of HKD160,000,000).

(b) The amount of the Repayment Instalment, for each Repayment Date falling after such prepayment, in relation to the Term Loan Facility shall be reduced *pro rata* by the amount prepaid in respect of the Term Loan Facility.

18.4 **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 25.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from the Company or an Obligor under Clause 25.3 (*Tax indemnity*) or Clause 26.1 (*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.

18.5 **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.

19. 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 Schedule 7 (*Mandatory Prepayment*).

20. RESTRICTIONS

20.1 Notices of Cancellation or Prepayment

Any notice of cancellation or prepayment, authorisation or other election given by any Party under Clause 18 (*Illegality, Voluntary Prepayment And Cancellation*), Clause 20.7 (*Prepayment elections*) or paragraph 3(d) of Schedule 7 (*Mandatory Prepayment*) 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.

20.2 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.

20.3 Reborrowing of Facilities

No Borrower may reborrow any part of the Term Loan Facility which is prepaid. Unless a contrary indication appears in this Agreement, any part of the Revolving Credit Facility which is repaid or voluntarily prepaid may be reborrowed in accordance with the terms of this Agreement.

20.4 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.

20.5 **No reinstatement of Commitments**

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

20.6 **Agent's receipt of Notices**

If the Agent receives a notice under Clause 18 (*Illegality, Voluntary Prepayment And Cancellation*) or an election under Clause 20.7 (*Prepayment elections*) or paragraph 3(d) of Schedule 7 (*Mandatory Prepayment*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

20.7 **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 18.3 (*Voluntary prepayment*) or paragraph 2(a) of Schedule 7 (*Mandatory Prepayment*).

20.8 **Effect of Repayment and Prepayment**

(a) 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 15.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the 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 20.8 (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 18.1 *(Illegality*) or paragraph (c) of Clause 18.4 (*Right of prepayment and cancellation in relation to a single Lender*)) shall reduce the Commitments of the Lenders rateably under that Facility.

(b) If any of the Term Loan Facility Loans are prepaid in accordance with paragraph 2(a) of Schedule 7 (*Mandatory Prepayment*), Clause 18.1 (Illegality) or Clause 18.4 (*Right of cancellation and repayment in relation to a single Lender*), then the amount of the Repayment Instalment for each Repayment Date falling after that prepayment will reduce *pro rata* by the amount of the Term Loan Facility prepaid.

SECTION 5
COSTS OF UTILISATION

21. INTEREST

21.1 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) HIBOR.

21.2 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.

21.3 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 21.3 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.

21.4 **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.

22. INTEREST PERIODS

22.1 **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 5 th 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 22.2 (*Changes to Interest Periods*), be one Month.

(d) Subject to this Clause 22, 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.

22.2 **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 22.2, it shall promptly notify the Company and the Lenders and the Hedge Counterparties.

22.3 **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).

22.4 **Consolidation and division of Loans**

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to Term Loan Facility Loans made to the same Borrower; and

(ii) 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.

(b) A Borrower may not request that a Loan be divided.

23. **CHANGES TO THE CALCULATION OF INTEREST**

23.1 **Absence of quotations**

Subject to Clause 23.2 (*Market disruption*), if HIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11:00 a.m. (Hong Kong time) on the Quotation Date, HIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

23.2 **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 for the relevant currency and Interest Period; or

(ii) before close of business in Hong Kong 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.

(c) If a Market Disruption Event shall occur, the Agent shall promptly notify the Lenders and the Company thereof.

23.3 **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.

23.4 **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.

24. **FEES**

24.1 **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 HKD that is computed at a rate of 40 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 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.

(c) 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.

24.2 **Arrangement fee**

The Company shall pay to the Arrangers an arrangement fee in the amount and at the times agreed in a Fee Letter.

24.3 **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.

24.4 **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

25. TAX GROSS-UP AND INDEMNITIES

25.1 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).

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 25.2 (*Tax gross-up*) or a payment under Clause 25.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 25 a reference to " **determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

25.2 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.

25.3 **Tax indemnity**

(a) Without prejudice to Clause 25.2 (*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; or

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 25.2 (*Tax gross-up*).

(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 25.3, notify the Agent.

25.4 **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.

25.5 **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.

25.6 **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.

25.7 **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 25 shall survive the payment in full by the Obligors of all obligations under this Agreement and the termination of this Agreement.

26. INCREASED COSTS

26.1 **Increased costs**

(a) Subject to Clause 26.3 (*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:

(A) 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);

(B) an additional or increased cost; or

(C) 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.

26.2 **Increased cost claims**

(a) A Finance Party intending to make a claim pursuant to Clause 26.1 (*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.

26.3 **Exceptions**

(a) Clause 26.1 (*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 25.3 (*Tax indemnity*) (or would have been compensated for under Clause 25.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 25.3 (*Tax indemnity*) applied);

(iii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(iv) 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 26.3, a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 25.1 (*Definitions*).

26.4 **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 18.1 (*Illegality*) or to pay additional amounts pursuant to Clause 26.1 (*Increased costs*) or paragraph (c) of Clause 25.2 (*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 34 (*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; and

(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.

(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 80 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**".

27. OTHER INDEMNITIES

27.1 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.

27.2 **Other indemnities**

(a) 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:

(i) the occurrence of any Event of Default;

(ii) any Information Memorandum or any other information produced or approved by any Relevant Obligor being or being alleged to be misleading and/or deceptive in any respect;

(iii) 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;

(iv) 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 38 (*Sharing Among The Finance Parties*);

(v) 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

(vi) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

(b) The Company shall (or shall procure that a Relevant Obligor will), within five Business Days of demand, indemnify each Finance Party, each Affiliate of a Finance Party, each officer, director, employee, agent, advisor, and representative of a Finance Party (each, an "**Indemnified Party**") from and against any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, fees and disbursements of legal counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defence with respect thereto, arising out of or in connection with or relating to the Finance Documents or the transactions contemplated by the Finance Documents or any use made or proposed to be made of the proceeds of the Facilities, whether or not such investigation, litigation or proceeding is brought by a member of the Group, any shareholder or creditor of any member of the Group, an Indemnified Party or any other person, except to the extent that such claim, damage, loss, liability, cost or expense is found in a final, non-appealable judgement by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or wilful misconduct. Any third party referred to in this paragraph (b) may rely on this Clause 27.2 subject to Clause 12.3 (*Third Party Rights*) and the provisions of the Third Parties Act.

27.3 **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.

27.4 **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.

28. **MITIGATION BY THE LENDERS**

28.1 **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 18.1 (*Illegality*), Clause 25 (*Tax Gross-Up And Indemnities*) or Clause 26 (*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.

28.2 **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 28.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 28.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

29. COSTS AND EXPENSES

29.1 **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.

29.2 **Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 39.10 (*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.

29.3 **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.

29.4 **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

30. **GUARANTEE AND INDEMNITY**

30.1 **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 30 if the amount claimed had been recoverable on the basis of a guarantee.

30.2 **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.

30.3 **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:

the liability of each Obligor shall continue (or be deemed to continue) as if the payment, discharge, compromise or arrangement had not occurred; and

(c) 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.

30.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 30 will not be affected by any act, omission, matter or thing which, but for this Clause 30, would reduce, release or prejudice any of its obligations under this Clause 30 (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.

30.5 **Guarantor Intent**

Without prejudice to the generality of Clause 30.4 (*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 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.

30.6 **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 30. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

30.7 **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 30.

30.8 **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 Clause 30 (*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 39 (*Payment Mechanics*).

30.9 **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

31. REPRESENTATIONS

31.1 General

Each Relevant Obligor makes the representations and warranties set out in Schedule 8 (*Representations and Warranties*) at the times set out herein.

31.2 Times when representations made

(a) All the representations and warranties in Schedule 8 (*Representations and Warranties*) are made by each Relevant Obligor on the Amendment and Restatement Effective Date except for the representations and warranties set out in paragraph 13 (*No misleading information*) thereof which are deemed to be made by each Relevant Obligor (i) with respect to each Information Memorandum or supplement thereto, on the date the Information Memorandum or supplement is (or was) approved by the Company and, (ii) with respect to the information provided by or on behalf of an Obligor for the preparation of the Information Package, on the Amendment and Restatement Effective Date and on any later date on which the Information Package (or any part of it) is (or was) released to the Arrangers for distribution in connection with syndication.

(b) The representations and warranties in paragraph 13 (*No misleading information*) of Schedule 8 (*Representations and Warranties*) 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 Schedule 8 (*Representations and Warranties*) except paragraph 13 (*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 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.

32. COVENANTS

32.1 Content

The Relevant Obligors undertake to each Finance Party that they shall comply with the covenants set out in Schedule 9 *(Covenants*).

32.2 Duration

The covenants in Schedule 9 (*Covenants*) 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.

33. EVENTS OF DEFAULT

Each of the events or circumstances set out in Schedule 12 (*Events of Default*) is an Event of Default.

33.1 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, whereupon they shall immediately be cancelled;

(b) declare that all or part of the Utilisations, 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 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

34. CHANGES TO THE LENDERS

34.1 Assignments and transfers by the Lenders

Subject to this Clause 34, 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**").

34.2 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) An Existing Lender must consult with the Company for a period of no less than 3 Business Days before it makes an assignment or transfer in accordance with Clause 34.1 (*Assignments and transfers by the Lenders*), or it enters into any sub-participation in respect of any Commitment or amount outstanding under this Agreement, 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" or the definition of "Ratings Downgrade" each set out in Clause 12.1 (*Definitions*) of this Agreement has occurred; or

(v) the Agent has received any of the information referred to in sub-paragraph (j) or (k) of paragraph 1.7 (*Information: miscellaneous*) of Schedule 9 (*Covenants*).

(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 34.5 (*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 25 (*Tax Gross-Up and Indemnities*) or Clause 26 (*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.

34.3 **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.

34.4 **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 34; 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.

34.5 **Procedure for transfer**

(a) Subject to the conditions set out in Clause 34.2 (*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".

34.6 **Procedure for assignment**

(a) Subject to the conditions set out in Clause 34.2 (*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 34.6 to assign their rights under the Finance Documents **provided that** they comply with the conditions set out in Clause 34.2 (*Conditions of assignment or transfer*).

(e) The procedure set out in this Clause 34.6 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.

34.7 **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.

34.8 **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 34.10 (*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 Permitted Businesses 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 34.8 shall supersede any prior confidentiality undertaking signed by such Finance Party for the benefit of any member of the Group.

Nothing in this Clause 23.8 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 23.8.

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 23.8 as if it were a Finance Party.

34.9 **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 34.9 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 45.2 (*Exceptions*) and for any amendment to this Clause 34.9.

(f) Each Hedge Counterparty agrees that, except with the prior written consent of the Agent or as otherwise provided in Schedule 18 (*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 18 (*Hedging Arrangements*).

(h) After a notice has been given by the Agent pursuant to Clause 33.1 (*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.

34.10 **Security Interests over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 34, 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.

34.11 **The Register**

[Not used]

34.12 **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.

34.13 **Exclusion of Agent's liability**

In relation to any assignment or transfer pursuant to this Clause 34, 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.

35. **CHANGES TO THE OBLIGORS**

35.1 **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.

35.2 **Additional Borrower**

(a) Subject to compliance with the provisions of sub-paragraphs (c) and (d) of paragraph 1.9 (" *Know your customer" checks*) of Schedule 9 (*Covenants*), 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 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);

(iii) the Company and the relevant Subsidiary deliver to the Agent a duly completed and executed Accession Letter;

(iv) the relevant Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;

(v) the Company confirms that no Default is continuing or would occur as a result of the relevant Subsidiary becoming an Additional Borrower; and

(vi) the Agent has received all of the relevant documents and other evidence listed in Part D of Schedule 5 (*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 5 (*Conditions Precedent*).

35.3 **Additional Guarantors**

(a) Subject to compliance with the provisions of sub-paragraphs (c) and (d) of paragraph 1.9 (" *Know your customer" checks*) of Schedule 9 (*Covenants*), 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 5 (*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 5 (*Conditions Precedent*).

35.4 **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 31.2 (*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

36. ROLE OF THE AGENT, THE ARRANGERS AND OTHERS

36.1 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.

36.2 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.

36.3 **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.

36.4 **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.

36.5 **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.

36.6 **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 paragraph 1 (*Non-payment*) of Schedule 12 (*Events of Default*));

(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.

36.7 **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.

36.8 **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 Information Memorandum or the Reports 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.

36.9 **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 12.3 (*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.

36.10 **Lenders' indemnity to the Agent and the Security Agent**

(a) Each Lender and Hedge Counterparty shall rateably in accordance with the proportion that the sum of its Available Commitments and its participations in any outstanding Loans bear to 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 36.10, 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 HKD 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) Clause 36.10 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 36.10 above.

36.11 **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 36. 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.

36.12 **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 36 (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.

36.13 **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.

36.14 **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.

36.15 **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 of the Information Memorandum, the Reports and any other 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.

36.16 **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.

36.17 **Agent's management time**

Any amount payable to the Agent under Clause 27.3 (*Indemnity to the Agent*), Clause 29 (*Costs And Expenses*) and Clause 36.10 (*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 24 (*Fees*).

36.18 **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.

36.19 **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 the Reports or 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, 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.

37. 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.

38. SHARING AMONG THE FINANCE PARTIES

38.1 **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 39 (*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 39 (*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 39.6 (*Partial payments*).

38.2 **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 39.6 (*Partial payments*).

38.3 **Recovering Finance Party's rights**

(a) On a distribution by the Agent under Clause 38.2 (*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.

38.4 **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 38.2 (*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.

38.5 **Exceptions**

(a) This Clause 38 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

39. PAYMENT MECHANICS

39.1 Payments to the Agent

(a) On each 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 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.

39.2 Distributions by the Agent

(a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 39.3 (*Distributions to an Obligor*) and Clause 39.4 (*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 34 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

39.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 40 (*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.

39.4 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.

39.5 **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 28.1 (*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 28.5 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 25.12 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this Clause 28.5 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 28.2 (*Distributions by the Agent*)

39.6 **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 36.10 (*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:

(A) any principal due and payable under the Term Loan Facility to the extent due and payable to the Lenders;

(B) any principal due but unpaid under the Revolving Credit Facility; and

(C) 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.

39.7 **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.

39.8 **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.

39.9 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, Hong Kong dollars 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 Hong Kong dollars shall be paid in that other currency.

39.10 **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.

40. **SET-OFF**

Without prejudice to the provisions of Schedule 10 (*Accounts*) and subject to the terms of Clause 38 (*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.

41. **NOTICES**

41.1 **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.

41.2 **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.

41.3 **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 41.2 (*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 41.3 will be deemed to have been made or delivered to each of the Obligors.

41.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 41.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

41.5 **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.

41.6 **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 41.6 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 41.6 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 confidentially 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".

41.7 **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.

41.8 **Hedging Agreement**

Clauses 41.1 (*Communications in writing*) to 30.6 (*Electronic communication*) shall not apply to any Hedging Agreement.

42. CALCULATIONS AND CERTIFICATES

42.1 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.

42.2 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.

42.3 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 365 days.

43. 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.

44. 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.

45. AMENDMENTS AND WAIVERS

45.1 Required consents

(a) Subject to Clause 34.9 (*Hedge Counterparties*), Clause 45.2 (*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 45 and any other provision of the Finance Documents; and

(ii) pursuant to paragraph (a) of Clause 36.7 (*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 2(a)(vi) of Schedule 7 (*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 45 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.

45.2 **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 (d) of the definition of "**Permitted Financial Indebtedness**" in Clause 12.1 (*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 or the Total Commitments;

(vi) a change to the Borrowers or Guarantors other than in accordance with Clause 35 (*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 13.2 (*Finance Parties' rights and obligations*), Clause 19 (*Mandatory Prepayment*), Schedule 7 (*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 Schedule 7 (*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 34 (*Changes To The Lenders*) (other than paragraphs (f) and (g) of Clause 34.9 (*Hedge Counterparties*)) or this Clause 45;

(ix) the nature or scope of the guarantee and indemnity granted under Clause 30 (*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 (d)(i) of the definition of "**Permitted Financial Indebtedness**" in Clause 12.1 (*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; or

(xii) any amendment to the order of priority or subordination under the Subordination Deed or the Deed of Priority,

shall not be made without the prior consent of all the Lenders and, where required under Clause 34.9 (*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 Total 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/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.

45.3 **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 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 34.3, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) 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.

45.4 **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 34 (*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 34 (*Changes to the Lenders*) all (and not part only) of the undrawn Revolving Credit Facility Commitment of the Lender; or

(iii) require such Lender to (and such Lender shall) transfer pursuant to Clause 34 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the 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.

46. 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.

47. 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

48. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

49. ENFORCEMENT

49.1 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 49.1 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.

49.2 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 4
ORIGINAL PARTIES

PART I
ORIGINAL TERM LOAN FACILITY LENDERS

Name of Original Term Loan Facility Lender/ Term Loan Facility Lender	Total Term Loan Facility Commitment (HKD)
Australia and New Zealand Banking Group Limited	390,090,000.00
Bank of America, N.A.	390,090,000.00
Bank of China Limited, Macau Branch	1,040,240,000.00
Commerzbank AG	390,090,000.00
Deutsche Bank AG, Hong Kong Branch	390,090,000.00
Banco Comercial de Macau, S.A.	234,054,000.00
Banco Comercial Português, S.A. Macao Branch	234,054,000.00
Banco Nacional Ultramarino, S.A.	390,090,000.00
The Bank of East Asia Limited, Macau Branch	130,030,000.00
The Bank of Nova Scotia	260,060,000.00
China Construction Bank (Macau) Corporation Limited	260,060,000.00
Citibank, N.A., Hong Kong Branch	390,090,000.00
Commonwealth Bank of Australia	234,054,000.00
Credit Suisse AG, Singapore Branch	260,060,000.00
National Australia Bank Limited	390,090,000.00
The Royal Bank of Scotland plc, Singapore Branch	390,090,000.00
Tai Fung Bank Limited	234,054,000.00
Wing Lung Bank, Limited – Macau Branch	234,054,000.00
Total	**6,241,440,000.00**

PART II
ORIGINAL REVOLVING CREDIT FACILITY LENDERS

Name of Original Revolving Credit Facility Lender / Revolving Credit Facility Lender	Total Revolving Credit Facility Commitment (HKD)
Australia and New Zealand Banking Group Limited	195,045,000.00
Bank of America, N.A.	195,045,000.00
Bank of China Limited, Macau Branch	520,120,000.00
Commerzbank AG	195,045,000.00
Deutsche Bank AG, Hong Kong Branch	195,045,000.00
Banco Comercial de Macau, S.A.	117,027,000.00
Banco Comercial Português, S.A. Macao Branch	117,027,000.00
Banco Nacional Ultramarino, S.A.	195,045,000.00
The Bank of East Asia Limited, Macau Branch	65,015,000.00
The Bank of Nova Scotia	130,030,000.00
China Construction Bank (Macau) Corporation Limited	130,030,000.00
Citibank, N.A., Hong Kong Branch	195,045,000.00
Commonwealth Bank of Australia	117,027,000.00
Credit Suisse AG, Singapore Branch	130,030,000.00
National Australia Bank Limited	195,045,000.00
The Royal Bank of Scotland plc, Singapore Branch	195,045,000.00
Tai Fung Bank Limited	117,027,000.00
Wing Lung Bank, Limited – Macau Branch	117,027,000.00
Total	**3,120,720,000.00**

PART III
ORIGINAL HEDGE COUNTERPARTIES

Australia and New Zealand Banking Group Limited

Barclays Bank PLC

Deutsche Bank AG

National Australia Bank Limited

UBS AG, London Branch

PART IV
GUARANTORS

Guarantor	Jurisdiction of Incorporation	Registration Number (or equivalent)
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 5
CONDITIONS PRECEDENT

PART I
CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER ALTIRA TRANCHE

[NOT USED]

PART II
CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER CITY OF DREAMS TRANCHE

[NOT USED]

PART III
CONDITIONS PRECEDENT TO ALL UTILISATIONS (OTHER THAN ALTIRA TRANCHE)

[NOT USED]

PART IV
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 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 49.2 (*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 6
REQUESTS

PART I
UTILISATION REQUEST
TERM LOAN FACILITY/REVOLVING CREDIT FACILITY

From: *[Company]*

To: *[Agent]*

Date:

Dear Sirs

Melco Crown Gaming (Macau) Limited and Others – Senior Facilities Agreement ORIGINALY dated 5 SEPTEMBER 2007 (as AMENDED AND RESTATED PURSUANT TO AN 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*]
(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]
(d)	Currency of Loan:	HKD
(e)	Amount:	[—] or, if less, the Available Facility
(f)	Interest Period:	[—]
(g)	Purpose:	[—]

3. We confirm that each condition specified in Clause 15.2 (*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 II
SELECTION NOTICE

From: [*Company*]

To: [*Agent*]

Date:

Dear Sirs

Melco Crown Gaming (Macau) Limited and Others – Senior Facilities Agreement ORIGINALY dated 5 SEPTEMBER 2007 (as AMENDED AND RESTATED PURSUANT TO AN 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 7
MANDATORY PREPAYMENT

1. **Definitions**

For the purposes of this Schedule 7:

"**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.

"**Claim Proceeds**" means the proceeds of a claim or the settlement thereof (including Liquidated Damages and, if not in cash, the monetary value thereof) (a "**Recovery Claim**") against any Macau SAR Governmental Authority under a Material Document receivable by any Relevant Obligor and after deducting:

(a) any reasonable expenses which are incurred by any Relevant Obligor to persons who are not Obligors; and

(b) any Tax incurred and required to be paid by a Relevant Obligor (as reasonably determined by the Relevant Obligor on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Recovery Claim.

"**Disposal Proceeds**" means the consideration receivable by any Relevant Obligor (including, if not in cash, the monetary value thereof other than from another Obligor) for any Disposal (save for any Disposal referred to in paragraph (a), (b), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m) or (o) of the definition of "Permitted Disposal" set out in Clause 12.1 (*Definitions*) of this Agreement) made by any Relevant Obligor except for Excluded Disposal Proceeds and after deducting:

(a) any reasonable expenses which are incurred by any Relevant Obligor with respect to that Disposal to persons who are not Obligors; and

(b) any Tax incurred and required to be paid by any Relevant Obligor in connection with that Disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"**Eminent Domain Proceeds**" means all amounts and proceeds (including monetary instruments) received in respect of any Event of Eminent Domain relating to any member of the Group or any of its assets (save for any asset comprised in or used for an Excluded Project and which the Company notifies the Agent is not necessary to ensure the full benefit to the Relevant Obligors of, nor is in any way part of, any Project or the Mocha Slot Business) less any costs or expenses incurred by any member of the Group or its agents in collecting such amounts and proceeds.

"**Event of Eminent Domain**" means, with respect to any asset (save for any asset comprised in or used for an Excluded Project and which the Company notifies the Agent is not necessary to ensure the full benefit to the Relevant Obligors of, nor is in any way part of, any Project or the Mocha Slot Business):

(a) any compulsory transfer or taking by condemnation, seizure, eminent domain or exercise of a similar power, or transfer under threat of such compulsory transfer or taking or confiscation of such asset or the requisition of the use of such asset, by any agency, department, authority, commission, board, instrumentality or political subdivision of any Governmental Authority having jurisdiction; or

(b) any settlement in lieu of paragraph (a) above.

"**Excluded Disposal Proceeds**" means the proceeds of any Disposal made pursuant to paragraph (c) or (n) of the definition of "Permitted Disposal" set out in Clause 12.1 (*Definitions*) of this Agreement **provided that**:

(a) the Company notifies the Agent within 60 days of receipt of such proceeds that such proceeds are to be applied in reinvestment in either of the Projects or the Mocha Slot Business (or any part thereof) and, where the Company has so notified the Agent, such proceeds are committed to be so applied within 6 Months of receipt and, other than the amount of any such proceeds that the relevant member of the Group undertaking such reinvestment is entitled to retain pursuant to any agreements or other arrangements (howsoever described) entered into in relation to that reinvestment, such proceeds are so applied within 12 Months of receipt; or

(b) (to the extent not applied in accordance with paragraph (a) above), such proceeds do not exceed an amount equal to USD15,000,000 (or its equivalent) in aggregate for the Group in any Financial Year.

"**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 USD5,000,000 (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 3 months of the event or events to which the relevant insurance claim relates, and the Agent determines in its reasonable judgment, 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 12 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 paragraph 2.2 (*Financial condition*) of Schedule 9 (*Covenants*));

(iv) the Company has certified within 3 months of the event or events to which the relevant insurance claim relates, and the Agent determines in its reasonable judgment, 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 paragraph 2 (*Financial Covenants*) of Schedule 9 (*Covenants*) during such repair period;

(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; and

(vi) the Agent shall promptly receive such certificates, opinions or other matters as it may reasonably request as necessary or appropriate in connection with such repairs or restoration of the Project or the affected assets or to preserve or protect the Finance Parties' interests under the Finance Documents and in the Charged Property; 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 USD15,000,000 (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.

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 3 (*Application of mandatory prepayments*):

(i) the amount of Claim Proceeds;

(ii) the amount of Disposal Proceeds;

(iii) the amount of Eminent Domain Proceeds;

(iv) the amount of Insurance Proceeds;

(v) the amount of Termination Proceeds; and

(vi) 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 3 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 paragraph 14 (*Cessation of business*) of Schedule 12 (*Events of Default*)) 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 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 are sold or otherwise disposed of, 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, 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 within two Business Days of such Change of Control.

(e) If the Altira Insurance Proceeds referred to in paragraph 2(a)(vi) above have not been applied in prepayment of the Facilities pursuant to paragraph 2(a) (*Mandatory Prepayment*) above by the date falling six Months from the date of the relevant Altira Loss Event and/or the amount of the Altira Insurance Proceeds received by the Relevant Obligors by such date is less than USD435,733,100 (or its equivalent), 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.

3. **Application of mandatory prepayments**

(a) Unless the Company makes an election under paragraph (d) below, the Borrowers shall make prepayments under paragraph 2(a) at the following times:

(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 2(a), promptly upon receipt of the relevant proceeds.

(b) A prepayment under paragraph 2 shall be applied in the following order:

(i) *firstly*, in prepayment *pro rata* of the Loans outstanding under the Term Loan Facility;

(ii) *secondly*, in cancellation *pro rata* of the Available Commitments under the Term Loan Facility (and the Available Commitments of the Lenders under the Term Loan Facility will be cancelled rateably);

(iii) *thirdly*, in cancellation *pro rata* of the Available Commitments under the Revolving Credit Facility; and

(iv) *fourthly*, in prepayment *pro rata* of Loans outstanding under the Revolving Credit Facility (and any Commitments of the Lenders under the Revolving Credit Facility associated therewith shall be automatically cancelled),

(c) Any amount to be applied in cancellation of Available Commitments under the Term Loan Facility shall be applied *pro rata* in respect of the Available Commitments under the Term Loan Facility.

(d) Subject to paragraph (e) 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 2(a) (other than any such prepayment in respect of Eminent Domain Proceeds or 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.

(e) If the Company has made an election under paragraph (d) 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).

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 3(d) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a Relevant Obligor; and

(ii) any Excluded Disposal Proceeds or 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 paragraph 3 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.

5. **Excluded proceeds**

Where Excluded Disposal Proceeds and 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.

SCHEDULE 8
REPRESENTATIONS AND WARRANTIES

Status, authorisations and governing law

1. **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.

2. **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.

3. **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.

4. **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.

5. **Power and authority**

(a) 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.

(b) No limit on any Obligor's powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities or the entry into or performance of the transactions, contemplated by the Transaction Documents to which such Obligor is a party.

6. **Validity and admissibility in evidence**

(a) All Permits (other than in respect of any Excluded Project) required or desirable:

(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 Permits necessary for the conduct of the business, trade and ordinary activities of each Relevant Obligor that are part of the Mocha Slot Business or the Projects are, to the extent they are material, listed in Schedule 19 (*Permits*), have been obtained or effected and are in full force and effect.

7. **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 insolvency, default or tax liability

8. **Insolvency**

(a) No:

(i) corporate action, legal proceeding or other procedure or step described in paragraph 7 (*Insolvency proceedings*) of Schedule 12 (*Events of Default*); or

(ii) creditors' process described in paragraph 8 (*Creditors' process*) of Schedule 12 (*Events of Default*),

has been taken or to the best of its knowledge and belief (having made due and careful enquiry) threatened in relation to any Relevant Obligor and none of the circumstances described in paragraph 6 (*Insolvency*) of Schedule 12 (*Events of Default*) applies to any Relevant Obligor.

(b) The Managing Director has not commenced nor has there been commenced against the Managing Director any case, proceeding or other action relating to his bankruptcy or any analogous proceedings in any jurisdiction.

9. **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 Amendment and Restatement Agreement, which will be made or paid promptly after the date of the relevant Finance Document).

10. **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.

11. **No default**

(a) No Event of Default (or Default in the case of representations made on the date of this Agreement and on the Amendment and Restatement Effective Date) 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.

(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:

(i) any Transaction Document; or

(ii) any other agreement or instrument which is binding on any Obligor or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

12. **Taxation**

(a) No Relevant Obligor is materially overdue in the filing of any Tax returns nor overdue in the payment of any amount in respect of Tax of USD10,000,000 (or its equivalent) or more, other than where 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.

(b) No claims or investigations are being, or to the best of its knowledge and belief (having made due and careful enquiry) are reasonably likely to be, made or conducted against any Relevant Obligor with respect to Taxes in respect of which payment can lawfully be withheld and which will not result in the imposition of any material penalty, other than any such 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.

(c) Each Relevant Obligor is resident for Tax purposes only in the jurisdiction of its incorporation and/or, in the case of any Relevant Obligor incorporated in the Cayman Islands, Hong Kong SAR.

Provision of information - general

13. **No misleading information**

Save as disclosed in writing to the Agent and the Arrangers prior to the date of the Amendment and Restatement Agreement (or, in relation to an Information Memorandum, prior to the date of such Information Memorandum):

(a) Any factual information contained in any Information Memorandum or provided by or on behalf of an Obligor for the preparation of the Information Package or any Information Memorandum 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) Any financial projection or forecast contained in an Information Memorandum was prepared on the basis of recent historical information and on the basis of reasonable assumptions (as at the date of the relevant report or document containing the projection or forecast or any specified date stated therein) and arrived at after careful consideration.

(d) The expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of any Information Memorandum or 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.

(e) To the best of its knowledge and belief (having made due and careful enquiry) no event or circumstance has occurred or arisen and no information has been omitted from any Information Memorandum and no information has been given or withheld that results in the factual information contained in such Information Memorandum being untrue or misleading in any material respect.

(f) All material factual information provided to a Finance Party by or on behalf of the Sponsors, any Sponsor Group Shareholder, the Company or any other Obligor in connection with the Permitted Businesses, each Project, the Sponsor Group Shareholders, the Obligors and/or their Subsidiaries on or before:

(i) the Amendment and Restatement Effective Date; and

(ii) the Syndication Date,

and, in each case, not superseded before that date (whether or not contained in any Information Package) was true, complete and accurate and not misleading in any material respect as at such date and all projections contained in the Financial Model or in the Information Memorandum 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.

(g) All other material written factual information provided by any such person referred to in paragraph (f) above (including its advisers) to a Finance Party or the provider of any Report was true, complete and accurate as at the date it was provided and did not contain any untrue statement of fact or omit to state a material fact necessary to make such information in light of the circumstances it was provided, not misleading in any material respect.

14. **Financial Statements**

(a) The Original Financial Statements of MPEL were prepared in accordance with GAAP consistently applied.

(b) There has been no material adverse change in the assets, business or financial condition of any member of the Group since the date of the Original Financial Statements of MPEL.

(c) The Original Financial Statements of MPEL fairly represent its consolidated financial condition and results of operations (in the case of its unaudited quarterly Original Financial Statements) and give a true and fair view of its consolidated financial condition and results of operations (in the case of its annual audited Original Financial Statements), as if prepared on this basis.

(d) The most recent consolidated financial statements of MPEL and the Parent delivered pursuant to paragraph 1.2 (*Financial statements*) of Schedule 9 (*Covenants*):

(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.

(e) The most recent consolidating statements for the Group (based on the consolidated financial statements of the Parent after deduction of any contribution from 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.

(f) 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 paragraph 1.7 (*Information: miscellaneous*) and paragraph 2 (*Financial Covenants*) of Schedule 9 (*Covenants*)) and the financial statements supplied under this Agreement.

(g) Since the date of the most recent financial statements delivered pursuant to paragraph 1.2 *(Financial Statements)* of Schedule 9 (*Covenants*) there has been no material adverse change in the business, assets or financial condition of the Group.

15. **Financial Year**

The Financial Year of each Relevant Obligor ends on 31 December.

No proceedings or breach of laws

16. **No proceedings pending or threatened**

Save for any frivolous or vexatious claims which have been vacated, discharged, stayed or bonded pending appeal within 30 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, if adversely determined, might reasonably be expected to have an Excluded Project Material Adverse Effect have been started or threatened against any Obligor.

17. **No breach of laws**

No Obligor has breached any Legal Requirement nor been notified (which notification has not been withdrawn) that it has done so which breach or notification has or is reasonably likely to have an Excluded Project Material Adverse Effect.

18. **Environmental laws**

(a) Each Obligor is in compliance with paragraph 3.3 (*Environmental compliance*) of Schedule 9 (*Covenants*) 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 could reasonably be expected to have a Material Adverse Effect.

(b) No Environmental Claim has been commenced or (to the best of its knowledge and belief, having made due and careful enquiry) is threatened against any Obligor where that claim has or could reasonably be expected, if determined against that Obligor, to have a Material Adverse Effect.

(c) The cost to the Obligors of compliance with Environmental Laws (including Environmental Permits) is (to the best of its knowledge and belief, having made due and careful enquiry) adequately provided for in the Financial Model and the Projections.

(d) 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 could reasonably be expected to affect any Obligor or the carrying out of any of the Projects in any material and adverse manner or otherwise have a Material Adverse Effect.

Security and ownership of assets

19. **Security and Financial Indebtedness**

(a) No Security or Quasi-Security exists over all or any of the present or future assets of any Relevant Obligor other than as permitted by this Agreement.

(b) No Relevant Obligor has any Financial Indebtedness outstanding other than as permitted by this Agreement.

20. **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.

21. **Business**

No Relevant Obligor has conducted any business other than a Permitted Business.

22. **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 the Mocha Slot Business and the Projects.

23. **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 paragraph 3.16 (*Negative pledge*) of Schedule 9 (*Covenants*).

(b) The Subconcession is legally and beneficially owned by the Company.

24. **Relevant Properties**

(a) Each Relevant Property, all material easements relating to that Relevant Property and the current use thereof comply with all applicable Legal Requirements and Insurance Requirements.

(b) No taking or other conveyance, or any proceedings therefor, have been commenced or, to the best of its knowledge and belief (having made due and careful enquiry) is contemplated with respect to any Relevant Property (or any portion thereof), any Relevant Property Easement or any interest therein or for the relocation of roadways providing access thereto except as could not reasonably be expected to have a Material Adverse Effect.

(c) There are no current, pending or, to the best of its knowledge and belief (having made due and careful enquiry), proposed special or other assessments for public improvements or otherwise affecting any Relevant Property or the Relevant Property Easements, nor are there any contemplated improvements thereto that might result in such special or other assessments, in any case that might reasonably be expected to have a Material Adverse Effect.

(d) There are no outstanding options to purchase or rights of first refusal or restrictions on transferability affecting any Relevant Property or the Relevant Property Easements (other than those arising under the relevant Land Concession, or the Finance Documents or arising by mandatory operation of law).

(e) Except as could not reasonably be expected to have a Material Adverse Effect, no Relevant Property building or structure or any appurtenance thereto or equipment thereon, or the use, operation or maintenance thereof, violates any restrictive covenant or other Legal Requirement or encroaches on any easement or on any property owned by others.

25. **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.

26. **Intellectual Property**

(a) Each Relevant Obligor:

(i) is the sole legal and beneficial owner of or has licensed to it or is otherwise permitted to use all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted and as it is contemplated it will be conducted in connection with or as a result of its participation in each Project;

(ii) does nor will not, in carrying on such businesses, infringe any Intellectual Property of any third party in any respect which has or could reasonably be expected to have a Material Adverse Effect; and

(iii) has taken or will take all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it.

(b) To the best of its knowledge and belief (having made due and careful enquiry), there are no adverse circumstances relating to the validity, subsistence or use of any Relevant Obligor's Intellectual Property which could reasonably be expected to have a Material Adverse Effect.

27. **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 and in any event in accordance with Schedule 11 (*Insurance*) and the Insurance Report.

(b) 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.

(c) No Relevant Obligor has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers (in each case, to the extent required to comply with paragraph (a)) at a cost that could not reasonably be expected to have a Material Adverse Effect (other than as a result of general market conditions).

Provision of information - Group

28. **Corporate Structure Chart**

The Corporate Structure Chart delivered to the Agent pursuant to clause 4 (*Amendment*) of the Amendment and Restatement Agreement is, as at the date it was delivered, true, complete and accurate in all respects and shows (as at that date) each existing Relevant Obligor, each person in which it holds or is proposed to hold, directly or indirectly, any Capital Stock and each person holding or which it is proposed will hold, directly or indirectly, any Capital Stock in any of the foregoing (other than as a consequence of such person holding, directly or indirectly, any Capital Stock in a Sponsor or issued as part of the IPO), including current name and company registration number, its jurisdiction of incorporation and indicating whether it is not a company with limited liability.

29. **Relevant Obligors**

(a) Each of the Company and its Subsidiaries (other than any Excluded Subsidiaries) and each of their respective immediate shareholders (other than the Managing Director) and the immediate shareholders of such shareholders is a Relevant Obligor.

(b) MPEL Investments:

(i) is a limited liability company incorporated in the Cayman Islands;

(ii) is indirectly wholly owned by MPEL;

(iii) except as set out in the Corporate Structure Chart or as permitted under the Finance Documents, has no Subsidiaries nor holds, directly or indirectly, Capital Stock of any other person; and

(iv) except as permitted under paragraph 3.11 (*Holding Companies*) of Schedule 9 (*Covenants*), has not traded or incurred any liabilities or commitments (actual or contingent, present or future).

(c) Each of MPEL Nominee One Limited, MPEL Nominee Two Limited and MPEL Nominee Three Limited:

(i) is a limited liability company incorporated in the Cayman Islands;

(ii) is indirectly wholly owned by MPEL;

(iii) except as set out in the Corporate Structure Chart or as permitted under the Finance Documents, has no Subsidiaries nor holds, directly or indirectly, Capital Stock of any other person; and

(iv) is a holding company and, except as permitted under paragraph 3.11 (*Holding Companies*) of Schedule 9 (*Covenants*), has not traded or incurred any liabilities or commitments (actual or contingent, present or future).

Miscellaneous

30. **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 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 Legal Reservations.

(c) To the extent material, all conditions precedent to the obligations of the Relevant Obligors under the Material Documents have been satisfied or waived.

(d) No representation or warranty given by any Obligor party to a Material Document or, to the best of its knowledge and belief, any other person party thereto, is untrue or misleading in any material respect.

(e) Each Obligor has been and is in compliance with all its obligations under the Material Documents.

31. **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 had or are reasonably likely to have a Material Adverse Effect. Hours worked by and payment made to employees of each Obligor have not been in violation of any applicable Legal Requirement dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from each Obligor on account of employee health and welfare insurance that (individually or in the aggregate) have had or are reasonably likely to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of such Obligor.

32. **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.

33. **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.

34. **Establishments**

No Relevant Obligor has registered one or more "establishments" (as that term is defined in Part 1 of the Overseas Companies Regulations 2009) with the Registrar of Companies in the United Kingdom or, if it has so registered, it has provided to the Agent sufficient details to enable an accurate search against it to be undertaken by the Lenders at the Companies Registry in the United Kingdom.

SCHEDULE 9
COVENANTS

1. **INFORMATION UNDERTAKINGS**

1.1 **Definitions**

In this Agreement:

"**Annual Financial Statements**" means the financial statements for a Financial Year delivered pursuant to paragraph 1.2 (*Financial statements*).

"**Quarterly Financial Statements**" means the financial statements delivered pursuant to paragraph 1.2(b) (*Financial statements*).

1.2 **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 MPEL and 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 consolidating 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 45 days after the end of each Financial Quarter of each of its Financial Years, the unaudited consolidated financial statements for that Financial Quarter of MPEL and the Parent (together with consolidating financial statements), prepared in the case of the Parent, without taking into account any contribution from any Excluded Project Revenues, any Excluded Project, Excluded Subsidiary or any other entity outside the Group.

1.3 **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 MPEL and 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 paragraph 2.2 (*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.

1.4 **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 MPEL and the Parent 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;

(iii) each set of Quarterly Financial Statements is accompanied by a statement, in form and substance reasonably acceptable to the Agent, by the chief financial officer of the Company commenting on the performance of the Parent for the period to which the financial statements relate and the Financial Year to date, comparing such performance with that forecast by the Projections and any material developments or proposals affecting the Group or its business; and

(iv) 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 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 paragraph 1.2 (*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:

(C) 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

(D) shall be accompanied by a copy of any "management letter" or other similar communication received from the Auditors in relation to the Group's financial, accounting or other systems, management or accounts;

(ii) in the case of the consolidating statements for the Group, shall be accompanied by a statement by the chief financial officer of the Company comparing actual performance for the period to which the consolidating statements relate to:

(A) the projected performance for that period set out in the Projections; and

(B) the actual performance for the corresponding period in the preceding Financial Year; and

(iii) 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 paragraph 1.3 above have been made, to determine whether paragraph 2 (*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)(iii) 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 paragraph 2 (*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.

(d) If the Agent wishes to discuss the financial position of any member of the Group with the Auditors, the Agent may notify the Company, stating the questions or issues which the Agent wishes to discuss with the Auditors. Subject to such request being deemed to be reasonable, the Company must ensure that the Auditors are authorised (at the expense of the Company):

(i) to discuss the financial position of each such member of the Group with the Agent on request from the Agent; and

(ii) to disclose to the Agent for the Finance Parties any information which the Agent may reasonably request.

1.5 **Projections**

(a) The Company shall supply to the Agent in sufficient copies for all the Lenders, as soon as the same becomes available but in any event not less than 30 days before the start of each of its Financial Years, the Projections.

(b) The Company shall ensure that each set of Projections of the Group:

(i) includes a projected consolidated profit and loss account, balance sheet and cashflow statement for the Group, projected disposals and projected capital expenditure for the Group, projected financial covenant calculations, hold levels, operational cash and operating expenses broken down into separate operating expenses and descriptions of the proposed activities of the Group for the Financial Year to which the Projections relate;

(ii) relates to the succeeding 12 month period comprising, and each Financial Quarter in, that Financial Year;

(iii) is prepared in accordance with GAAP and the accounting practices and financial reference periods applied to financial statements under paragraph 1.2 (*Financial statements*);

(iv) has been approved by the chief financial officer of the Company; and

(v) is accompanied by a statement by the chief financial officer of the Company comparing the information and projections in the Projections with the information and projections for the same period in the Financial Model.

1.6 **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.

1.7 **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 Amendment and Restatement Effective Date and promptly, upon receiving any notice or otherwise becoming aware of any default by any person under a Material Document or 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, USD15,000,000 (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 and, within 30 days of the end of each Financial Year, deliver to the Agent a certificate from the chief financial officer of the Company certifying that the insurance requirements set out in this Agreement have been implemented and are being complied with;

(d) a copy of each written notice which is given 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) promptly after the giving of any written notice under, (if material to the interests of the Finance Parties) pursuant to or (if material to the interests of the Finance Parties) in connection with the Subconcession or any Land Concession by any Obligor to the Macau SAR, a copy of such notice;

(f) 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);

(g) 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 USD5,000,000 (or its equivalent) or which would have or might 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;

(h) promptly, notice of any event, occurrence or circumstance which might reasonably be expected to render any Relevant Obligor incapable of meeting any material obligation under any Material Document as and when required thereunder;

(i) promptly upon becoming aware of them, the details of any claim, disposal or other facts and circumstances which may require a prepayment under paragraph 2(a) of Schedule 7 (*Mandatory Prepayment*);

(j) (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;

(k) 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;

(l) on the date falling six Months from the Amendment and Restatement Effective Date and on each date falling six Months thereafter up until the practical completion of the Additional Hotel, an Additional Hotel Report and, if an event or circumstance occurs which renders any information contained in the then most recent Additional Hotel Report inaccurate in any material respect, shall also provide an updated Additional Hotel Report within 15 Business Days of the occurrence of that event or circumstance;

(m) 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; and

(n) promptly on request, such further information regarding the financial condition, assets and operations of any Relevant Obligor as any Finance Party through the Agent may reasonably request.

1.8 **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.

1.9 **"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 35 (*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.

2. FINANCIAL COVENANTS

2.1 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 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) any guarantees or other payment undertakings given pursuant to paragraph (h) of the definition of Permitted Guarantee set out in Clause 12.1 (*Definitions*).

"**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 on 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.

"**Cashflow**" means, in respect of any Relevant Period, Consolidated EBITDA for that Relevant Period after:

adding back:

(a) any decrease in the amount of Working Capital for that Relevant Period;

(b) any cash receipt in respect of any Exceptional Item or extraordinary item not already taken account of in calculating Consolidated EBITDA for any Relevant Period;

(c) any cash receipt in respect of any tax rebate or credit during that Relevant Period;

(d) any increase in provisions, other non-cash debits and other non-cash charges (which are not Current Assets or Current Liabilities) taken into account in establishing Consolidated EBITDA; and

(e) any decrease in the long term assets excluding fixed assets and land use rights and any increase in the other non-interest bearing long term liabilities;

and deducting:

(i) any amount of Capital Expenditure actually made during that Relevant Period by any member of the Group and the aggregate of any cash consideration paid for, or the cash cost of, any Business Acquisitions and the amount of any investments in joint ventures in cash except (in each case) to the extent funded from:

  (A) the proceeds of Disposals or insurance claims permitted to be retained for this purpose;

  (B) Retained Excess Cashflow;

  (C) New Shareholder Injections; or

  (D) Excluded Project Revenues (which 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 any Project or the Mocha Slot Business);

(ii) any increase in the amount of Working Capital for that Relevant Period;

(iii) any cash payment in respect of any Exceptional Item or extraordinary item not already taken account of in calculating Consolidated EBITDA for any Relevant Period;

(iv) any amount actually paid or due and payable in respect of taxes on the profits of any member of the Group during that Relevant Period;

(v) any decrease in provisions and other non-cash credits (which are not Current Assets or Current Liabilities) taken into account in establishing Consolidated EBITDA; and

(vi) any increase in the long term assets excluding fixed assets and land use rights and any decrease in the other non-interest bearing long term liabilities,

and so that no amount shall be included or excluded more than once and without including (but only to the extent otherwise included) any contribution from or other amount attributable to any Excluded Project Revenues, any Excluded Project or any Excluded Subsidiary.

"**ConsolidatedEBITDA**" 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;

(c) **before taking into account** any accrued interest owing to any member of the Group;

(d) **before deducting** any amount attributable to the amortisation of goodwill or other intangible assets or the depreciation of tangible assets;

(e) **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);

(f) **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;

(g) **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;

(h) **before taking into account** any realised and unrealised exchange gains and losses including those arising on translation of currency debt; and

(i) **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; and

(g) **excluding** any such upfront fee and any accrued interest payable by MPEL Investments under the Bondco Loan.

"**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 in respect of the Bondco Loan and under or in respect of any Bond Guarantee;

(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 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, the Bondco Loan and under or in respect of any Bond Guarantee;

(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.

"**Current Assets**" means the aggregate of inventory, trade and other receivables (other than receivables in any way relating to any item of Capital Expenditure in respect of the Additional Hotel which has or may be funded by any of the items set out in paragraphs (i) (A) to (D) of the definition of Cashflow set out in this paragraph 2.1 (*Financial definitions*)) of each member of the Group including sundry debtors (but excluding cash at bank and Cash Equivalent Investments) maturing within twelve months from the date of computation and any other assets of each member of the Group which would, in accordance with GAAP be considered as current assets.

"**Current Liabilities**" means the aggregate of all liabilities (including trade creditors, accruals, provisions and prepayments of each member of the Group but excluding any Capital Expenditure in respect of the Additional Hotel which has or may be funded by any of the items set out in paragraphs (i) (A) to (D) of the definition of Cashflow set out in this paragraph 2.1 (*Financial definitions*)) falling due within twelve months from the date of computation but **excluding** short term debts (due within 12 months).

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(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.

"**Excess Cashflow**" means, for any Relevant Period for which it is being calculated, Cashflow for that period less Net Debt Service for that Relevant Period.

To the extent any amount of Excess Cashflow has been used for any permitted purpose under this Agreement (including making Permitted Distributions and Permitted Loans) the amount of Excess Cashflow shall be reduced *pro tanto*.

"**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 2011.

"**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 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 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 (or, for the purpose of calculating Excess Cashflow (and any of the constituent parts thereof) only, each Financial Quarter.

"**Retained Excess Cashflow**" means Excess Cashflow which is not required for any other purpose pursuant to the Finance Documents and has not been paid as (or allocated to be paid as) a Permitted Distribution or a Permitted Payment or loaned as a Permitted Loan (other than (for the purpose of paragraph (i)(B) of the definition of Cashflow only), in each case, to another member of the Group).

"**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.

"**Working Capital**" means on any date Current Assets less Current Liabilities.

2.2 **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.

Column 1 **Relevant Period**	**Column 2** **Ratio**
First Test Date and each Test Date thereafter	4.0 : 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.

Column 1 **Relevant Period**	**Column 2** **Ratio**
First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Test Date	3.0 : 1
Ninth Test Date and each Test Date thereafter	2.5 : 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**	**Column 2** **Ratio**
First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Test Date	4.5 : 1
Ninth Test Date and each Test Date thereafter	4.0 : 1

2.3 **Financial testing**

The financial covenants set out in paragraph 2.2 (*Financial condition*) shall be calculated and tested by reference to each of the financial statements and/or each Compliance Certificate delivered pursuant to paragraph 1.3 (*Provision and contents of Compliance Certificate*).

3. **GENERAL UNDERTAKINGS**

Authorisations and compliance with laws

3.1 **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 Permit (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 to carry on its business which are part of the Mocha Slot Business or any of the Projects (or any of the assets which form part thereof),

where failure to obtain or comply with those Permits has or is reasonably likely to have a Material Adverse Effect, including any Permit specified in Schedule 19 (*Permits*), and shall promptly deliver to the Agent:

(A) any notice that any Governmental Authority may condition approval of, or any application for, any such Permit held by it on terms and conditions that are materially burdensome to the Relevant Obligor, or to the operation of the Mocha Slot Business or any Project (or any assets comprised therein), in each case in a manner not previously contemplated; and

(B) such other documents and information as from time to time may reasonably be requested by the Agent in relation to any of the matters referred to in this paragraph 3.1,

provided that notwithstanding the foregoing, each Relevant Obligor shall promptly supply certified copies to the Agent of any such Permit referred to above, upon receipt thereof and without any prior request by the Agent being required.

3.2 **Compliance with laws**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) comply in all material respects with all material Legal Requirements and its Constitutional Documents 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).

3.3 **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 is reasonably likely to have a Material Adverse Effect.

3.4 **Environmental claims**

Each Relevant Obligor shall (through the Company), promptly upon becoming aware of the same, inform the Agent in writing of:

(a) any Environmental Claim against any member of the Group which is current, pending or to the best of its knowledge and belief (having made all due and proper enquiry) threatened (including copies of any notices from any Governmental Authority of non-compliance with any Environmental Law or Environmental Permit and any other notices of Environmental Claims); and

(b) any facts or circumstances which have or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim has or is reasonably likely to have a Material Adverse Effect and shall promptly deliver to the Agent such other documents and information as from time to time may reasonably be requested by the Agent in relation to any of the matters referred to in this paragraph 3.4.

3.5 **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 and Projections delivered to the Agent under paragraph 1.2 (*Financial statements*) and paragraph 1.5 (*Projections*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes or other obligations does not have and is not reasonably likely to have a Material Adverse Effect.

(b) No member of the Group or any other Relevant Obligor may change its residence for Tax purposes.

3.6 **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

3.7 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.

3.8 **Conduct of business and maintenance of status**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will):

(a) preserve, renew and keep in full force and effect its corporate or limited liability company status and (save as permitted under the terms of the Finance Documents) remain a Subsidiary of the Parent and MPEL;

(b) engage only in businesses which are Permitted Businesses and, in the case of:

(i) Altira Hotel Limited and Altira Developments Limited, engage only in carrying out the Altira Project;

(ii) Melco Crown (COD) Hotels Limited and Melco Crown (COD) Developments Limited, engage only in carrying out the City of Dreams Project; and

(iii) Melco Crown (Cafe) Limited, engage only in carrying out the Mocha Slot Business; and

ensure that the Company's ownership of shares in its Subsidiaries, the Mocha Slot Business; the lease, management, and operation of the casinos and gaming areas which are in any way part of Altira Project, City of Dreams Project and other Permitted Businesses are conducted in accordance with the Subconcession, the Lease Agreements and relevant Permits; and

(c) not establish any representative office or other place of business in a jurisdiction outside its jurisdiction of incorporation or in the case of any Relevant Obligor incorporated in the Cayman Islands, Hong Kong SAR.

3.9 **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.

3.10 **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"; or

(ii) any investment in any Joint Venture which is engaged in a Permitted Business 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.

3.11 **Holding Companies**

None of MPEL Investments, MPEL Nominee One Limited, MPEL Nominee Two Limited and MPEL Nominee Three Limited shall trade, carry on any business or own any assets or incur any liabilities except for:

(a) ownership of shares in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, Cash and Cash Equivalent Investments but only if those shares, credit balances, Cash and Cash Equivalent Investments (other than any such shares, credit balances, Cash and Cash Equivalent Investments to the extent that they are comprised in, relate to or are derived from any Excluded Project Agreement, Excluded Project 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 in any way necessary to ensure the full benefit to the Group of, any Project or the Mocha Slot Business) are subject to the Transaction Security;

(b) making of intra-Group loans permitted by paragraph 3.19 (*Loans or credit*);

(c) provisions of administrative and treasury services to the other Relevant Obligors or other members of the Group; or

(d) any liabilities under the Transaction Documents and/or the Bond Documents (as defined in the Subordination Deed) to which it is a party and the performance of any obligations thereunder.

Restrictions on dealing with assets and Security

3.12 **Preservation of assets and Security**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will):

(a) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of the Mocha Slot Business and the Projects;

(b) maintain all material rights of way, easements, grants, privileges, licenses, certificates, and Permits necessary for the intended use of each Relevant Property, all Relevant Property Easements and any other Properties in respect of the Mocha Slot Business and the Projects, except any such item the loss of which, individually or in the aggregate, could not reasonably be expected to materially and adversely affect or interfere with the Mocha Slot Business, any Project, any Relevant Property, any Relevant Property Easements or any other Properties;

(c) comply with the terms of each lease or other grant of rights in respect of property in respect of the Mocha Slot Business and the Projects, including easement grants, so as to not permit any material uncured default on its part to exist thereunder, except, in each case, where non-compliance therewith could not reasonably be expected to materially and adversely affect or interfere with the Mocha Slot Business, any Project, or any Relevant Property, any Relevant Property Easements or any other Properties in respect of the Mocha Slot Business and the Projects;

(d) 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;

(e) undertake all actions which are necessary or appropriate in the reasonable judgment of the Agent to:

(i) maintain the Finance Parties' respective security interests under the Transaction Security Documents in the Charged Property in full force and effect at all times (including the priority thereof); and

(ii) preserve and protect the Charged Property and protect and enforce the Relevant Obligor's rights and title and the respective rights of the Finance Parties to the Charged Property,

including the making and delivery of all filings and registrations, the payments of fees and other charges imposed by any Governmental Authority, the issuance of supplemental documentation, the discharge of all claims or other Security other than Permitted Security adversely affecting the respective rights of the Finance Parties to and under the Transaction Security and the publication or other delivery of notice to, and procuring the receipt of agreements or acknowledgements from, third parties.

3.13 **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.

3.14 **Material Documents**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) comply, duly and promptly, with its obligations and preserve and enforce all of its rights under all Material Documents and pursue any claims and remedies arising thereunder.

3.15 **Subconcession and Land Concessions**

The Company shall:

(a) 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;

(b) obtain and maintain classification as a casino or gaming zone by the Macau SAR of any part of any Project or any premises leased to or occupied by it in connection with the Mocha Slot Business or any other Permitted Business in which any operation of casino games of chance or other forms of gaming is carried out or is proposed to be carried out and of any other premises in which any such operation is carried out or is proposed to be carried out by it in accordance with article 9 of the Subconcession;

(c) 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;

(d) 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 appraised thereof;

(e) 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 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;

(f) 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;

(g) not include in any inventory or any update thereof required pursuant to article 44 of the Subconcession in respect of any of the Projects or the Mocha Slot Business any item which is not specified in Schedule 20 (*Subconcession Inventory of Properties*) or reasonably incidental to the categories of items referred to therein or otherwise reasonably approved by the Agent;

(h) remain the subconcessionaire under the Subconcession and comply with the terms of the Subconcession;

(i) not grant any further subconcession under the Subconcession as long as it is prohibited by the laws of Macau SAR; and

(j) ensure that, on or prior to the date falling 8 Months prior to 13 August 2013 (or such later date as may be stipulated by the Macau SAR for completion of the development obligations in respect of the City of Dreams Site (including the Additional Hotel) set out in the Land Concession for the City of Dreams Site), it makes an application in the agreed form to the relevant Macau SAR Governmental Authorities, accompanied by details of the technical submissions previously made (or being concurrently made) in respect of the construction of the Additional Hotel and such other documentation and evidence as may be necessary or desirable to accompany such application, to extend the date set out in the Land Concession for the City of Dreams Site by which completion of the Additional Hotel must occur to a date which the Company reasonably determines (after consultation with the Technical Adviser) shall be required to enable the completion of the Additional Hotel to occur.

3.16 **Negative pledge**

In this paragraph 3.16, "**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.

3.17 **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.

3.18 **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 and for fair market value.

(b) The following transactions shall not be a breach of paragraph (a):

(i) Sponsor Group Loans and other Subordinated Debt;

(ii) intra-Group loans permitted under paragraph 3.19 (*Loans or credit*);

(iii) 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 15 (*Conditions of Utilisation*) or agreed by the Agent;

(iv) any Permitted Transactions (unless required by their terms to be on arm's length terms and/or for fair market value);

(v) 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 or the Mocha Slot Business);

(vi) the Disposal referred to in paragraph (i)(i) of the definition of Permitted Disposal set out in Clause 12.1 (*Definitions*); and

(vii) 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 12.1 (*Definitions*) or the giving of the guarantees or payment undertaking contemplated by paragraph (h) of the definition of Permitted Guarantee set out in Clause 12.1 (*Definitions*).

Restrictions on movement of cash - cash out

3.19 **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.

3.20 **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.

3.21 **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; or

(iv) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.

(b) Paragraph (a) above does not apply to:

(i) a Permitted Distribution; or

(ii) a Permitted Transaction.

(c) Notwithstanding paragraph (b) above, following an Altira Loss Event, no Obligor shall (and the Company shall ensure that no other member of the Group will) use the proceeds of any business interruption insurance (either directly or indirectly) to carry out (or otherwise effect) any of the actions referred to in paragraph (a) above (other than a Distribution made pursuant to paragraph (a) of the definition of "Permitted Distribution") until the Relevant Obligors have received Altira Insurance Proceeds in respect of that Altira Loss Event which are in an amount in excess of USD435,733,100 (or its equivalent) and have applied those Altira Insurance Proceeds in mandatory prepayment of the Facilities in accordance with the provisions of Schedule 7 (*Mandatory Prepayment*).

3.22 **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

3.23 **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.

3.24 **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

3.25 **Insurance**

(a) Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) maintain insurances and (to the extent required by Schedule 11 (*Insurance*)) reinsurances on and in relation to its business and assets comprised in the Projects and the Mocha Slot Business against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and will otherwise comply with Schedule 11 (*Insurances*).

(b) All such insurances and reinsurances must be with reputable independent insurance companies or underwriters.

(c) Where insurances, reinsurances and risks have been identified in the Insurance Report, the Relevant Obligors shall (and the Company shall ensure that in respect of the Projects and the Mocha Slot Business each member of the Group will, in accordance with Schedule 11 (*Insurances*)) ensure the insurances or (to the extent required by Schedule 11 (*Insurances*)) reinsurances maintained are at least in respect of the business and assets and against the risks and to the extent recommended in the Insurance Report.

3.26 **Access**

Each Relevant Obligor shall, and the Company shall ensure that each member of the Group will:

(a) keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Legal Requirements are made; and

(b) 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 or the Mocha Slot Business), 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 Mocha Slot Business, 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.

3.27 **Management**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) ensure that there is in place in respect of each Relevant Obligor and member of the Group qualified management with appropriate skills.

3.28 **Intellectual Property**

Each Relevant Obligor shall (and the Company shall ensure that each Group member will):

(a) 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 the Mocha Slot Business;

(b) prevent any infringement of the Intellectual Property in connection with the Projects and the Mocha Slot Business;

(c) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property necessary for or in connection with the Projects and the Mocha Slot Business in full force and effect and record its interest in that Intellectual Property;

(d) not use or permit the Intellectual Property necessary in connection with the Projects and the Mocha Slot Business to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may affect the existence or value of the Intellectual Property or imperil the right of any Relevant Obligor or member of the Group to use such property; and

(e) not discontinue the use of the Intellectual Property necessary for or in connection with the Projects and the Mocha Slot Business,

where failure to do so, in the case of paragraphs (a) and (b) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, might reasonably be expected to have a Material Adverse Effect.

3.29 **Use of Revenues**

Each Relevant Obligor shall (and the Company shall ensure that each member of the Group will) ensure that all of its funds, Revenues and all other amounts received by it are utilised, and all of its accounts are established and funded (and any other accounts maintained by it are closed), in accordance with the provisions of Schedule 10 (*Accounts*) and as otherwise provided by this Agreement and that it otherwise complies with Schedule 10 (*Accounts*).

3.30 **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) except for:

(i) any amendments to the Land Concession for the City of Dreams Site which result in an increase of the gross floor area of the City of Dreams Project in accordance with Macau SAR legal requirements, the removal of development obligations or imposition of less onerous development obligations in place of those comprised in the City of Dreams Project or an extension of the date required for completion of development at the City of Dreams Site in accordance with the Land Concession;

(ii) any amendments to the Land Concession for the Altira Site in order to permit registration of strata title in respect of a casino in the Altira Project which is to be transferred to the Company;

(iii) any amendments 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);

(iv) any amendments related to the extension of the development period pursuant to paragraph 13 of Schedule 12 (*Events of Default*) and any amendments of a mechanical or administrative nature related thereto (which do not, in each case, adversely affect the interests of any of the Finance Parties under the Finance Documents);

(v) any amendments related to an increase of the gross floor area, and any amendments of a mechanical or administrative nature related thereto;

(vi) any amendments to the purpose of the Land Concession relating to the Additional Hotel's 5-star status and purpose, and any amendments of a mechanical or administrative nature related thereto (which do not, in each case, adversely affect the interests of any of the Finance Parties under the Finance Documents); and

(vii) any amendments to the Land Concession for the City of Dreams Site which are required in order to dispose of the Additional Hotel, and any amendments of a mechanical or administrative nature related thereto, provided (in each case) 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,

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 any Material Document without obtaining the prior written consent of the Agent;

(c) without obtaining the prior written consent of the Agent (which consent shall not unreasonably be withheld or delayed), directly or indirectly enter into, amend, modify, novate, terminate, cancel, supplement or waive any right under, permit or consent to the amendment, modification, novation, termination (except expiration in accordance with its terms), cancellation, supplement or waiver of any of the provisions of, or give any consent or exercise any other discretion under any Permit in respect of the Mocha Slot Business or the Projects, where such action (save in the case of any Permit referred to in Schedule 19 (*Permits*)) has or is reasonably likely be expected to have a Material Adverse Effect or if a Default is continuing or is likely to result from such action;

(d) (i) enter into any agreement (other than the Finance Documents) restricting its ability to amend any of the Finance Documents; or (ii) enter into any agreement restricting its ability to amend any of the Transaction Documents that are not Finance Documents where such restriction is more onerous than the equivalent restriction set out in the Finance Documents; or

(e) 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 without obtaining the prior written consent of the Agent, 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 is not reasonably likely to be expected to have a Material Adverse Effect.

3.31 **Hedging and Treasury Transactions**

(a) The Relevant Obligors shall ensure that all currency and interest rate hedging arrangements to which Schedule 18 (*Hedging Arrangements*) applies are implemented in accordance with the terms thereof and that such arrangements are not terminated, varied or cancelled without the consent of the Agent (acting on the instructions of the Majority Lenders), save as permitted thereunder.

(b) No Relevant Obligor shall (and the Company will procure that no members of the Group will) enter into any Treasury Transaction, other than:

(i) the hedging transactions contemplated by Schedule 18 (*Hedging Arrangements*) and documented by the Hedging Agreements;

(ii) 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);

(iii) spot and forward delivery foreign exchange contracts entered into in the ordinary course of business and not for speculative purposes; and

(iv) 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 (ii), (iii) and (iv), the counterparties thereto have no Security nor any right to share in any Security over any of the Charged Property.

3.32 **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.

3.33 **Syndication**

The Relevant Obligors shall each provide reasonable assistance to the Arrangers in the preparation of any Information Memorandums and any supplements thereto and in connection with the general syndication of the Facilities (including, without limitation, by making senior management available for the purpose of making presentations to, or meeting, potential lending institutions) and will comply with all reasonable requests for information from potential lenders prior to completion of syndication.

3.34 **Bondco Intercompany Note / Bond Guarantee**

(a) Other than pursuant to an amended and restated note guarantee in the agreed form to be entered into on or following the occurrence of the Amendment and Restatement Effective Date, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) 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 any amendment, variation, supplement or waiver which is not 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)).

3.35 **Technical Advisor**

The Relevant Obligors shall:

(a) appoint (under a deed of appointment or appointment agreement in the agreed form) the Technical Advisor, prior to the levying of any fine referred to in paragraph 13 of Schedule 12 (*Events of Default*), such appointment not to expire or otherwise terminate until after the practical completion of the City of Dreams Site (including the Additional Hotel);

(b) promptly provide the Technical Advisor with all information that may be required for it to issue the report contemplated by sub-paragraph (d) of paragraph 13 of Schedule 12 (*Events of Default*); and

(c) following the appointment of the Technical Advisor, shall procure that the Technical Advisor also provides to the Lenders an update in the agreed form (no less frequently than once every 3 Months until the practical completion of the Additional Hotel) in respect of the progress of the completion of the development of the City of Dreams Site (including the Additional Hotel).

3.36 **Excluded Project Agreements**

(a) Each Relevant Obligor shall (and shall ensure that each of its Subsidiaries will) comply in all material respects with each Excluded Project Agreement to which it is party.

(b) Each Relevant Obligor shall (and shall ensure that each of its Subsidiaries will) take all reasonable and practical steps to preserve and enforce its rights (or the rights of any other member of the Group) and pursue any claims and remedies arising under any Excluded Project Agreement.

3.37 **MPEL (Delaware) LLC**

For so long as MPEL (Delaware) LLC is not a Guarantor (but does provide a Bond Guarantee), it shall not shall trade, carry on any business, own any assets or incur any liabilities or commitments (in each case, actual or contingent, present or future) except for:

(a) making a Permitted Distribution (under paragraph (a) of such definition);

(b) contingent liabilities in respect of the Bond Guarantee (to the extent the same constitute a Permitted Guarantee); and

(c) professional fees, administration costs and Tax in the ordinary course of business as necessary to maintain its existence from time to time.

3.38 **Asset Segregation**

No Relevant Obligor shall (and the Company shall ensure that no member of the Group will) commingle any assets of such Relevant Obligor or other member of the Group comprised in any Excluded Project with any assets comprised in any Project or the Mocha Slot Business.

3.39 **Additional Hotel**

(a) Unless the Permitted Disposal referred to in paragraph (i)(i) of the definition of Permitted Disposal set out in Clause 12.1 (*Definitions*) has occurred, no Relevant Obligor shall (and the Company shall ensure that no member of the Group will) (save to the extent otherwise permitted under the Finance Documents) enter into any contract for the construction or the financing of the Additional Hotel (the " **Additional Hotel Arrangements**") prior to the date on which the Required Finance Parties have approved (such approval not to be unreasonably withheld or delayed) the Additional Hotel Plan.

(b) Following any approval of the Additional Hotel Plan in accordance with paragraph (a) above and until such time as a Permitted Disposal pursuant to paragraph (i)(ii) of the definition of Permitted Disposal set out in Clause 12.1 (*Definitions*) occurs (save to the extent otherwise permitted under the Finance Documents):

(i) Melco Crown (COD) Developments Limited (or any other member of the Group incorporated or acquired for this purpose) shall carry out the design, construction, development, financing, maintenance, management and operation of the Additional Hotel (and may enter into such agreements, deeds or other arrangements (or amendments, waivers or other variations thereto) as is required in order to effect the same) in compliance, in each case, with the Approved Additional Hotel Plan; and

(ii) no Relevant Obligor (other than Melco Crown (COD) Developments Limited or any other member of the Group incorporated or acquired for this purpose) shall (and the Company shall ensure that no member of the Group (other than Melco Crown (COD) Developments Limited or any other member of the Group incorporated or acquired for this purpose) will) enter into any Additional Hotel Arrangements save as expressly contemplated by the Approved Additional Hotel Plan.

(c) Following its approval in accordance with paragraph (a) above, the Additional Hotel Plan may be amended from time to time by the Company provided that any material amendment thereto (including any amendment with a material and adverse effect on the cost, design, size, specification, lay-out or quality of the Additional Hotel, the timing of practical completion of the Additional Hotel or the timing of any grant of an Occupational Lease in respect of all or any part of the Additional Hotel (or the rent commencement date (howsoever described thereunder)) shall only be made with the approval (not to be unreasonably withheld or delayed) of the Required Finance Parties.

(d) Prior to any Permitted Disposal thereof pursuant to paragraph (i) of the definition of "Permitted Disposal" set out in Clause 12.1 (*Definitions*), the Parties agree that the provisions of the Finance Documents shall apply to the Additional Hotel (including the construction, development and operation of the Additional Hotel) as if it was a part of the City of Dream Project.

(e) In this paragraph 3.39 (*Additional Hotel*):

(i) "**Additional Hotel Plan**" means a plan in respect of the Additional Hotel Arrangements, prepared by the Company and delivered to the Agent which will set out (in detail) the proposed arrangements of Melco Crown (COD) Developments Limited (or any other member of the Group incorporated or acquired for this purpose) for the design, construction, development, financing, maintenance, management and operation of the Additional Hotel; and

(ii) "**Required Finance Parties**" means the Majority Lenders **provided that** to the extent any matter set out in the Additional Hotel Plan (or any amendment thereto contemplated by paragraph (c) above) relates to any amendment, waiver or other exercise of any right, power or discretion under the Finance Documents that would, under the terms of the Finance Documents, require the consent of the Super-Majority Lenders, all Lenders or any other Finance Parties, then such matter shall require the approval of the Super-Majority Lenders, all Lenders or those other Finance Parties, as the case may be (all on, and subject to, the terms of the Finance Documents).

SCHEDULE 10
ACCOUNTS

1. **Accounts**

1.1 ***Accounts***

The Company shall ensure that the Relevant Obligors establish and maintain the following bank accounts, with the banks and in the jurisdictions specified, in accordance with this Agreement and the other Finance Documents:

Account Designation	Relevant Obligor	Bank and Jurisdiction	Currency and Type	Account Number
Holding Account	Company	Deutsche Bank AG, Hong Kong Branch	USD Savings Accounts	0014654-05-1
Mandatory Prepayment Account	Company	Citibank (Macau)	HKD Savings Accounts	61375829

1.2 ***Maintenance of Accounts***

The Accounts shall, save as otherwise provided by the Transaction Security Documents or herein, be maintained by the Relevant Obligors with the relevant Account Bank in accordance with the Account Bank's usual practice and may from time to time be sub-divided into such sub-accounts as any Relevant Obligors may reasonably request.

1.3 ***Restrictions***

The Relevant Obligors shall maintain each Account as a separate account or sub-account with the relevant Account Bank and:

(a) none of the restrictions contained in this Schedule on the withdrawal of funds from Accounts shall affect the obligations of any Obligor to make any payments of any nature required to be made to the Finance Parties on the due date for payment thereof in accordance with any of the Finance Documents; and

(b) no withdrawal shall be made from any Account if it would cause such account to become overdrawn.

1.4 ***Credits to Accounts***

Save as otherwise provided in any of the Transaction Security Documents after enforcement thereof, the Relevant Obligors shall credit, and shall procure that there is credited, to the Accounts all such amounts as are provided for in this Agreement and ensure that such other credits are made thereto as are required to be made pursuant to any other provision of any other Finance Document.

1.5 ***Interest***

Each amount from time to time standing to the credit of each Account (for the avoidance of doubt excluding amounts for the time being applied in acquiring Permitted Investments) shall bear interest at such rate as may from time to time be agreed between each Relevant Obligor and the relevant Account Bank, and the Relevant Obligors shall ensure that such interest is credited to such account at such time or times as may be agreed from time to time with the Account Bank or, failing agreement, in arrears on 31 December.

1.6 ***Payments***

Save as otherwise provided in this Agreement or pursuant to any Transaction Security Document, no party shall be entitled to require any Account Bank to make any payment out of the amount standing to the credit of any Account maintained with it.

1.7 ***Other Accounts***

No Relevant Obligor shall (and the Company shall ensure that no other member of the Group will) except with the prior approval of the Agent open or maintain any accounts other than:

(a) the Accounts, which shall at all times be subject to Security in favour of, and in form and substance reasonably satisfactory to, the Security Agent **provided that** if at any relevant time any Account which is at such time maintained by any Relevant Obligor, is no longer required by such Relevant Obligor for such Relevant Obligor's business, the Relevant Obligor may close such Account **provided that** all amounts then standing to the credit thereof shall be transferred to another Account of such Relevant Obligor which is subject to such Security as aforesaid; or

(b) Permitted Accounts or other accounts for the purposes of holding Excluded Project Revenues or any other amounts otherwise available for application towards Permitted Distributions (other than solely under paragraph (a) of such definition) and, in each case any Revenues of any kind in any way derived therefrom, which accounts and any such amounts the Relevant Obligor (or other member of the Group) shall be free to apply, dispose or otherwise deal with in such manner as it may determine.

1.8 ***Excluded Project Revenues***

Each Relevant Obligor shall ensure that Excluded Project Revenues (and any amounts derived therefrom) are not commingled with any of its other funds (other than other amounts permitted to be credited to a Permitted Account, as referred to in the definition of Permitted Account set out in Clause 1.1 (*Definitions*)) (whether or not standing to the credit of an Account) and are only credited to, and withdrawn from, Permitted Accounts.

2. **Mandatory Prepayment Accounts and Holding Accounts**

The Company shall ensure that each Mandatory Prepayment Account and each Holding Account is established, maintained and operated in accordance with Schedule 7 (*Mandatory Prepayments*), deposits to each such Account are made in accordance with the provisions thereof and withdrawals therefrom are made solely as permitted thereby.

3. **Permitted Investments**

3.1 ***Definition***

In this paragraph 3:

"**Investment Income**" means any interest, dividends or other income arising from or in respect of a Permitted Investment.

"**Investment Proceeds**" means any net proceeds received upon any disposal, realisation or redemption of a Permitted Investment, but excluding any Investment Income.

"**Permitted Investments**" means the following:

(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-1 or P-1 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-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, (ii) which 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.

3.2 ***Power of Investment***

The Company may require, subject as provided in this Agreement, that such part of the amounts outstanding to the credit of any Account as it considers prudent shall be invested from time to time in Permitted Investments in accordance with this paragraph 3.2 (*Power of Investment*).

3.3 ***Procedure for Investment***

(a) Unless held for the account of the Relevant Obligor and secured by first ranking fixed charge in favour of the Security Agent pursuant to a Transaction Security Document, the Relevant Obligors shall ensure that all Permitted Investments are made in the name of the Relevant Obligor and secured by a first ranking fixed lien in favour of the Security Agent in such form and on such terms as the Agent may reasonably require.

(b) The Relevant Obligors will at all times seek to match the maturities of the Permitted Investments made out of moneys standing to the credit of an Account having regard to the availability of Permitted Investments which are readily marketable, and shall liquidate (or procure that there are liquidated) Permitted Investments to the extent necessary for the purposes of payment of any amount due under the Finance Documents.

(c) The Relevant Obligors shall ensure that all documents of title or other documentary evidence of ownership with respect to Permitted Investments made out of any Account are held in the possession of the Security Agent and, if any such document or other evidence comes into the possession or control of a Relevant Obligor, it shall procure that the same is delivered immediately to the Security Agent.

3.4 ***Realisation***

(a) The Relevant Obligors shall ensure that, whenever any Investment Proceeds or Investment Income is received in respect of a Permitted Investment made from amounts standing to the credit of an Account the Investment Proceeds and the Investment Income are either:

(i) reinvested in further Permitted Investments; or

(ii) paid into the relevant Account from which the Permitted Investment derives.

(b) Each Relevant Obligor shall give directions to the relevant Account Bank and otherwise exercise its rights hereunder in such manner as will ensure compliance with the applicable provisions of the Finance Documents with respect to Accounts, Permitted Investments, Investment Proceeds and Investment Income.

3.5 ***Non-qualifying criteria***

If any Permitted Investment ceases to be a Permitted Investment, the Relevant Obligors will, upon any one of them becoming aware thereof, procure that the relevant investment is replaced by a Permitted Investment or by cash.

3.6 ***Accounts include Permitted Investments***

(a) Subject to sub-paragraph (b) below, any reference herein to the balance standing to the credit of an Account will be deemed to include a reference to the Permitted Investments in which all or part of such balance is for the time being invested. In the event of any dispute as to the value of the credit of an Account pursuant to this paragraph 3.6, that value shall be determined in good faith by the Agent. If the Company so requests, the Agent will give the Company details of the basis and method of that determination.

(b) If the amount standing to the credit of any Account (excluding for this purpose any amount deemed to be included pursuant to sub-paragraph (a) above) is insufficient to make a payment under the Finance Documents when due out of such Account, the Security Agent is authorised, in its discretion and without any liability for loss or damage thereby incurred by the Relevant Obligors, to require the relevant Account Bank or, as the case may be, the Relevant Obligors to sell or otherwise realise, or to enter into any exchange transaction with respect to, any Permitted Investment concerned with that Account to the extent that the same is, in the opinion of the Agent, necessary for the payment of any amount due under the Finance Documents which could not otherwise be paid out of the cash balance standing to the credit of the relevant Account.

3.7 ***Information***

Commencing with the quarter in which a Permitted Investment is first made on behalf of a Relevant Obligor, the Company shall, together with any other statement to be provided under this Schedule, deliver to the Security Agent a schedule of the investments made, realised or liquidated during the quarter in respect of each Account, in such detail as the Agent may reasonably require.

3.8 ***No Responsibility***

No Finance Party will be responsible for any loss, cost or expense suffered by any Relevant Obligor in respect of any of its actions or those of any Account Bank in relation to the acquisition, disposal, deposit or delivery of Permitted Investments pursuant to this Agreement save for any such loss, cost or expense directly caused by its gross negligence or wilful misconduct. The Account Banks shall be acting solely for and on behalf of the Relevant Obligors in acquiring, holding or disposing of any Permitted Investment.

4. **General Account Provisions**

4.1 ***Transfers/Withdrawals***

Save as otherwise agreed in writing with the Agent, the Relevant Obligors shall ensure that where this Schedule expressly provides for the making of payments to, or withdrawals or transfers from any Account or sub-account, no other payments to, or, as the case may be, other withdrawals or transfers from, such Account or sub-account shall be made except as expressly permitted under this Schedule or under the Finance Documents.

4.2 ***Application of Amounts***

The Relevant Obligors shall ensure that all amounts withdrawn or transferred from any Account or sub-account by the Relevant Obligors for application in or towards making a specific payment or meeting a specific liability shall be applied in or towards making that payment or meeting that liability, and for no other purpose.

4.3 ***Default***

(a) Notwithstanding any other provisions of this Schedule, at any time following an Event of Default which is continuing, the Agent may request the Security Agent to give notice to any Account Bank and the Company instructing the Account Bank not to act on the instructions or requests of the Relevant Obligors in relation to any sums at any such time standing to the credit of any of the Accounts and the Relevant Obligors shall ensure that the Account Bank shall, in accordance with the Transaction Security Documents, not so act and none of the Relevant Obligors shall be entitled to give or make any further such instructions or requests.

(b) Notwithstanding the other provisions of this Agreement, at any time following an Event of Default which is continuing, the Agent may request the Security Agent to:

(i) give written notice to any Account Bank (with a copy to the Company) that the Security Agent shall be the sole signatory in relation to the Accounts;

(ii) apply the credit balances in the Accounts or sub-accounts in or towards repayment of the Facilities and such other liabilities of the Obligors as the Agent may elect; and

(iii) generally use amounts standing to the credit of the Accounts or sub-accounts at its discretion in order to discharge the Obligors' obligations under the Transaction Documents,

and the Relevant Obligors shall ensure that the Account Bank so acts and makes such payments accordingly.

4.4 ***Review of Accounts***

The Relevant Obligors irrevocably grant (solely for the purposes of its role as agent of the Finance Parties hereunder) the Security Agent or any of its appointed representatives access to review the books and records of the Accounts (and shall irrevocably authorise each Account Bank to disclose the same to the Security Agent and its appointed representatives) and irrevocably waives any right of confidentiality which may exist in respect of such books and records solely to the extent necessary to allow disclosure of such books and records to any Finance Party and its advisers.

4.5 ***Statements***

The Relevant Obligors shall arrange for each Account Bank to provide to the Agent, at the latter's request, such information concerning the Accounts or sub-accounts as the Agent or the Security Agent may (acting reasonably) require.

4.6 ***Waiver of Rights***

(a) ***Waiver of rights by the Relevant Obligors***

Save as provided in this Agreement, each Relevant Obligor agrees not to exercise any right which it may have under any applicable law to direct the transfer of any amount standing to the credit of an Account or sub-account to the Relevant Obligor or any other Relevant Obligor or its order or to direct the transfer of any Permitted Investment to the Relevant Obligor or any other Relevant Obligor or to its order.

(b) ***Waiver of rights by Account Banks***

The Relevant Obligors shall ensure that each Account Bank acknowledges and agrees that each Account and sub-account and Permitted Investment is the subject of Transaction Security in favour of the Finance Parties collectively and acknowledges and agrees that it is not entitled to, and shall undertake not to, claim or exercise any lien, right of set-off, combination of accounts or other right, remedy or security with respect to:

(i) moneys standing to the credit of such Account and sub-account or in the course of being credited to it or any earnings; or

(ii) any Permitted Investment.

SCHEDULE 11
INSURANCE

References in this Schedule 8 to Clauses and Appendices refer to the Clauses and Appendices of this Schedule 8, unless the context otherwise requires.

1. INSURANCE UNDERTAKINGS

1.1 Insurances

The Company and each Group Insured shall ensure that:

1.1.1 each of the Direct Insurances is placed and maintained with one or more insurers authorised to operate in the Macau SAR to the extent that locally admitted policies are, for any purpose, required as a result of any Legal Requirements;

1.1.2 not less than 95 per cent. of the coverage in respect of each Direct Insurance is provided by insurers rated at least A- by S&P or at least A by AM Best for their long term unsecured and unsubordinated debt or reinsured by insurers rated at least A- by S&P or at least A by AM Best for their long term unsecured and unsubordinated debt;

1.1.3 each Direct Insurance in respect of the Mocha Slot Business and the Projects has endorsements in substantially the form set out in Appendix 1 (*Form of Endorsements for Insurances*) and Reinsurance required under the terms of paragraph 1.1.2 above in respect of the Mocha Slot Business and the Projects has endorsements in substantially the form set out in Appendix 2 (*Form of Endorsements for Reinsurances*) or (in each case) as otherwise may reasonably be required by the Agent or in such other form as the Agent reasonably approves in writing (in each case, after consultation with the Insurance Adviser); and

1.1.4 any claims under any of the Insurances are promptly made and diligently pursued.

2. INSURANCE PROCEEDS

2.1 Conduct of Claims - Group Insured

Subject to Clause 2.3 (*Conduct of Claims - Default*) below, the Company or the relevant Group Insured shall have the sole conduct of all claims under the Insurances.

2.2 Application of Proceeds

The Company and each Group Insured shall ensure that:

2.2.1 subject to sub-clause 2.2.3 below and prior to the delivery of an Enforcement Notice to the Company, all proceeds of any claim under the Insurances referred to in Schedule 4 (*Mandatory Prepayment*) shall be applied in accordance with Schedule 4 (*Mandatory Prepayment*);

2.2.2 subject to sub-clause 2.2.3 below and following the delivery of an Enforcement Notice to the Company, all proceeds of any claim under any Insurance in respect of the Mocha Slot Business or the Projects shall be applied as directed by the Security Agent; and

2.2.3 for the avoidance of doubt, all proceeds of any public liability, third party liability, employees compensation, workers compensation, directors and officers liability insurances or any other insurances the proceeds of which are payable to employees of the Company or any Group Insured or any other third party shall be applied to its intended purpose.

2.3 **Conduct of Claims - Default**

Notwithstanding any other provisions of this Clause 2, if an Enforcement Notice has been delivered to the Company, then the Security Agent in consultation with the Insurance Adviser shall have sole conduct of all claims under the Insurances in respect of the Mocha Slot Business or the Projects.

2.4 **Insolvency of Direct Insurers**

If, at any time following an Insolvency Event in respect of a Direct Insurer, the Security Agent determines (acting reasonably) that the Company or any Group Insured has not complied with the terms of sub-clause 1.1.4 above, the Security Agent may notify the Company of such non-compliance and, from the date of any such notification, the Security Agent (in consultation with the Insurance Adviser) shall have sole conduct of all claims relating to (and be entitled to direct the applications, in accordance with the terms of the Finance Documents, of any proceeds received under) any Reinsurance taken out by that Direct Insurer.

2.5 **Amendments**

2.5.1 Neither the Company nor any Group Insured shall amend or modify, or permit the amendment or modification of, any Direct Insurance or Reinsurance unless any such amendment or modification does not adversely affect the interests of any of the Finance Parties under the Finance Documents.

2.5.2 The Company shall ensure that it delivers to the Security Agent a copy of any such amendment or modification of any Direct Insurance or Reinsurance as soon as reasonably practicable after (and in any event within 10 Business Days of) any such amendment or modification.

2.6 **Definitions**

For the purpose of this Schedule 8, "**Insolvency Event**" means any of the following:

(a) the relevant Direct Insurer is conclusively unable or expressly admits inability to pay its debts as they fall due or suspends making payments of any of its debts which is due; or

(b) any action of legal proceedings are taken in relation to:

(i) the suspension of payments, winding-up or dissolution of the relevant Direct Insurer; or

(ii) the appointment of a liquidator or administrator or other similar officer in respect of the relevant Direct Insurer.

APPENDIX 1
FORM OF ENDORSEMENTS FOR INSURANCES

MULTIPLE INSURED CLAUSE

(i) Cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each insured party **provided that** the total liability of the Insurers to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity including any inner limits set by memorandum or endorsement stated in the policy.

(ii) Any payment or payments by insurers to any one or more such insured parties shall reduce to the extent of that payment Insurers liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.

(iii) The Insurers acknowledge that the Secured Parties and (in respect of third party liabilities) their respective officers, directors, employees, secondees and assigns are each additional co-insureds under this Policy such that all rights and that the premium specified in this Policy provides consideration for their being co-insured parties.

(iv) Neither the Security Agent nor any other of the Secured Parties shall be liable for the payment of any premium under this Policy although they may choose to pay the premium. This shall not relieve any other insured party from its obligations to pay any premium under this Policy.

(v) Save in the case of the Secured Parties, each of the insured parties will at all times preserve and enforce the various contractual agreements entered into by such insured party and the contractual remedies of such party in the event of Damage.

(vi) The insurers shall be entitled to avoid liability to or (as may be appropriate) claim damages from any of the insured parties in circumstances of fraud, misrepresentation, non-disclosure or breach of any warranty or condition of this Policy committed by that insured party (other than where the first obligation to disclose or perform lies with parties other than the Secured Parties) (each referred to in this Policy as a " **Vitiating Act**").

(vii) However (save as provided in this Multiple Insured's Clause) a Vitiating Act committed by one insured party shall not prejudice the right of indemnity of any other insured party who has an insurable interest and who has not committed a Vitiating Act.

(viii) Insurers waive all rights of subrogation or action which they may have or acquire against any insured party except (save in the case of any Secured Party) where the rights of subrogation or recourse are acquired in consequence or otherwise following a Vitiating Act in which circumstances Insurers may enforce such rights notwithstanding the continuing or former status of the vitiating party as an Insured.

LOSS PAYEE CLAUSE

Claims payments under this Policy shall be agreed with and payable to the Security Agent or as it directs. Notwithstanding any of the foregoing, any amounts of any kind payable to any Insured party shall be paid into the Insurance Proceeds Account or as the Security Agent may otherwise direct.

INTEREST OF OTHER PARTIES

The interests of the Secured Parties and any mortgagee or other party who has financial interest in the Property Insured or to whom legal rights may have been assigned or parties supplying property to the Insured under a hiring leasing or similar agreement is noted but only (in the case of the latter) to the extent that the Insured is required to include such interest. All sums paid as claims under this Policy shall, however, be made in accordance with the Loss Payee Clause.

PRIMARY INSURANCE

If at the time of any loss, damage, occurrence or liability giving rise to a claim under this Policy, other Policy(ies) exist providing insurance against loss, damage, occurrence or liability to the Project as provided by this Policy effected jointly or severally by any of the Insured parties, this Policy shall be primary to, and receive no contribution from, such other insurance.

ALTERATION OF THE MATERIAL FACTS

If any change shall occur materially varying any of the circumstances disclosed to or known to the Insurer, the insured shall as soon as reasonably practicable give notice of such change with full particulars hereof and take any precaution as circumstances may require.

In any situation where it may be alleged that there has been a failure by the insured to advise material alterations or that there has been non-disclosure or misrepresentation of information originally supplied, the insurer shall not exercise any rights to avoid this insurance if such non disclosure or misrepresentation was unintended and free of any fraudulent conduct or intent to deceive, and provided the same shall be advised to the Insurer as soon as it shall become known. In no event will misrepresentation, non disclosure or failure to advise material facts by one party prejudice other parties who have not so acted.

DISCLOSURE

The Insurers acknowledge to the Secured Parties alone that (i) they have received adequate information in order to evaluate the risk of insuring the Insured parties in respect of the risks hereby insured on the assumption that such information is not materially misleading, (ii) there is no information which has been relied on or is required by the Insurers in respect of their decision to co-insure the Secured Parties or their directors, officers, employees or agents, and (iii) in agreeing to enter into this Policy, they have not relied upon or taken into account any information supplied to them by any Secured Party. The acknowledgements provided by the Insurers in this clause shall have no effect on any rights that the Insurers might have had under or in relation to the Policy against any party (including the Company) other than the Secured Parties in the absence of such acknowledgements.

FRAUDULENT CLAIMS

If any claim be in any respect fraudulent or if any fraudulent means or devices shall be used by the Insured or anyone acting on its/their behalf to obtain any benefit under this Policy or if any loss or damage shall be occasioned with the support of the Insured, the benefit under this Policy shall be forfeited in respect of the fraudulent party only.

CONDUCT OF CLAIMS

Notwithstanding any other provisions of this Policy, if an Enforcement Notice has been delivered to the Company, then the Security Agent shall have sole conduct of all claims hereunder.

MISCELLANEOUS

This endorsement overrides any conflicting provision in this Policy.

DEFINITIONS

For the purpose of this Endorsement, the following definitions will apply:

"**Affiliate**" has the meaning given in the Senior Facilities Agreement.

"**Agent**" means Deutsche Bank AG, Hong Kong Branch in its capacity as agent for the Finance Parties and includes its successors in that capacity.

"**Company**" means Melco Crown Gaming (Macau) Limited.

"**Deed of Appointment**" means the agreement so entitled dated 5 September 2007 between, amongst others, the Company, the Agent and the Security Agent, as amended, consolidated, supplemented, novated or replaced from time to time.

"**Enforcement Notice**" has the meaning given in the Deed of Appointment.

"**Excluded Subsidiary**" has the meaning given to it in the Senior Facilities Agreement.

"**Finance Parties**" has the meaning given in the Senior Facilities Agreement.

"**Group Insured**" means any insured party comprising the Company or any of its subsidiary companies from time to time (other than any Excluded Subsidiary).

"**Insurance Proceeds Account**" has the meaning given to it in the Senior Facilities Agreement.

"**Security Agent**" means DB Trustees (Hong Kong) Limited in its capacity as trustee and/or security agent for the Secured Parties and includes its successors in that capacity.

"Secured Parties" has the meaning given in the Deed of Appointment.

"Senior Facilities Agreement" means the agreement so entitled dated 5 September 2007 between, amongst others, the Company, the Agent and the Security Agent, as amended, consolidated, supplemented, novated or replaced from time to time.

APPENDIX 2
FORM OF ENDORSEMENTS FOR REINSURANCES

MULTIPLE INSURED CLAUSE

(i) Cover hereunder shall apply in the same manner and to the same extent as if individual contracts of reinsurance had been issued by the Reinsurer to each reinsured party **provided that** the total liability of the Reinsurers to all of the reinsured parties collectively shall not exceed the sums reinsured and any limits of indemnity including any inner limits set by memorandum or endorsement stated in the original policy.

(ii) Any payment or payments by the Reinsurer to any one or more such reinsured parties shall reduce to the extent of that payment the Reinsurers liability to all such parties arising from any one event giving rise to a claim under the reinsurance and (if applicable) in the aggregate.

(iii) The Reinsurer acknowledges that the Secured Parties and (in respect of third party liabilities) their respective officers, directors, employees, secondees and assigns are each additional reinsured parties under the contract of reinsurance and that the premium specified in the original policy as ceded to this Reinsurer provides consideration for their being reinsured parties.

(iv) Neither the Security Agent nor any other of the Secured Parties shall be liable for the payment of any premium under the original policy or this contract of reinsurance although they may choose to pay the premium. This shall not relieve any other reinsured parties or the insured parties from its obligations to pay any premium under the reinsurance or the original policy.

(v) Save in the case of the Secured Parties, each of the reinsured parties will at all times preserve and enforce the various contractual agreements entered into by such reinsured party and the contractual remedies of such party in the event of Loss or Damage.

(vi) The Reinsurer may be entitled to avoid liability to or (as may be appropriate) claim damages from any of the reinsured parties or any of the insured parties under the original policy in circumstances of fraud, misrepresentation, non-disclosure or breach of any warranty or condition of the reinsurance or the original policy committed by that reinsured or insured party (other than where the first obligation to disclose or perform lies with parties other than the Secured Parties) (each referred to in this reinsurance as a " **Vitiating Act**").

(vii) However (save as provided in this Multiple Insured's Clause) a Vitiating Act committed by one reinsured or insured party shall not prejudice the right of indemnity of any other reinsured or insured party who has an insurable interest and who has not committed a Vitiating Act.

(viii) The Reinsurer waives all rights of subrogation or action which it may have or acquire against any reinsured or insured party under the original policy except (save in the case of any Secured Party) where the rights of subrogation or recourse are acquired in consequence or otherwise following a Vitiating Act in which circumstances Reinsurers may enforce any such rights notwithstanding the continuing or former status of the vitiating party as a reinsured or insured party.

LOSS PAYEE CLAUSE

Claims payments under this reinsurance shall be agreed with and payable to the Security Agent or as it directs. Notwithstanding any of the foregoing, any amounts of any kind payable to any reinsured or insured party shall be paid into the Insurance Proceeds Account or as the Security Agent may otherwise direct.

INTEREST OF OTHER PARTIES

The interests of the Secured Parties and any mortgagee or other party who has financial interest in the Property Insured or to whom legal rights may have been assigned or parties supplying property to the Insured under a hiring leasing or similar agreement is noted but only (in the case of the latter) to the extent that the reinsured party is required to include such interest. All sums paid as claims under this contract of reinsurance shall, however, be made in accordance with the Loss Payee Clause.

PRIMARY INSURANCE

If at the time of any loss, damage, occurrence or liability giving rise to a claim under the reinsurance, other policy(ies) exist providing insurance against loss, damage, occurrence or liability to the Project as provided by the reinsurance effected jointly or severally by any of the reinsured or insured parties under the original policy, it is acknowledged that the original policy and the reinsurance shall be primary to, and receive no contribution from, such other insurance or reinsurance.

ALTERATION OF THE MATERIAL FACTS

If any change shall occur materially varying any of the circumstances disclosed to or known to the Reinsurer, the reinsured party shall as soon as reasonably practicable give notice of such change with full particulars hereof and take any precaution as circumstances may require.

In any situation where it may be alleged that there has been a failure by any reinsured party or any party to the original policy to advise material alterations or that there has been non-disclosure or misrepresentation of information originally supplied, neither the Reinsurer nor the original insurer shall exercise any rights to avoid this Reinsurance or the original insurance if such non disclosure or misrepresentation was unintended and free of any fraudulent conduct or intent to deceive, and provided the same shall be advised to the original insurer in accordance with the original policy as soon as it shall become known. In no event will misrepresentation, non disclosure or failure to advise material facts by one party prejudice other parties who have not so acted.

DISCLOSURE

The Reinsurer acknowledges to the Secured Parties alone that (i) it has received adequate information in order to evaluate the risk of insuring the reinsured parties in respect of the risks hereby reinsured on the assumption that such information is not materially misleading, (ii) there is no information which has been relied on or is required by the Reinsurer in respect of its decision to co-insure the Secured Parties or their directors, officers, employees or agents, and (iii) in agreeing to enter into this reinsurance, the Reinsurer has not relied upon or taken into account any information supplied to it by any Secured Party. The acknowledgements provided by the Reinsurer in this clause shall have no effect on any rights that the Reinsurer might have had under or in relation to the reinsurance against any party (including the Company) other than the Secured Parties in the absence of such acknowledgements.

FRAUDULENT CLAIMS

If any claim be in any respect fraudulent or if any fraudulent means or devices shall be used by any of the reinsured parties or anyone acting on its/their behalf to obtain any benefit under the reinsurance or if any loss or damage shall be occasioned with the support of such reinsured party, the benefit under the reinsurance shall be forfeited in respect of the fraudulent party only.

CONDUCT OF CLAIMS

Notwithstanding any other provisions of the contract of reinsurance, if an Enforcement Notice has been delivered to the Company, then the Security Agent shall have sole conduct of all claims thereunder.

MISCELLANEOUS

This endorsement overrides any conflicting provision in this Policy.

DEFINITIONS

For the purpose of this Endorsement, the following definitions will apply:

"**Affiliate**" has the meaning given in the Senior Facilities Agreement.

"**Agent**" means Deutsche Bank AG, Hong Kong Branch in its capacity as agent for the Finance Parties and includes its successors in that capacity.

"**Company**" means Melco Crown Gaming (Macau) Limited.

"**Deed of Appointment**" means the agreement so entitled dated 5 September 2007 between, amongst others, the Company, the Agent and the Security Agent, as amended, consolidated, supplemented, novated or replaced from time to time.

"**Enforcement Notice**" has the meaning given in the Deed of Appointment.

"**Excluded Subsidiary**" has the meaning given to it in the Senior Facilities Agreement.

"**Finance Parties**" has the meaning given in the Senior Facilities Agreement.

"**Group Insured**" means any insured party comprising the Company or any of its subsidiary companies from time to time (other than any Excluded Subsidiary).

"**Insurance Proceeds Account**" has the meaning given to it in the Senior Facilities Agreement.

"**Security Agent**" means DB Trustees (Hong Kong) Limited in its capacity as trustee and/or security agent for the Secured Parties and includes its successors in that capacity.

"**Secured Parties**" has the meaning given in the Deed of Appointment.

"**Senior Facilities Agreement**" means the agreement so entitled dated 5 September 2007 between, amongst others, the Company, the Agent and the Security Agent, as amended, consolidated, supplemented, novated or replaced from time to time

SCHEDULE 12
EVENTS OF DEFAULT

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 two Business Days of its due date.

2. **Financial covenants and other obligations**

Any requirement of paragraph 2 (*Financial covenants*) of Schedule 9 (*Covenants*) is not satisfied or an Obligor does not comply with the provisions of sub-paragraph 1.8 (*Notification of default*) of paragraph 1 of Schedule 9 (*Covenants*), **provided that** no Event of Default under this paragraph will occur in relation to any non-compliance with sub-paragraph 1.8 (*Notification of default*) of paragraph 1 of Schedule 9 (*Covenants*) if failure to comply is capable of remedy and is remedied within 7 days.

3. **Other obligations**

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in paragraph 1 (*Non-payment*) and paragraph 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.

(c) MPEL fails to maintain its listed status on NASDAQ or its shares are suspended from trading in excess of a period of 30 days (other than where such failure to maintain its listed status or suspension from trading is a direct result of MPEL's listing moving from NASDAQ to HKSE (or any other stock exchange agreed by the Agent, acting on the instructions of the Majority Lenders) provided that such move is successfully completed and MPEL's shares resume trading on the HKSE (or, as the case may be, such other stock exchange agreed by the Agent) within 60 days of such failure to maintain listed status or suspension from trading occurring).

4. **Misrepresentation**

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.

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 originally 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 paragraph 5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than USD10,000,000 (or its equivalent).

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.

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 the Mocha Slot Business); 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 or the Mocha Slot Business) 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 30 days of commencement or, if earlier, the date on which it is advertised.

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 or the Mocha Slot Business) having an aggregate value of at least USD20,000,000 (or its equivalent) and is not discharged within 30 days.

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.

10. **[NOT USED]**

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) The Agent considers the subject matter of any negotiations required to be notified to it pursuant to paragraph 3.15(d) (iii) of Schedule 9 (*Covenants*) is such as could reasonably give rise to an entitlement of the Macau SAR to unilaterally dissolve the Subconcession pursuant to article 80 thereof.

(e) Any consultations are commenced by the Macau SAR with the Company under the Subconcession and/or the Subconcession Direct Agreement and the Agent considers the subject matter of such consultations is reasonably likely to give rise to (i) the taking of any action to terminate the Subconcession or (ii) an agreement to terminate the Subconcession.

(f) Any Land Concession is terminated or rescinded or the Macau SAR takes any formal measure seeking any termination of a Land Concession.

(g) The Macau SAR gives any notice of its intention to terminate, suspend or rescind any Land Concession Direct Agreement or take any formal step in connection therewith.

12. **Permits**

(a) Except as permitted under paragraph (b) below, any Obligor or other member of the Group fails to observe, satisfy or perform, or there is a violation or breach of, any of the terms, provisions, agreements, covenants or conditions attaching to or under the issuance to such person of any Permit or any such Permit 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 (other than in the case of any Permit referred to in Schedule 19) such failure to perform, violation, breach, suspension, revocation, cancellation, termination or modification has or is reasonably expected to have a Material Adverse Effect.

(b) Paragraph (a) above does not apply in relation to any Permit required solely in respect to an Excluded Project which is not required for, and is not otherwise necessary for the operation of, any Project or the Mocha Slot Business.

13. **Land Concession for City of Dreams**

Pursuant to clause 7 of the Land Concession for the City of Dreams Site, any relevant Macau SAR Governmental Authority imposes a fine on any Obligor as a result of a failure to comply with the requirement under the Land Concession for the City of Dreams Site to complete development of the City of Dreams Site (including the Additional Hotel) by the date specified in clause 6 thereof unless:

(a) such Governmental Authority concurrently extends (in form and substance reasonably satisfactory to the Agent) the period by which completion of the City of Dreams Site (including the Additional Hotel) must occur;

(b) such Obligor concurrently provides (in form and substance reasonably satisfactory to the Agent (including, without limitation, a satisfactory long-stop date by which the relevant Macau SAR Governmental Authority will approve or reject such application for extension)) evidence that such Governmental Authority is continuing to consider the application for extension referred to in sub-paragraph (j) of paragraph 3.15 of Schedule 9 (*Covenants*) (save that it shall be an Event of Default where the relevant Macau SAR Governmental Authority either rejects, or does not respond to, such extension request on or prior to that long-stop date);

(c) such Obligor, within 30 days from the date of the notice from the relevant Macau SAR Governmental Authority which imposes the fine, takes any administrative and/or judicial action which has the effect of suspending the imposition of the fine (save that it shall be an Event of Default where, following such action, that suspension ceases to apply for whatever reason and such Obligor does not provide the documentation referred to in paragraph (d) within 14 days of that suspension ceasing to apply); or

(d) such Obligor, within 21 days of the date of the notice from the relevant Macau SAR Governmental Authority which imposes the fine or (if an Obligor has taken any administrative and/or judicial action which has had the effect of suspending the imposition of the fine, but that suspension has ceased to apply) the date on which such suspension ceases to apply, provides a report addressed to and capable of being relied upon by the Agent (for and on behalf of the Finance Parties) from the Technical Adviser in which the Technical Adviser reasonably determines that (based on its experience, familiarity with and review of the City of Dreams Project and the Additional Hotel and the information and schedule provided by such Obligor and the relevant contractors and having regard to any measures for expediting or accelerating the progress of the works) the practical completion of the development of the City of Dreams Site (including the Additional Hotel) in accordance with the Land Concession for the City of Dreams Site is reasonably likely to occur on or before, or has occurred on or before, the last day of a period of 120 days commencing on (1) the date of the notice from the relevant Macau SAR Governmental Authority which imposes the fine or (2) (if an Obligor has taken any administrative and/or judicial action which has had the effect of suspending the imposition of the fine, but that suspension has ceased to apply) the date on which such suspension ceases to apply.

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 is reasonably expected to have an Excluded Project Material Adverse Effect.

15. **Ownership**

The legal or beneficial ownership of the share capital (or any part thereof) of any member of the Group alters from that existing as at the Amendment and Restatement Effective Date (other than as permitted by the Finance Documents).

16. **Audit qualification**

The Auditors of the Parent qualify the audited annual consolidated financial statements of the Parent with a "going concern" or like qualification or exception or any other qualification arising out of the scope of their audit or any qualification which the Agent reasonably considers to be material.

17. **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 assets that relate to or 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 the Mocha Slot Business) conduct its business, pursue any Project or enjoy the use of all or any material part of its assets is limited or wholly or substantially 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.

18. **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 could, in the reasonable opinion of the Majority Lenders, have a Material Adverse Effect.

19. **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 is reasonably expected to have an Excluded Project Material Adverse Effect.

20. **Material adverse change**

Any event or circumstance occurs which has or is reasonably likely to have an Excluded Project Material Adverse Effect.

21. **Change of Law**

Any Governmental Authority takes any action or there is a change in (or in the interpretation, administration or application of) or the introduction of any Legal Requirement:

(a) which deprives the Company or any other Relevant Obligor of the use of all or any part of its assets (including nationalisation, expropriation, modification, suspension or extinguishment of any rights benefiting or the imposition of any restrictions adversely affecting any Project or business by such Governmental Authority); or

(b) which prevents the Company or any other Relevant Obligor from conducting its business or operations, or any part thereof, in a similar manner as contemplated as at the Amendment and Restatement Effective Date,

(in each case, other than if solely in relation to an Excluded Project or any 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 the Mocha Slot Business) which would, in either case, reasonably be expected to have (in the reasonable opinion of the Agent) a Material Adverse Effect and, in each case, such action, change or introduction or the effects thereof, are not removed or stayed within 30 days of the occurrence of such action, change or introduction.

SCHEDULE 13
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 Gaming (Macau) Limited and Others – Senior Facilities Agreement originally dated 5 September 2007, as amended and restated pursuant to an amendment and restatement agreement dated [—] 2011 (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 34.5 (*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 34.5 (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 41.2 (*Addresses*) are set out in the Schedule.

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3 Delete as appropriate.

3. The New Lender expressly acknowledges:

3.1 the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 34.4 (*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.

4. The New Lender confirms that it is a "New Lender" within the meaning of Clause 34.1 (*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 oposed 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 14
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 Gaming (Macau) Limited and Others – Senior Facilities Agreement originally dated 5 September 2007, as amended and restated pursuant to an amendment and restatement agreement dated [•] 2011 (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 34.6 (*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 34.4 (*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 41.2 (*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 34.7 (*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 15
FORM OF ACCESSION LETTER

To: [—] as Agent

From: [*Subsidiary*] and [*Company*]

Dated:

Dear Sirs

Melco Crown Gaming (Macau) Limited and Others – Senior Facilities Agreement originally dated 5 September 2007, as amended and restated pursuant to an amendment and restatement agreement dated [—] 2011 (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 [35.2 (*Additional Borrowers*)]/[Clause 35.3 (*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 16
FORM OF COMPLIANCE CERTIFICATE

From: Melco Crown Gaming (Macau) Limited

To: [*Agent*]

Dated:

Dear Sirs

Melco Crown Gaming (Macau) Limited and others – Senior Facilities Agreement originally dated 5 September 2007, as amended and restated pursuant to an amendment and restatement agreement dated [—] 2011 (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*) of paragraph 2.2 (*Financial condition*) of Schedule 9 [has/has not] been complied with;

   (b) on the last day of the Relevant Period ending on [—] Consolidated Total Senior Debt was [—] and Consolidated EBITDA for such Relevant Period was [—]. Therefore Consolidated Total Senior 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 paragraph 2.2 (*Financial condition*) of Schedule 9 [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 paragraph 2.2 (*Financial condition*) of Schedule 9 [has/has not] been complied with;

   (d) Leverage is [—]:1 and that, therefore, the Margin should be [—]% p.a.;

   (e) Excess Cashflow for the Financial Quarter of the Group ending [—] was [—]; and

(f) 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 Gaming (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 17
TRANSACTION SECURITY DOCUMENTS

1. Debenture dated 13 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as 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 further amended pursuant to a debenture amendment deed dated 10 May 2010 between 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).

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).

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).

5. Pledge and assignment over intellectual property rights dated 30 August 2008 between Melco Crown Gaming (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 Gaming (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).

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).

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).

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).

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).

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.

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).

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).

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).

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).

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).

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).

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).

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 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 reinsurances dated 9 April 2008 between Macau Insurance Company Limited as assignor and the Security Agent.

21. Assignment of onshore contracts dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as 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 Gaming (Macau) Limited and the Security Agent).

22. 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).

23. 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).

24. 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).

25. 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).

26. 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).

27. 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).

28. 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 Services Limited and the Security Agent).

29. 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).

30. 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).

31. 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).

32. 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).

33. 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).

34. 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).

35. Pledge of enterprises dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as company and the Security Agent.

36. 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.

37. 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.

38. 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.

39. Pledge of enterprises dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent.

40. 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.

41. 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.

42. 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.

43. 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.

44. Pledge of enterprises dated 12 August 2008 between COD Theatre Limited as company and the Security Agent.

45. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent.

46. 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.

47. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent.

48. Pledge of enterprises dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent.

49. Pledge over onshore accounts dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as 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 Gaming (Macau) Limited and the Security Agent).

50. Pledge over onshore accounts dated 17 June 2008 between Melco Crown Gaming (Macau) Limited (formerly known as 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 Gaming (Macau) Limited and the Security Agent).

51. 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).

52. 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).

53. 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).

54. 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).

55. 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).

56. 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).

57. 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 Services Limited and the Security Agent).

58. 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).

59. 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).

60. 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).

61. 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).

62. 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).

63. 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).

64. Charge over accounts dated 27 November 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as the company and the Security Agent.

65. 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.

66. 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.

67. 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.

68. Charge over accounts dated 17 December 2007 between Golden Future (Management Services) Limited as the company and the Security Agent.

69. Charge over accounts dated 25 July 2008 between Melco Crown (COD) Hotels Limited as the company and the Security Agent.

70. Floating charge dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as company and the Security Agent.

71. 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.

72. 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.

73. Floating charge dated 5 September 2007 between Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as company and the Security Agent.

74. Floating charge dated 5 September 2007 between Golden Future (Management Services) Limited as company and the Security Agent.

75. 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.

76. 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.

77. 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.

78. 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.

79. Floating charge dated 12 August 2008 between COD Theatre Limited as company and the Security Agent.

80. Floating charge dated 12 August 2008 between Melco Crown COD (CT) Hotel Limited as company and the Security Agent.

81. 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.

82. Floating charge dated 12 August 2008 between Melco Crown COD (GH) Hotel Limited as company and the Security Agent.

83. Floating charge dated 12 August 2008 between Melco Crown COD (HR) Hotel Limited as company and the Security Agent.

84. 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.

85. Land security assignment dated 21 August 2008 between Melco Crown (COD) Developments Limited as company and the Security Agent.

86. Assignment of leases and rights to use agreements dated 16 May 2008 between Melco Crown Gaming (Macau) Limited (formerly known as 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 Gaming (Macau) Limited and the Security Agent).

87. 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).

88. 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).

89. 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).

90. 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).

91. 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).

92. 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).

93. 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).

94. 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).

95. 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).

96. Share pledge agreement with respect to shares of Melco Crown Gaming (Macau) Limited (formerly known as 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 Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as company.

97. 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 Gaming (Macau) Limited (formerly known as 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.

98. 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 Gaming (Macau) Limited (formerly known as 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.

99. 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 Gaming (Macau) Limited (formerly known as 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.

100. Share pledge agreement with respect to shares of Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) dated 5 September 2007 between Mr. Lawrence Yau Lung Ho as pledgor, the Security Agent and Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as company.

101. Share pledge agreement with respect to shares of Golden Future (Management Services) Limited dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as 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.

102. 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 Gaming (Macau) Limited (formerly known as 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.

103. 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 Gaming (Macau) Limited (formerly known as 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.

104. 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.

105. 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.

106. 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.

107. 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.

108. 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.

109. 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.

110. 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.

111. 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 (formerly known as Melco PBL International Limited) and the Security Agent).

112. Share charge with respect to shares of MPEL Nominee Two Limited (formerly known as Melco PBL Nominee Two 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 (formerly known as Melco PBL Nominee One Limited) and the Security Agent).

113. Share charge with respect to shares of MPEL Nominee Three Limited (formerly known as Melco PBL Nominee Three 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 (formerly known as Melco PBL Nominee One Limited) and the Security Agent).

114. 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 (formerly known as Melco PBL Nominee One Limited) and the Security Agent).

115. Pledge agreement with respect to shares of MPEL (Delaware) LLC (formerly known as Melco PBL (Delaware) LLC) dated 7 December 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as pledgor, MPEL (Delaware) LLC (formerly known as Melco PBL (Delaware) LLC) as company and the Security Agent.

116. Security agreement dated 7 December 2007 between MPEL (Delaware) LLC (formerly known as Melco PBL (Delaware) LLC) as obligor and the Security Agent.

117. Pledge over gaming equipment and utensils dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) as pledgor and the Security Agent.

118. Livranças dated 5 September 2007 issued by Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) to the Security Agent.

119. Pacto de Preenchimento de Livranças dated 5 September 2007 between Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) and the Security Agent.

120. 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.

121. 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.

122. Escritura Pública dated 16 May 2008 between Melco Crown Gaming (Macau) Limited (formerly known as 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.

123. Power of attorney dated 16 May 2008 granted by Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) in favour of Banco Nacional Ultramarino, S.A.

124. 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.

125. Power of attorney dated 21 August 2008 granted by Melco Crown (COD) Developments Limited in favour of Banco Nacional Ultramarino, S.A.

126. 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 between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent).

127. 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 between MPEL Services Limited, Melco Crown Entertainment Limited, the original sublicensees listed therein and the Security Agent).

128. 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 Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited) and the Security Agent.

129. Agreement relating to security under land concession contracts dated 5 September 2007 between the Government of Macau Special Administrative Region, Melco Crown Gaming (Macau) Limited (formerly known as 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.

130. Subordination deed dated 13 September 2007 between, Melco Crown Gaming (Macau) Limited (formerly known as Melco PBL Gaming (Macau) Limited), Altira Developments limited (formerly known as Melco PBL (Crown Macau) Developments Limited), Golden Future (Management Services) Limited, MPEL Investments Limited (formerly known as Melco PBL Investments 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) as subordinated creditors and obligors; Altira Hotel Limited (formerly known as Melco PBL Hotel (Crown Macau) Limited), Melco Crown (COD) Developments Limited (formerly known as Melco PBL (COD) Developments Limited), Melco Crown (COD) Hotels Limited (formerly known as Melco PBL (COD) Hotels Limited) and Melco Crown (Cafe) Limited (formerly known as Melco PBL (Mocha) Limited) as obligors and the Security Agent, and later acceded by MPEL (Delaware) LLC (formerly known as Melco PBL (Delaware) LLC), 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), Melco Crown (COD) Ventures Limited (formerly known as Melco PBL (COD) Ventures Limited), COD Theatre Limited, Melco Crown COD (CT) Hotel Limited, Melco Crown COD (GH) Hotel Limited and Melco Crown COD (HR) Hotel Limited as subordinated creditors and obligors, and by MPEL International Limited (formerly known as Melco PBL International Limited), Melco Crown Entertainment Limited and MPEL Services Limited as subordinated creditors (as amended by an amendment agreement dated 19 November 2007).

Amendment Agreements and Security Confirmations

1. A composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

2. a composite security confirmation 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 each dated 13 September 2007 and entered into by certain Relevant Obligors and MPEL International Limited (formerly known as Melco PBL International Limited);

3. a composite security confirmation with respect to the Macau law security documents listed therein dated 5 September 2007, 16 May 2008 and 21 August 2008 and entered into by certain Relevant Obligors;

4. a composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

5. an amendment agreement 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, MPEL Investments Limited and MPEL (Delaware) LLC (as amended pursuant to an amendment agreement dated 10 May 2010);

6. a composite amendment agreement with respect to the Hong Kong law assignment of reinsurances dated 9 April 2008 entered into by Macau Insurance Company Limited;

7. a composite amendment agreement 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 pursuant to an amendment agreement, each dated 10 May 2010);

8. a composite amendment agreement with respect to the Macau law pledges over onshore accounts dated 5 September 2007, 17 December 2007, 1 February 2008, 17 June 2008 and 12 August 2008 and entered into by certain Relevant Obligors (each as amended pursuant to an amendment agreement, each dated 10 May 2010);

9. a composite amendment agreement 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;

10. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (HR) Hotel Limited dated 12 August 2008;

11. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (GH) Hotel Limited dated 12 August 2008;
12. an amendment agreement with respect to the Macau law floating charge of COD Theatre Limited dated 12 August 2008;
13. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (CT) Hotel Limited dated 12 August 2008;
14. an amendment agreement with respect to the Macau law floating charge of Melco Crown Hospitality and Services Limited dated 17 December 2007;
15. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Retail Services Limited dated 17 December 2007;
16. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Hotels Limited dated 1 February 2008;
17. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Ventures Limited dated 17 December 2007;
18. an amendment agreement with respect to the Macau law floating charge of Altira Developments Limited dated 5 September 2007;
19. an amendment agreement with respect to the Macau law floating charge of Altira Hotel Limited dated 5 September 2007;
20. an amendment agreement with respect to the Macau law floating charge of Melco Crown Gaming (Macau) Limited dated 5 September 2007;
21. an amendment agreement with respect to the Macau law floating charge of Golden Future (Management Services) Limited dated 5 September 2007;
22. an amendment agreement with respect to the Macau law floating charge of Melco Crown (Cafe) Limited dated 5 September 2007;
23. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Developments Limited dated 1 February 2008;
24. a composite amendment agreement 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;
25. an amendment agreement with respect to the Hong Kong law IP direct agreement dated 30 August 2008 (as amended from time to time);
26. an amendment agreement with respect to Hong Kong law Altira IP direct agreement dated 15 April 2009 (as amended from time to time); and
27. an amendment agreement with respect to the subordination deed dated 13 September 2007 entered into and/or later acceded by the Subordinated Creditors and Obligors as defined therein (as amended by an amendment agreement dated 19 November 2007).

SCHEDULE 18
HEDGING ARRANGEMENTS

PART I
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 18.

(b) Nothing in this Schedule 18 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 18 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 33.1 (*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 18 (*Illegality, Voluntary Prepayment and Cancellation*) or Clause 19 (*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 II
FORM OF HEDGE COUNTERPARTY ACCESSION UNDERTAKING

THIS DEED dated [ ] is supplemental to (i) a senior facilities agreement (the " **Agreement**") dated [—] 2007 between Melco Crown Gaming (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 41 (*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 19
PERMITS

1. Agreement by the Gambling Inspection and Coordination Bureau (" **DICJ**") and the Financial Bureau of the Macau SAR as to the identity of the external Auditor in accordance with article 57 of the Subconcession.

2. To the extent applicable, disclosure to the Macau SAR of any serious alteration to the economic or financial conditions of the Company, the Company's shareholders or certain of the Company's Affiliates pursuant to article 23 of the Subconcession.

3. Publication of the Altira Project Land Concession in the Official Bulletin.

4. Provisional registration of the rights of Altira Developments Limited to the land which is the subject of the Land Concession (for the purposes of this Schedule, the "**Altira Land**").

5. Macau SAR authorisation:

   (a) pursuant to article 16(1) of the Subconcession to pledge the Company's shares;

   (b) pursuant to article 16(5) of the Subconcession to charge the shares of MPEL Investments' shareholders;

   (c) pursuant to article 21(3) of the Subconcession to execute a power of attorney in relation to the Altira Land;

   (d) pursuant to article 42(1) of the Subconcession to mortgage the casino or gaming area of the Altira Land;

   (e) pursuant to article 42(1) of the Subconcession to pledge the gaming equipment and utensils of the Company;

   (f) comprised in the letter from an authorised representative of the Government of the Macau SAR confirming that there is no requirement for Government approval for the execution of any Pledge over Enterprise comprised in the Transaction Security Documents by the Relevant Obligor party thereto.

6. Altira Project Occupation Permit as follows:

Submitted To	No.	Date	Content in Chinese	Content in English
DSSOPT 工務局	33/2007	09/05/07	使用准照	Occupation Permit

7. Altira Project Operating Licenses as follows:

Date	From	Ref.	Content
26.11.2010	DST (旅遊局)	Licenca No.: 0496/2011	Business Licence for (Bar) FLOW – Level 1
26.11.2010	DST (旅遊局)	Licenca No.: 0476/2011	Business Licence for (Bar) MEZZ – Level 1
16.11.2010	DST (旅遊局)	Licenca No.: 0423/2011	Business Licence for (Bar) SPRAY – Level 2
26.11.2010	DST (旅遊局)	Licenca No.: 0420/2011	Business Licence for (Bar) LAGO – Level 3
26.11.2010	DST (旅遊局)	Licenca No.: 0418/2011	Business Licence for (Restaurant) MONSOON – Level 3
26.11.2010	DST (旅遊局)	Licenca No.: 0417/2011	Business Licence for (Bar) LUMINA – Level 5
11.04.2011	DST (旅遊局)	Licenca No.: 0495/2011/A	Business Licence for 5 Stars Hotel – Altira
25.01.2011	DST (旅遊局)	Licenca No.: 0427/2011/A	Business Licence for (Restaurant) KIRA – Level 10
26.11.2010	DST (旅遊局)	Licenca No.: 0416/2011	Business Licence for (Restaurant) AURORA – Level 10
26.11.2010	DST (旅遊局)	Licenca No.: 0415/2011	Business Licence for (Restaurant) YING – Level 11
16.11.2010	DST (旅遊局)	Licenca No.: 0425/2011	Business Licence for (Bar) 38 – Level 38
16.11.2011	DST (旅遊局)	Licenca No.: 0422/2011	Business Licence for (Restaurant) Tenmasa – Level 11
22.06.2010	DST (旅遊局)	Licenca No.: 80/HC/2010	Business License for (Health Club) Altira Spa – Levels 15, 16 and 17
10.05.2007	Macau Monetary Authority	Licenca No.: E019/2007	Casino Foreign Exchange Licence
11.09.2007	DICJ	Licenca No.: 298/CONF/2007	Gaming area authorisations

8. Company Transfer of Investment Obligations related to the Altira Project:

   (a) DICJ Approval Letter dated 19 July 2007 bearing reference number 476/CONF/2007

   (b) DICJ Confirmation Letter dated 13 August 2007 bearing reference number 534/CONF/2007

9. Operations of Mocha Slots Business:

   The following DICJ approval letters dated:

   (a) 28 November 2006 for the operation of Marina Plaza location

   (b) 20 September 2006 bearing reference number 440/CONF/2006 related to the operations of Hotel Sintra, Hotel Taipa, Hotel Taipa Square, Hotel Royal and Hotel Kingsway locations

   (c) 27 April 2009 approving the request to rename the Mocha Club located in the gaming area known as "Crown Macau" to "Mocha Altira"

10. Macau SAR approval for Group reorganisation granted by the Secretary for the Economic and Finance dated 8 August 2007.

11. Macau SAR authorisation of New Cotai Agreement granted by the Chief Executive of the Macau SAR on 23 April 2007 and confirmed by letter from the DICJ dated 25 April 2007.

12. Publication of the Land Concession for the City of Dreams Project in the Official Bulletin.

13. Macau SAR approval of the location of the casino unit in the City of Dreams Project.

14. Provisional registration of the rights of Melco Crown (COD) Developments Limited to the land which is the subject of the City of Dreams Land Concession (for the purposes of this Schedule, the "**COD Land**").

15. Macau SAR authorisation:

   (a) pursuant to article 21(3) of the Subconcession to execute a power of attorney in relation to the COD Land;

   (b) pursuant to article 42(1) of the Subconcession to mortgage the casino or gaming area of the COD Land and assign leases and other rights to use casino and gaming areas in the City of Dreams Project (if required) and elsewhere;

16. City of Dreams Project Construction licences as follows:

   (a) Permit No. 181/2007 dated 29/03/2007 for the superstructure construction;

   (b) Permit No. 306/2007 dated 14/06/2007 for the site hoarding and temporary site office;

(c) Permit No. 308/2007 dated 14/06/2007 for the foundation works.

17. Company Transfer of Investment Obligations related to the City of Dreams Project:

(a) DICJ Approval Letter dated 5 July 2007 bearing reference number 345/CONF/2007; and

(b) DICJ Confirmation Letter dated 24 July 2007 bearing reference number 483/CONF/2007.

18. City of Dreams Project Construction licenses as follows:

(a) DSSOPT Consent for mechanical and electrical services.

19. City of Dreams Project Certificates of Occupancy.

Submitted To	No.	Date	Content in Chinese	Content in English
DSSOPT 工務局	17/2009	29.05.2009	使用准照	Occupation Permit

20. Licenses for the operation of the City of Dreams Project by City of Dreams Project Operating Company:

(a) Hotel Licenses;

Date	From	Ref.	Content
26/11/2010	DST (旅遊局)	Licenca No.: 0473/2011	Business License for 4 Stars Hotel – Hard Rock Hotel
09.05.2011	DST (旅遊局)	Licenca No.: 0497/2011/B	Business License for 5 Stars Hotel – Crown Towers
26.11.2010	DST (旅遊局)	Licenca No.: 0498/2011	Business License for 5 Stars Hotel – Grand Hyatt Macau

(b) Hotel Facility Licenses:

Date	From	Ref.	Content
23.11.2010	DST (旅遊局)	Licenca No.: 0502/2011	Business Licence for (Restaurant) GRAND BALLROOM AT GRAND HYATT – Level 2 Grand Hyatt Macau
26.11.2010	DST (旅遊局)	Licenca No.: 0499/2011	Business Licence for (Restaurant) CLUBE GRANDE – Level 1 and 0 Grand Hyatt Macau

Date	From	Ref.	Content
23.11.2010	DST (旅遊局)	Licenca No.: 0501/2011	Business Licence for (Restaurant) BEIJING KITCHEN RESTAURANT – Level 1 Grand Hyatt Macau
23.11.2010	DST (旅遊局)	Licenca No.: 0504/2011	Business Licence for (Restaurant) MEZZA 9 – Level 3 Grand Hyatt Macau
23.11.2010	DST (旅遊局)	Licenca No.: 0503/2011	Business Licence for (Bar) LOBBY LOUNGE BAR AT GRAND HYATT MACAU – Level 1 Grand Hyatt Macau
17.12.2010	DST (旅遊局)	Licenca No.: 0545/2011	Business Licence for (Restaurant) FOOD PARADISE – Level 2 and 3 Crown Towers
08.03.2011	DST (旅遊局)	Licenca No.: 0569/2011	Business Licence for (Bar) Cubic City of Dreams – Level 2 and 3 Crown Towers
12.11.2010	DST (旅遊局)	Licenca No.: 0469/2011	Business Licence for (Restaurant) TREASURE PALACE RESTAURANT – Level 1 and 1M, Crown Towers
11.11.2010	DST (旅遊局)	Licenca No.: 0461/2011	Business Licence for (Restaurant) TREASURE JI XIANG YUAN RESTAURANT – Level 1 Crown Towers
11.11.2010	DST (旅遊局)	Licenca No.: 0463/2011	Business Licence for (Bar) LAN BAR – Level 1 Crown Towers
26.11.2010	DST (旅遊局)	Licenca No.: 0474/2011	Business Licence for (Bar) R BAR – Level 1 Hard Rock Hotel
11.11.2010	DST (旅遊局)	Licenca No.: 0465/2011	Business Licence for (Restaurant) CRYSTAL CLUB RESTAURANT – Level 25 and 26 Crown Towers
12.11.2010	DST (旅遊局)	Licenca No.: 0465/2011	Business Licence for (Restaurant) YO! NOODLES RESTAURANT – Level 2 Crown Towers
12.11.2010	DST (旅遊局)	Licenca No.: 0464/2011	Business Licence for (Restaurant) WAVE RESTAURANT – Level 3 Hard Rock Hotel
12.11.2010	DST (旅遊局)	Licenca No.: 0468/2011	Business Licence for (Restaurant) RU YI NOODLES RESTAURANT – Level 1 Crown Towers

Date	From	Ref.	Content
26.11.2010	DST (旅遊局)	Licenca No.: 0475/2011	Business Licence for (Restaurant) EXCELLENT RESTAURANT – Level 5 Hard Rock Hotel
12.11.2010	DST (旅遊局)	Licenca No.: 0470/2011	Business Licence for (Restaurant) HORIZONS RESTAURANT – Level 4 Crown Towers
26.11.2010	DST (旅遊局)	Licenca No.: 0472/2011	Business Licence for (Bar) FLAME BAR – Level 2 Crown Towers
23.11.2010	DST (旅遊局)	Licenca No.: 0459/2011	Business Licence for (Restaurant) GOLDEN PAVILION – Level 1 Crown Towers
24.05.2010	DST (旅遊局)	Licenca No.: 72/HC/2010	Business Licence for (Health Club) THE SPA AT CROWN – Level 3 Crown Towers
31.05.2010	DST (旅遊局)	Licenca No.: 77/SM/2010	Business Licence for (Sauna and Massages) THE SAUNA AT CROWN – Level 3 Crown Towers
31.05.2010	DST (旅遊局)	Licenca No.: 76/HC/2010	Business Licence for (Health Club) ROCK SPA – Level 3 Hard Rock Hotel

21. Foreign Exchange License extension to cover the City of Dreams gaming areas (if applicable).

Date	From	Ref.	Content
25.02.2009	Chief Executive	Licenca No.: EO9/2009	Casino Foreign Exchange License

22. DICJ gaming areas authorization for City of Dreams Project.

Date	From	Ref.	Content
08.05.2009	DICJ	341/CONF/2009	Authorization for City of Dreams Project gaming area

23. Permits required under article 84 of the Subconcession.

SCHEDULE 20
SUBCONCESSION INVENTORY OF PROPERTIES

Tables

Common Area:
- Bean Baccarat
- Midi Baccarat
- Blackjack
- Roulette
- YHH (double sided)
- YHH (single sided)
- Sic-Bo (double sided)
- Sic-Bo (single)
- Fan-Tan
- 3 Card Poker
- 3 Card Baccarat
- Caribbean Stud
- Money wheel

VIP Area:
- Big Baccarat
- Bean Baccarat
- Blackjack
- Roulette

Chairs:
- Dealers
- Pit Clerks

Shuffle Machines:
- MD-1
- King
- Ace
- Deck Mates
- MD-2

Layouts:
- Big Baccarat
- Bean Baccarat
- Midi Baccarat
- Blackjack
- Roulette
- 3 Card Baccarat
- 3 Card Poker
- Caribbean Stud
- YHH (single sided)
- YHH (double sided)
- Sic-Bo (double sided)
- Sic-Bo (single)
- Unprinted Layout

Cards:
- Standard

Table Items:
- Roulette Wheels
- Sic-Bo spare shakers
- Dealing shoes
- Drop boxes and sleeves
- Stacker Boxes
- Note pushers
- Brass slot covers
- Tip boxes
- Discard holders plastic
- Discard holders in table
- 15 tube hideaway float trays
- Float trays VIP
- Float trays MF
- Security card vaults
- Card seals
- Locks
- Cutting cards
- Table signs
- Sic-Bo dice
- Roulette dollies
- Roulette balls
- Roulette float covers
- Roulette wheel covers
- Roulette wheel guards
- Fan-Tan sticks and buttons
- Big Baccarat table covers
- Bean Bacarrat table covers
- Blackjack table covers
- Roulette Buttons
- Marker Buttons

Game Displays:
- Roulette
- Sic-Bo/YHH
- Baccarat

Card Destruction Machine

Furniture:
- Pit Stands
- Pit card storage

Shuffle Room:
- Work stations
- Supervisors table
- Storage cabinetry

Miscellaneous:
- Crowd control Stands
- Crowd control Ropes
- Pit trash
- Scorecard holders
- Red-Blue pens
- Players scorecards
- Chip carry cases

Chips:
- Total order

Slot Operations

Machines

Signage

Additional:
- Tokens
- Cups
- Bases
- Stools
- Chairs
- Jackpot controllers
- Attendant Stations
- Locks
- Workshop Equipment

SIGNATURES

THE COMPANY

MELCO CROWN GAMING (MACAU) LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
Attention:	Chief Financial Officer
Telephone:	+852 2598 3600
Fax:	+852 2537 3618

THE ORIGINAL GUARANTORS

MPEL NOMINEE ONE LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
Attention:	Chief Financial Officer
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MPEL NOMINEE TWO LIMITED

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MPEL NOMINEE THREE LIMITED

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MPEL INVESTMENTS LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
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Telephone:	+852 2598 3600
Fax:	+852 2537 3618

ALTIRA HOTEL LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
Attention:	Chief Financial Officer
Telephone:	+852 2598 3600
Fax:	+852 2537 3618

ALTIRA DEVELOPMENTS LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
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Fax:	+852 2537 3618

MELCO CROWN (COD) HOTELS LIMITED

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MELCO CROWN (COD) DEVELOPMENTS LIMITED

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MELCO CROWN (CAFE) LIMITED

Address:	36/F, The Centrium 60 Wyndham Street Central, Hong Kong
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GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED

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	60 Wyndham Street
	Central, Hong Kong
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MELCO CROWN HOSPITALITY AND SERVICES LIMITED

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MELCO CROWN (COD) RETAIL SERVICES LIMITED

Address:	36/F, The Centrium
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	Central, Hong Kong
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MELCO CROWN (COD) VENTURES LIMITED

Address:	36/F, The Centrium
	60 Wyndham Street
	Central, Hong Kong
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COD THEATRE LIMITED

Address:	36/F, The Centrium
	60 Wyndham Street
	Central, Hong Kong
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Fax:	+852 2537 3618

MELCO CROWN COD (CT) HOTEL LIMITED

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	60 Wyndham Street
	Central, Hong Kong
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Fax:	+852 2537 3618

MELCO CROWN COD (GH) HOTEL LIMITED

Address:	36/F, The Centrium
	60 Wyndham Street
	Central, Hong Kong
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Fax:	+852 2537 3618

MELCO CROWN COD (HR) HOTEL LIMITED

Address:	36/F, The Centrium
	60 Wyndham Street
	Central, Hong Kong
Attention:	Chief Financial Officer
Telephone:	+852 2598 3600
Fax:	+852 2537 3618

THE COORDINATING LEAD ARRANGERS AND BOOKRUNNERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Address:	17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Attention:	Ginny Wong (Institutional Lending Operations)
Telephone:	+852 3559 6938
Fax:	+852 2230 5738
with copy to:	
Address:	One Raffles Place, Level 34, Singapore 048616
Attention:	Sally Chong/ Janice Leom
Telephone:	+65 6216 1100 / +65 6530 8589
Fax:	+65 6539 6072

BANK OF AMERICA, N.A.

Address:	Bank of America Merrill Lynch, 42/F Two International Finance Centre, 8 Finance Street, Central Hong Kong
Attention:	Angel Kwan / Denny Fu
Fax:	(+852) 2847-5886
Tel:	(+852) 2847 5930 / 2847 5340

BANK OF CHINA LIMITED, MACAU BRANCH

Address:	Bank of China Macau Branch, 17/F Bank of China Building, Avenida Doutor Mario Soares, Macau
Attention:	Wendy Sun / Sonia Chong
Telephone:	853-87921623/853-87921321
Fax:	853-87921677

COMMERZBANK AG

Address:	29/F Two International Finance Center, 8 Finance Street, Central, Hong Kong
Attention:	Edward Oh
Telephone:	(+852) 39880 632
Fax:	(+852) 39880 990
with a copy to:	
Address:	8 Shenton Way, #43-01 AXA Tower, Singapore 068811
Attention:	Jaclynn Tan / Giam Mei Na
Telephone:	(65) 6311 0683 / (65) 6311 0746
Fax:	(65) 6220 0589

DEUTSCHE BANK AG, SINGAPORE BRANCH

Address:	Detusche Bank AG, Hong Kong Branch, Level 60, International Commerce Center, 1 Austin Road West, Kowloon, Hong Kong
Attention:	Deeepak 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:	Trust and Securities Services
Fax:	(852) 2203 7320

THE SECURITY AGENT

DB TRUSTEES (HONG KONG) LIMITED

Address:	Level 57, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Attention:	Managing Director
Fax:	(852) 2203 7320

THE ORIGINAL LENDERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Address:	17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Attention:	Ginny Wong (Institutional Lending Operations)
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Fax:	+852 2230 5738
with copy to:	
Address:	One Raffles Place, Level 34, Singapore 048616
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BANCO NACIONAL ULTRAMARINO, S.A.

Address:	No. 22, Avendia de Almeida Ribeiro, Macau
Attention:	Sam Tou / Vitor Rosario / Violet Choi
Telephone:	+853 8398 9188 / +853 2835 5828 / +853 8398 9134
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CITIBANK N.A., HONG KONG BRANCH

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Attention:	Mr. William Chu / Mr. Edmund Kong / Mr. Ken Tsui
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Fax:	+852 2868 6355

NATIONAL AUSTRALIA BANK LIMITED

Address:	Level 24, 255 George Street, Sydney NSW 200, Australia
Attention:	Loan Admin & Operations – Andrew Booth / Dhammika Vithanage
Telephone:	+612 9237 1637 / +612 9237 1203
Fax:	+61 1300 764 759
Copy to:	Catherine Wang / Jo Jo Law Level 27, One Pacific Place, 88 Queensway, Hong Kong Tel: +852 2826 8132 / +852 2826 8110 Fax: +852 2845 9251

THE ROYAL BANK OF SCOTLAND PLC, SINGAPORE BRANCH

Address: 10/F, 1 George Street, Singapore 049145

Attention: Kate Chua / Elaine Horner (Agency & Lending Operations)

Telephone: +65 6517 5259 / 5151

Fax: +65 6517 5037

BANCO COMERCIAL DE MACAU, S.A.

Address: Avenida da Praia Grande, No. 572, Macau

Attention: Ms Alia Wong / Ms Stella Wong / Ms Fanny Ho / Ms Lillian Tang / Mr Vincent Lai

Telephone: +853 8791 0284 / 8791 0298 / 8791 0283 / 8791 0280 / 8791 0861

Fax: +853 8791 0276

BANCO COMERCIAL PORTUGUÊS, S.A. MACAO BRANCH

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Attention: Cherry Vong

Telephone: 2878 6769

Fax: 2878 6772

THE BANK OF EAST ASIA LIMITED, MACAU BRANCH

Address: Alameda Dr. Carlos D'Assumpcao No. 322, Fu Tat Fa Yuen, R/CAP to AW, Macau

Attention: Mr. Kou Peng Kit / Mr. Frederick Ho / Ms. Lei Man Wai, Cecilia

Telephone: +853 8598 3303 / +853 8598 3346 / +853 8598 3331

Fax: +853 2833 7557

THE BANK OF NOVA SCOTIA

Address: 25th Floor, United Centre, 95 Queensway, Hong Kong

Attention: Ms. Phyllis Leung

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Fax: +852 2527 2527

CHINA CONSTRUCTION BANK (MACAU) CORPORATION LIMITED

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Attention: Kenneth Lau / Joanne Tam

Telephone: +853 8895 5225 / +853 8895 5226

Fax: +853 8895 5234

COMMONWEALTH BANK OF AUSTRALIA

Address: 1501-1505 Charter House, 8 Connaught Road, Central, Hong Kong

Attention: Loan Administraion (Petty Kwan or Esther Liu)

Telephone: +852 2844 7520 / +852 2844 7550

Fax: +852 2284 4689

CREDIT SUISSE AG, SINGAPORE BRANCH

Address: 10 Changi Business Park Central 2, #02-01/10 & # 04-01/10 Hansapoint, Singapore 486030

Attention: Adi Kharisma / Ivy Lim

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Fax: +65 6212 2709

TAI FUNG BANK LIMITED

Address: 418 Alameda Dr. Carlo d'Assumpcao, Macau

Attention: Mr Kou Wa Kin / Mr Ivan Lam

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Fax: +853 2875 2716

WING LUNG BANK, LIMITED - MACAU BRANCH

Address:	18/F, Finance and IT Center of Macau, Nam Van Lake, Quarteirao 5, Lote A, Macau
Attention:	Ms. Ng Siu Lui Amanda / Ms. Leong Si Man Ivy
Telephone:	+853 8799 3808 / +853 8799 3807
Fax:	+853 2875 0918

THE ORIGINAL HEDGE COUNTERPARTIES

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Address:	17/F, Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
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Telephone:	+852 3559 6938
Fax:	+852 2230 5738
with copy to:	
Address:	One Raffles Place, Level 34, Singapore 048616
Attention:	Sally Chong/ Janice Leom
Telephone:	+65 6216 1100 / +65 6530 8589
Fax:	+65 6539 6072

BARCLAYS BANK PLC

Address:	Barclays Bank PLC, c/o Barclays Capital, Level 28, South Tower, 1 Raffles Quay, Singapore 048583
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Fax:	+65 6308 3000

DEUTSCHE BANK AG

Address:	Detusche Bank AG, Hong Kong Branch, Level 60, International Commerce Center, 1 Austin Road West, Kowloon, Hong Kong
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Telephone:	(+852) 2203 7087 / 2203 7084
Fax:	(+852) 2203 7274

NATIONAL AUSTRALIA BANK LIMITED

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Telephone:	+612 9237 1637 / +612 9237 1203
Fax:	+61 1300 764 759
Copy to:	Catherine Wang / Jo Jo Law
	Level 27, One Pacific Place, 88 Queensway, Hong Kong
	Tel: +852 2826 8132 / +852 2826 8110
	Fax: +852 2845 9251

UBS AG, LONDON BRANCH

Address:	27/F Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong
Attention:	Nicole Chung
Telephone:	+852 3712 2307
Fax:	+44 (0) 2075672990 / +44 (0) 2075672685

SCHEDULE 4
THE TRANSFER PARTIES

Part I

The Transferor Lenders

Australia and New Zealand Banking Group Limited

Bank of America, N.A.

Bank of China Limited, Macau Branch

Commerzbank AG

Deutsche Bank AG, Hong Kong Branch

Banco Comercial de Macau, S.A.

Banco Comercial Português, S.A. Macao Branch

Banco Nacional Ultramarino, S.A.

The Bank of East Asia Limited, Macau Branch

The Bank of Nova Scotia

China Construction Bank (Macau) Corporation Limited

Citibank, N.A., Hong Kong Branch

Commonwealth Bank of Australia

National Australia Bank Limited

The Royal Bank of Scotland plc, Singapore Branch

Wing Lung Bank, Limited – Macau Branch

Part II

The Transferee Lenders

Australia and New Zealand Banking Group Limited

Bank of America, N.A.

Bank of China Limited, Macau Branch

Commerzbank AG

Deutsche Bank AG, Hong Kong Branch

Banco Comercial de Macau, S.A.

Banco Comercial Português, S.A. Macao Branch

Banco Nacional Ultramarino, S.A.

The Bank of East Asia Limited, Macau Branch

The Bank of Nova Scotia

China Construction Bank (Macau) Corporation Limited

Citibank, N.A., Hong Kong Branch

Commonwealth Bank of Australia

Credit Suisse AG, Singapore Branch

National Australia Bank Limited

The Royal Bank of Scotland plc, Singapore Branch

Tai Fung Bank Limited

Wing Lung Bank, Limited – Macau Branch

SCHEDULE 5
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	390,090,000.00	195,045,000.00
Bank of America, N.A.	390,090,000.00	195,045,000.00
Bank of China Limited, Macau Branch	1,040,240,000.00	520,120,000.00
Commerzbank AG	390,090,000.00	195,045,000.00
Deutsche Bank AG, Hong Kong Branch	390,090,000.00	195,045,000.00
Banco Comercial de Macau, S.A.	234,054,000.00	117,027,000.00
Banco Comercial Português, S.A. Macao Branch	234,054,000.00	117,027,000.00
Banco Nacional Ultramarino, S.A.	390,090,000.00	195,045,000.00
The Bank of East Asia Limited, Macau Branch	130,030,000.00	65,015,000.00
The Bank of Nova Scotia	260,060,000.00	130,030,000.00
China Construction Bank (Macau) Corporation Limited	260,060,000.00	130,030,000.00
Citibank, N.A., Hong Kong Branch	390,090,000.00	195,045,000.00
Commonwealth Bank of Australia	234,054,000.00	117,027,000.00
Credit Suisse AG, Singapore Branch	260,060,000.00	130,030,000.00
National Australia Bank Limited	390,090,000.00	195,045,000.00
The Royal Bank of Scotland plc, Singapore Branch	390,090,000.00	195,045,000.00
Tai Fung Bank Limited	234,054,000.00	117,027,000.00
Wing Lung Bank, Limited – Macau Branch	234,054,000.00	117,027,000.00
Total	**6,241,440,000.00**	**3,120,720,000.00**

Name of Lender	Term Loan Facility participation (HKD)	Revolving Credit Facility participation (HKD)
Australia and New Zealand Banking Group Limited	390,090,000.00	103,322,160.60
Bank of America, N.A.	390,090,000.00	103,322,160.60
Bank of China Limited, Macau Branch	1,040,240,000.00	275,525,761.59
Commerzbank AG	390,090,000.00	103,322,160.60
Deutsche Bank AG, Hong Kong Branch	390,090,000.00	103,322,160.60
Banco Comercial de Macau, S.A.	234,054,000.00	61,993,296.36
Banco Comercial Português, S.A. Macao Branch	234,054,000.00	61,993,296.36
Banco Nacional Ultramarino, S.A.	390,090,000.00	103,322,160.60
The Bank of East Asia Limited, Macau Branch	130,030,000.00	34,440,720.20
The Bank of Nova Scotia	260,060,000.00	68,881,440.40
China Construction Bank (Macau) Corporation Limited	260,060,000.00	68,881,440.40
Citibank, N.A., Hong Kong Branch	390,090,000.00	103,322,160.60
Commonwealth Bank of Australia	234,054,000.00	61,993,296.36
Credit Suisse AG, Singapore Branch	260,060,000.00	68,881,440.40
National Australia Bank Limited	390,090,000.00	103,322,160.60
The Royal Bank of Scotland plc, Singapore Branch	390,090,000.00	103,322,160.60
Tai Fung Bank Limited	234,054,000.00	61,993,296.36
Wing Lung Bank, Limited – Macau Branch	234,054,000.00	61,993,296.36
Total	**6,241,440,000.00**	**1,653,154,569.54**

SIGNATURES

The Company

MELCO CROWN GAMING (MACAU) LIMITED

By: /s/ Geoffrey Stuart Davis

The other Original Borrower

MPEL (DELAWARE) LLC

By: /s/ Geoffrey Stuart Davis

The other Relevant Obligors

ALTIRA DEVELOPMENTS LIMITED

By: /s/ Geoffrey Stuart Davis

ALTIRA HOTEL LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN (CAFE) LIMITED

By: /s/ Geoffrey Stuart Davis

GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED

By: /s/ Geoffrey Stuart Davis

MPEL NOMINEE ONE LIMITED

By: /s/ Geoffrey Stuart Davis

MPEL NOMINEE TWO LIMITED

By: /s/ Geoffrey Stuart Davis

MPEL NOMINEE THREE LIMITED

By: /s/ Geoffrey Stuart Davis

MPEL INVESTMENTS LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN HOSPITALITY AND SERVICES LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN (COD) RETAIL SERVICES LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN (COD) VENTURES LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN (COD) HOTELS LIMITED

By: /s/ Geoffrey Stuart Davis

COD THEATRE LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN COD (CT) HOTEL LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN (COD) DEVELOPMENTS LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN COD (GH) HOTEL LIMITED

By: /s/ Geoffrey Stuart Davis

MELCO CROWN COD (HR) HOTEL LIMITED

By: /s/ Geoffrey Stuart Davis

THE COORDINATING LEAD ARRANGERS AND BOOKRUNNERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/

By: /s/

BANK OF AMERICA, N.A.

By: /s/

By: /s/

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/

By: /s/

COMMERZBANK AG

By: /s/ Christine Chan

By: /s/ Edward Oh

DEUTSCHE BANK AG, SINGAPORE BRANCH

By: /s/ Jocelyn Court

By: /s/ Deborah Chan

THE CONTINUING LENDERS

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/

By: /s/

BANK OF AMERICA, N.A.

By: /s/

By: /s/

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/

By: /s/

COMMERZBANK AG

By: /s/ Christine Chan

By: /s/ Edward Oh

DEUTSCHE BANK AG, HONG KONG BRANCH

By: /s/ Jocelyn Court

By: /s/ Johnson Chan

CITIBANK N.A., HONG KONG BRANCH

By: /s/

By: /s/

BANCO COMERCIAL PORTUGUÊS, S.A. MACAO BRANCH

By: /s/

By: /s/

NATIONAL AUSTRALIA BANK LIMITED

By: /s/ Tim Finucane

By: _____

THE BANK OF NOVA SCOTIA

By: /s/

By: /s/

WING LUNG BANK, LIMITED - MACAU BRANCH

By: /s/

By: /s/

THE BANK OF EAST ASIA LIMITED, MACAU BRANCH

By: /s/

By: /s/

COMMONWEALTH BANK OF AUSTRALIA

By: /s/ Sonny Leung

By: _____

THE ROYAL BANK OF SCOTLAND PLC, SINGAPORE BRANCH

By: /s/ Kevin James Begg

By: _____

BANCO NACIONAL ULTRAMARINO, S.A.

By: /s/ Vitor Rosario

By: /s/ Sam Tou

CHINA CONSTRUCTION BANK (MACAU) CORPORATION LIMITED

By: /s/ Cheong Kenneth Kin Hong

By: /s/ Choi, Michael Chung Man

BANCO COMERCIAL DE MACAU, S.A.

By: /s/

By: /s/

THE NEW LENDERS

CREDIT SUISSE AG, SINGAPORE BRANCH

By: /s/ Riddhi Shah

By: /s/ Karen Yap

By: /s/ Adi Khansma

TAI FUNG BANK LIMITED

By: /s/

By:

THE HEDGE COUNTERPARTIES

NATIONAL AUSTRALIA BANK LIMITED

By: /s/ Tim Finucane

By:

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /s/

By: /s/

BARCLAYS BANK PLC

By: /s/

By: /s/

DEUTSCHE BANK AG

By: /s/ Akash Mohapatra

By: /s/ SOH EE HWEE

UBS AG, LONDON BRANCH

By: /s/ Paul Au

By: /s/ Eric Sim

THE AGENT

DEUTSCHE BANK AG, HONG KONG BRANCH

By: /s/ Aric Kay-Russell

By: /s/ Ng Yue Min

THE SECURITY AGENT

DB TRUSTEES (HONG KONG) LIMITED

By: /s/ Aric Kay-Russell

By: /s/ Ng Yue Min

Exhibit 8.1

List of Subsidiaries

1. MCE Finance Limited, incorporated in the Cayman Islands
2. MPEL International Limited, incorporated in the Cayman Islands
3. MPEL Nominee One Limited, incorporated in the Cayman Islands
4. MPEL Nominee Two Limited, incorporated in the Cayman Islands
5. MPEL Investments Limited, incorporated in the Cayman Islands
6. Melco Crown (Macau) Limited (formerly known as Melco Crown Gaming (Macau) Limited), incorporated in the Macau Special Administrative Region of the People's Republic of China
7. Golden Future (Management Services) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
8. Melco Crown (Cafe) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
9. Melco Crown (COD) Hotels Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
10. Melco Crown (COD) Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
11. Altira Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
12. Altira Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
13. Melco Crown Hospitality and Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
14. Melco Crown (COD) Retail Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
15. COD Theatre Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
16. Melco Crown COD (HR) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
17. Melco Crown COD (GH) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
18. MPEL Services Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
19. Melco Crown Security Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
20. MPEL Ventures Limited, incorporated in the British Virgin Islands
21. MPEL Properties (Macau) Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
22. MCE Holdings Limited, incorporated in the Cayman Islands
23. MCE International Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
24. MCE Cotai Investments Limited, incorporated in the Cayman Islands

25. Studio City International Holdings Limited, incorporated in the British Virgin Islands
26. Studio City Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
27. MCE Holdings Two Limited, incorporated in the British Virgin Islands
28. MCE Management Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
29. MPEL Services (US) Ltd., incorporated in the United States of America (Dissolved on June 21, 2013)
30. MPEL Projects Limited, incorporated in the British Virgin Islands
31. MCE Transportation Limited (formerly known as MCE Designs and Brands Limited), incorporated in the British Virgin Islands
32. MCE Transportation Two Limited, incorporated in the British Virgin Islands
33. MPEL Cotai Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
34. MCE Holdings Three Limited, incorporated in the Cayman Islands
35. Mocha Slot Group Limited, incorporated in the British Virgin Islands
36. Mocha Cafe Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
37. Mocha Slot Management Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
38. MPEL Nominee Three Limited, incorporated in the Cayman Islands
39. Melco Crown (Macau Peninsula) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
40. Melco Crown (Macau Peninsula) Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
41. Melco Crown (COD) Ventures Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
42. Studio City Holdings Limited, incorporated in the British Virgin Islands
43. Studio City (HK) Limited, incorporated in the Hong Kong Special Administrative Region of the People's Republic of China
44. Studio City Finance Limited, incorporated in the British Virgin Islands
45. Studio City Investments Limited, incorporated in the British Virgin Islands
46. Studio City Company Limited, incorporated in the British Virgin Islands
47. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
48. Studio City Entertainment Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
49. Studio City Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
50. Studio City Hotels Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
51. SCP Holdings Limited, incorporated in the British Virgin Islands

52. Studio City Hospitality and Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
53. SCP One Limited, incorporated in the British Virgin Islands
54. SCP Two Limited, incorporated in the British Virgin Islands
55. SCIP Holdings Limited, incorporated in the British Virgin Islands
56. Studio City Holdings Five Limited, incorporated in the British Virgin Islands
57. Melco Crown COD (CT) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
58. Zeus Power Ventures Limited, incorporated in the British Virgin Islands
59. Studio City Holdings Three Limited, incorporated in the British Virgin Islands
60. Studio City Holdings Four Limited, incorporated in the British Virgin Islands
61. Studio City Retail Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
62. MCE (Philippines) Investments Limited, incorporated in the British Virgin Islands
63. MCE (Philippines) Investments No.2 Corporation, incorporated in the Republic of the Philippines
64. Melco Crown (Philippines) Resorts Corporation, incorporated in the Republic of the Philippines
65. MCE Holdings (Philippines) Corporation, incorporated in the Republic of the Philippines
66. MCE Holdings No. 2 (Philippines) Corporation, incorporated in the Republic of the Philippines
67. MCE Leisure (Philippines) Corporation, incorporated in the Republic of the Philippines
68. MCE (IP) Holdings Limited, incorporated in the British Virgin Islands

Exhibit 12.1

Certification by the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lawrence Yau Lung Ho, 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 15, 2014

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Co-Chairman and Chief Executive Officer

Exhibit 12.2

Certification by the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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 15, 2014

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2013 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 15, 2014

By: /s/ Lawrence Yau Lung Ho
Name: Lawrence Yau Lung Ho
Title: Co-Chairman and Chief Executive Officer

Exhibit 13.2

Certification by the Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2013 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 15, 2014

By: /s/ Geoffrey Stuart Davis
Name: Geoffrey Stuart Davis
Title: Chief Financial Officer

Exhibit 15.1

WALKERS

滙嘉 開曼羣島律師事務所

Partners:
Ashley Davies*
Fraser Hern*
Kristen Kwok*
Arwel Lewis*
Andy Randall**
Denise Wong*

15 April 2014

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 2013, which will be filed with the U.S. Securities and Exchange Commission (the " **Commission**") on 15 April 2014 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
British Virgin Islands | Cayman Islands | Dubai | Dublin | Hong Kong | Jersey | London | Singapore
*Admitted in England and Wales; **Admitted in New South Wales

Exhibit 15.2

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 March 26, 2014, 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, 2013.

/s/ Deloitte Touche Tohmatsu

Hong Kong

April 15, 2014