

**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, 2011

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from to \_\_\_\_\_ 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)

Leanne Palmer, Vice President 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 depository shares  
each representing three ordinary shares

The NASDAQ Stock Market LLC  
(The NASDAQ Global Select Market)

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

None.

(Title of Class)

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

None.

(Title of Class)

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

1,653,101,002 ordinary shares outstanding as of December 31, 2011

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:

- “2011 Credit Facilities” refers to the credit facilities entered into pursuant to an amendment agreement dated June 22, 2011 between, among others, Melco Crown Gaming, 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 (approximately US\$1.2 billion), and which reduce and remove certain restrictions in the City of Dreams Project Facility;
- “ADSs” refers to our American depositary shares, each of which represents three ordinary shares;
- “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 owned by Altira Developments;
- “China,” “mainland China” and “PRC” refer to the People’s Republic of China, excluding Hong Kong, Macau and Taiwan;
- “City of Dreams” refers to an integrated resort located on two adjacent pieces of land in Cotai, Macau, which opened in June 2009, and currently features a 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 Project Facility” refers to the project facility dated September 5, 2007 entered into between, amongst others, Melco Crown Gaming 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 Limited, an Australian-listed corporation, which completed its acquisition of the gaming businesses and investments of Consolidated Media Holdings Limited (formerly known as PBL), on December 12, 2007;
- “Crown Asia Investments” refers to Crown Asia Investments Pty, Ltd., formerly 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;
- “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;
- “HK\$” and “H.K. dollars” refer to the legal currency of Hong Kong;

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- “HKSE” refers to The Stock Exchange of Hong Kong Limited;
- “Hong Kong” refers to the Hong Kong Special Administration Region of the People’s Republic of China;
- “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;
- “Macau” and “Macau SAR” refer to the Macau Special Administrative Region of the People’s Republic of China;
- “MCE Finance” refers to our wholly owned subsidiary, MCE Finance Limited, a Cayman Islands exempted company with limited liability;
- “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 Gaming” refers to our subsidiary, Melco Crown Gaming (Macau) Limited, a Macau company and the holder of our gaming subconcession;
- “MPEL International” refers to our wholly owned subsidiary, MPEL International Limited, a Cayman Islands company with limited liability;
- “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 Gaming;
- “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 Gaming;
- “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;
- “Renminbi” and “RMB” refer to the legal currency of China;
- “RMB Bonds” refer to the RMB2.3 billion (equivalent to 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;

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- “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, LLC through its wholly owned subsidiary New Cotai, LLC;
- “Senior Notes” refers to the Initial Notes and the Exchange Notes, collectively;
- “share(s)” and “ordinary share(s)” refer to our ordinary share(s), par value US\$0.01 each;
- “SPV” refers to Melco Crown SPV Limited, formerly known as Melco PBL SPV Limited, a Cayman Islands exempted company which is 50/50 owned by Melco Leisure and Crown Asia Investments;
- “Studio City” refers to an integrated resort comprising entertainment, retail and gaming facilities proposed to be developed under the shareholder agreement between our company and New Cotai, LLC;
- “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;
- “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 company,” “our” and “MCE” 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, 2011, 2010 and 2009 and as of December 31, 2011 and 2010.

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
“gaming machine handle (volume)”	the total amount wagered in gaming machines
“gaming promoter” or “junket representative”	an individual or corporate entity who, for the purpose of promoting rolling chip gaming activity, 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
“gaming promoter aggregator model”	a model where the gaming operator typically pays an additional level of remuneration above usual market commission rate to the gaming promoter which in return provides additional services by managing and providing credit to its collaborators

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“hold percentage”	the amount of win (calculated before discounts and commissions) as a percentage of drop or rolling chip volume
“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 slot 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” (previously known as “non-rolling chip volume”)	the amount of table games drop in the mass market table games segment
“mass market table games hold percentage” (previously known as “non-rolling mass market table games win as a percentage of mass market table games drop chip hold percentage”)	
“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” or “traditional cash 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

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“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 slot machine or table game where the value of the jackpot increases as wagers are made; multiple slot 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” (previously known as “rolling chip hold percentage”)	rolling chip table games win as a percentage of rolling chip volume
“slot machine”	traditional gaming machine operated by a single player and electronic multiple-player gaming machines
“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 that is retained and recorded as casino revenues
“VIP gaming room” or “VIP gaming area”	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

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“wet stage performance theater”

the approximately 2,000-seat theater specifically designed to stage *The House of Dancing Water* show

“win percentage-gaming machines”

actual win expressed as a percentage of gaming machine handle

## 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 market that has recently experienced extremely rapid growth and intense competition, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

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

- our 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;
- 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;
- fluctuations in occupancy rates and average daily room rates in Macau;
- 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 Studio City;
- our entering into new development and construction and new ventures;

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- 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;
- 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.

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ITEM 3. KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following reflects selected historical financial data that should be read in conjunction with “Item 5. Operating and Financial Review and Prospects” and the consolidated financial statements and the notes thereto beginning on page F-1 of this annual report on Form 20-F. The historical results are not necessarily indicative of the results of operations to be expected in the future.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
<i>(In thousands of US\$, except share and per share data and operating data)</i>					
<b>Consolidated Statements of Operations Data:</b>					
Net revenues	\$ 3,830,847	\$ 2,641,976	\$ 1,332,873	\$ 1,416,134	\$ 358,496
Total operating costs and expenses	(3,385,737)	(2,549,464)	(1,604,920)	(1,414,960)	(554,313)
Operating income (loss)	\$ 445,110	\$ 92,512	\$ (272,047)	\$ 1,174	\$ (195,817)
Net income (loss)	\$ 288,844	\$ (10,525)	\$ (308,461)	\$ (2,463)	\$ (178,151)
Net loss attributable to noncontrolling interests	5,812	—	—	—	—
Net income (loss) attributable to our company	294,656	(10,525)	(308,461)	\$ (2,463)	\$ (178,151)
<b>Net income (loss) attributable to our company per share</b>					
— Basic	\$ 0.184	\$ (0.007)	\$ (0.210)	\$ (0.002)	\$ (0.145)
— Diluted	\$ 0.182	\$ (0.007)	\$ (0.210)	\$ (0.002)	\$ (0.145)
<b>Net income (loss) attributable to our company per ADS <sup>(1)</sup></b>					
— Basic	\$ 0.551	\$ (0.020)	\$ (0.631)	\$ (0.006)	\$ (0.436)
— Diluted	\$ 0.547	\$ (0.020)	\$ (0.631)	\$ (0.006)	\$ (0.436)
<b>Weighted average shares used in calculating net income (loss) attributable to our company per share</b>					
— Basic	1,604,213,324	1,595,552,022	1,465,974,019	1,320,946,942	1,224,880,031
— Diluted	1,616,854,682	1,595,552,022	1,465,974,019	1,320,946,942	1,224,880,031

	December 31,				
	2011	2010	2009	2008	2007
<i>(In thousands of US\$)</i>					
<b>Consolidated Balance Sheets Data:</b>					
Cash and cash equivalents	\$ 1,158,024	\$ 441,923	\$ 212,598	\$ 815,144	\$ 835,419
Restricted cash	364,807	167,286	236,119	67,977	298,983
Total assets	6,269,980	4,884,440	4,862,845	4,495,442	3,617,099
Total current liabilities	603,119	675,604	521,643	447,289	480,516
Total debts <sup>(2)</sup>	2,325,980	1,839,931	1,798,879	1,529,195	616,376
Total liabilities	3,082,328	2,361,249	2,353,801	2,086,838	1,188,558
Noncontrolling interests	231,497	—	—	—	—
Total equity	3,187,652	2,523,191	2,509,044	2,408,604	2,428,541

(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.

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

- In September 2006, we acquired a Macau subconcession. Prior to this date we did not hold a concession or subconcession to operate gaming activities in Macau and we operated under a services agreement with SJM.
- In April 2006, we commenced construction of the City of Dreams project.
- On May 12, 2007, Altira Macau opened and became fully operational on July 14, 2007.
- On June 1, 2009, City of Dreams opened and progressively added to its operations with the opening of Grand Hyatt Macau 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.

### **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 30, 2011 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\$7.7663 to US\$1.00. On April 3, 2012, the noon buying rate was HK\$7.7650 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.



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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, 2012.

Period	Noon Buying Rate			
	Period End	Average <sup>(1)</sup>	Low	High
		<i>(H.K. dollar per US\$1.00)</i>		
April 2012 (through April 3, 2012)	7.7650	7.7655	7.7660	7.7650
March 2012	7.7656	7.7620	7.7678	7.7551
February 2012	7.7551	7.7544	7.7559	7.7532
January 2012	7.7555	7.7622	7.7674	7.7538
December 2011	7.7663	7.7767	7.7851	7.7663
November 2011	7.7730	7.7809	7.7957	7.7679
October 2011	7.7641	7.7774	7.7884	7.7634
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
2008	7.7499	7.7814	7.8159	7.7497
2007	7.7984	7.8008	7.8289	7.7497

(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 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 30, 2011 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 RMB6.2939 to US\$1.00. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate or at all. On April 3, 2012, the noon buying rate was RMB6.2975 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 in Macau

*We have a short operating history, and so we 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.*

In significant respects, we remain in an early phase of our business operations 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 65.0% of our total net revenues for the year ended December 31, 2011, commenced operations on June 1, 2009, and progressively added to its operations with the opening of Grand Hyatt Macau 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 Gaming acquired its subconcession in September 2006 and previously did not have any direct experience operating casinos in Macau. 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. 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.

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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, we are and will be 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. We acquired a 60% equity interest in SCI, the developer of Studio City, on July 27, 2011. While site preparation for Studio City has been substantially completed, we have not commenced construction or scheduled any opening date for Studio City. Currently, we expect to commence construction by the end of the second quarter of 2012, subject to receipt of all necessary government approvals and financing, and we estimate the construction period to be 36 months from commencement of construction. 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 a gaming company with more operating properties due to the limited diversification of our businesses and sources of revenues.

***All our future construction projects, including the next phase of City of Dreams and Studio City, 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;
- 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;

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- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these development and 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 the next phase of City of Dreams and Studio City, 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 the next phase of City of Dreams and Studio City. 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 will 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 not yet entered into all of the definitive construction contracts necessary for the construction and development of Studio City, which could adversely impact the project costs and the project timeline.***

While we have entered into some design and consultancy contracts and some preliminary contracts for site office set-up and foundation work for Studio City, we are still in the process of tendering for and negotiating the other definitive construction contracts necessary for the construction and development of Studio City. We cannot assure you that we will be able to enter into definitive construction contracts with contractors with sufficient skill, financial strength and experience on commercially reasonable terms, or at all. Our ability to enter into such commercial arrangements may depend on the availability of qualified contractors and subcontractors, in addition to receipt of all necessary government approvals, the final design and development plan, funding costs, the availability of financing on terms acceptable to us and prevailing market conditions, among other variables. We may not be able to obtain guaranteed maximum price or fixed contract price terms on the various construction contracts for Studio City, which could cause us to bear greater risks of cost overruns and construction delays. If price terms of any construction contracts change due to market conditions or other circumstances, we may exceed projected and budgeted costs, which in turn could impact our ability to finance or complete the development of Studio City. Further, while site preparation for Studio City has been substantially completed, the construction period is estimated to be 36 months from commencement of construction, which we currently expect to commence by the end of the second quarter of 2012, subject to receipt of all necessary government approvals and financing. If we are unable to enter into construction contracts on terms satisfactory to us or obtain all necessary government approvals and financing, we may not be able to commence or complete

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construction by the estimated construction period, or at all, and all or a portion of our investment to date could be lost, resulting in an impairment charge. If we are unable to enter into satisfactory construction contracts for Studio City or are unable to closely control the construction costs and timetables for the development of Studio City, our business, financial condition and prospects may be materially and adversely affected.

***If we do not obtain Macau government approval for the amendment of the Studio City land concession on terms acceptable to us, we could forfeit all or part of our investment in Studio City and would not be able to open and operate that facility as planned.***

Land concessions in Macau are issued by the Macau government and generally have a term of 25 years, which is renewable for further consecutive periods of up to 10 years in accordance with applicable law. The development period is typically set out in the contract and failure to develop the land within such period may entail penalties and, ultimately, reversion of the land to the Macau government. The amendment of existing land concession contracts is subject to an administrative procedure, which consists of the submission of an amendment request, the presentation of an initial amendment proposal followed by a final amendment proposal by the Macau government, the payment of additional premiums, and the publication of the amendments in the official gazette of Macau, or the Macau Official Gazette. The title to the land use right is obtained once the related land concession contract is published in the Macau Official Gazette. See “Item 4. Information on the Company — B. Business Overview — Regulations — Land Use Rights.” Studio City Developments is the lessee of the plot of land on which the Studio City site is located. Since 2005, this land concession contract has been in the process of being amended, and any amendment terms may be changed by the Macau government. The amendment procedure has yet to be completed and we cannot assure you that it will be completed on terms acceptable to us. If the amendment is not completed on terms satisfactory to us and if all payments required are not made by us, we may not be able to complete and operate Studio City as planned and we could lose all or a substantial part of our investment in Studio City, which would in turn have a material and adverse effect on our business, financial position and prospects.

***Any simultaneous planning, design, construction and development of the next phase of City of Dreams and Studio City 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 next phase of City of Dreams and the development of Studio City 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 both 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 one or both 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 market possessed by members of our senior management team, including our co-chairman and chief executive officer, Mr. Lawrence Ho. 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 Mr. Lawrence Ho or other members of our senior management could be difficult, and competition for personnel of similar experience could be intense in Macau. In addition, we do not currently carry key person insurance on any members of our senior management team.

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***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 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 for construction works shall have to be 1:1. This could have a material adverse effect on our ability to complete future works on our properties, for example, Studio City, or the next phase of development 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.

***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 or we may not be able to obtain similar insurance coverage in the future.***

We currently have various insurance policies providing coverage typically required by gaming and hospitality operations in Macau. Such coverage includes property damage, business interruption and general liability. 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 currently carry business interruption insurance and general liability insurance, such insurance may not, in the future, be available on commercially reasonable terms, or at all, and, in any event, may not be adequate to cover all losses that may result from such events.

There is limited available insurance in Macau and our insurers in Macau may need to secure reinsurance in order to provide adequate cover for our property and development projects. Our credit agreements, the subconcession contract, the indenture governing the Senior Notes and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in Macau unless otherwise

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authorized by the Macau government. Failure to maintain adequate coverage could be an event of default under our credit agreements or the subconcession contract and have a material adverse effect on our business, financial condition, operations and results of cash flows.

***Conducting business in Macau has certain political and economic risks that may lead to significant volatility and have a material adverse effect on our results of operations.***

All of our operations are in Macau. Accordingly, our business development plans, results of operations and financial condition may be materially adversely affected by significant political, social and economic developments in Macau and China 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, and 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 Gaming'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 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.

***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 over a specific period, and our business, financial condition and results of operations could be materially and adversely affected.

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***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 and periodically reviewed 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.

***Because we depend upon our properties in Macau for all of our cash flow, we will be subject to greater risks than a gaming company that operates in more than one market.***

We are and will be primarily dependent upon City of Dreams, Altira Macau and Mocha Clubs for our cash flow. Following construction and commencement of operations, Studio City will also contribute to cash flows. Our current operations are and are expected to be conducted only at properties in Macau, so we will be subject to greater risks than a gaming company with operating properties in several markets. These risks include:

- dependence on the gaming and leisure market in Macau and limited diversification of our businesses and sources of revenues;
- a decline in economic, competitive and political conditions in Macau or generally in Asia;
- inaccessibility to Macau due to inclement weather, road construction or closure of primary access routes;
- a decline in air or ferry passenger traffic to Macau due to higher ticket costs, fears concerning travel or otherwise;
- travel restrictions to Macau imposed now or in the future by China;
- changes in Macau governmental laws and regulations, or interpretations thereof, including gaming laws and regulations;



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- natural and other disasters, including typhoons, outbreaks of infectious diseases or terrorism, affecting Macau;
- that the number of visitors to Macau does not increase at the rate that we have expected;
- relaxation of regulations on gaming laws in other regional economies that would compete with the Macau market; 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.

### ***Terrorism and the uncertainty of war, economic downturns and other factors affecting discretionary consumer spending and leisure travel may reduce visitation to Macau and harm our operating results.***

The strength and profitability of our business 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. We cannot predict the extent to which future terrorist acts 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. 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.

### ***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 April 5, 2012, the WHO confirmed a total of 354 fatalities in a total number of 601 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. Currently, fully effective avian flu vaccines have not been developed and there is evidence that the H5N1 virus is evolving so there can be no assurance that an effective vaccine can be discovered in time to protect against the potential avian flu pandemic. In the first half of 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia, which seriously interrupted economic activities and caused the demand for goods and services to plummet in the affected regions.

In April 2009, there was an outbreak of the Influenza A (H1N1) virus which originated in Mexico but has since spread globally including confirmed reports in Indonesia, Hong Kong, Japan, Malaysia, Singapore, and elsewhere in Asia. More recently, the Influenza A (H1N1) virus have been detected in Africa and Asia. Human infections have been reported to WHO from Cambodia, Hong Kong, Egypt and Indonesia. Indonesia also recently confirmed its first Influenza A (H1N1) linked death. 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 or visitation to Macau, which may have a material adverse effect on our results of 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.

***Our gaming operations 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.

***Unfavorable fluctuations in the currency exchange rates of the H.K. dollar, U.S. dollar or Pataca could adversely affect our indebtedness, expenses and profitability.***

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 Senior 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.

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 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 or Patacas 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, 2011 and 2010. 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.

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### ***We may undertake mergers, acquisitions or strategic transactions that could result in operating difficulties and distraction from our current business.***

We may in the future acquire or make 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 our acquiring or investing in such companies or projects. Even if we do identify suitable opportunities, we may not be able to make such acquisitions or investments on commercially acceptable terms, 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. 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 adversely affect our business, financial condition and operating results.

### ***Litigation, disputes and regulatory investigations 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. For instance, if we are unsuccessful in defending our subsidiary against certain claims alleging that it received misappropriated or misapplied funds, this may require further improvements to our existing anti-money laundering, or AML, 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. 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.

### ***Ama and its individual guarantor might not be able to repay us the amounts outstanding under the settlement agreements, and, consequently, we may not be able to recover such amounts in the expected time or at all.***

On March 23, 2010, Melco Crown Gaming initiated executory proceedings against Ama International Limited, or Ama, and Ms. Mei Huan Chen, an individual guarantor of Ama, for recovery of certain amounts outstanding and owed by Ama, a former gaming promoter for Altira Macau. On July 29, 2011, Melco Crown Gaming, Ama and Ms. Chen entered into settlement agreements. As part of the settlement, on September 1, 2011, Ama submitted a request to terminate the civil action filed against Melco Crown Gaming, and Ama and Ms. Chen filed the relevant requests to terminate all incidental proceedings against Melco Crown Gaming. Pursuant to the settlement agreements, Ama and Ms. Chen agreed to pay approximately HK\$249.2 million (US\$32.0 million) in monthly installments, with the last installment to be paid on May 30, 2013. As of April 3, 2012, Ama and Ms. Chen have paid a total of HK\$118.1 million (US\$15.2 million). While Ms. Chen has mortgaged and pledged certain assets to secure payment of outstanding amounts, there can be no assurance that Ama and Ms. Chen will be able to pay such amounts in a timely manner or at all. If Ama and Ms. Chen are unable to pay us the amounts outstanding under the settlement agreements, we may not be able to recover the amounts in debt owed to us by Ama in the expected time or at all, and our results of operations could be materially and adversely affected.

### ***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. 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.

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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 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. The general economic downturn and turmoil in the financial markets have placed broad limitations on the availability of credit from credit sources as well as lengthening the recovery cycle of extended credit. 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. 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.

***Our business may face a higher level of volatility due to the current weighting of rolling chip in our revenues base.***

A substantial proportion of our casino revenues is generated from the rolling chip segment of the gaming market. The revenues generated from the rolling chip segment of the gaming market are acutely volatile 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, 2011, we had agreements in place with approximately 86 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.

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A cap on commission payments to gaming promoters, including any allowances, is set by the Macau government at 1.25% of rolling chip volume. This cap was introduced in September 2009 and has been enforced from December 2009 and has affected our gaming promoters and the level of their incentives but has thus far not materially affected our revenues. If, however, the Macau government further reduces the cap on the commission rates payable to gaming promoters to a level lower than the maximum 1.25% we are currently permitted to pay, gaming promoters' incentives to bring travelers to our casinos would be further diminished, and certain of our gaming promoters may be forced to cease operations. If this were to happen, our business, financial condition and results of operations could be materially and 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, in particular those who are engaged in gaming related activities, such as gaming promoters, and developers and hotel operators that do not hold concessions or subconcessions and with which we have or may enter into services agreements, are important to our own reputation and to Melco Crown Gaming's ability to continue to operate in compliance with its subconcession. Under Macau Law no. 16/2001, or the Macau Gaming Law, Melco Crown Gaming 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 reflect negatively on our own probity 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 harm to our and the shareholders' reputation, as well as impaired relationships with, and possibly sanctions from, gaming regulators with authority over our operations.

In particular, the reputations of the gaming promoters we deal with are important to our own reputation and Melco Crown Gaming's ability to continue to operate in compliance with its subconcession. While we endeavor to ensure high standards of probity and integrity in the gaming promoters with whom we are associated, we cannot assure you that the gaming promoters with whom we are associated will always maintain such high standards. If we were to deal with a gaming promoter whose probity was in doubt or who failed to operate in compliance with Macau law consistently, this may be considered by regulators or investors to reflect negatively on our own probity and compliance records. If a gaming promoter falls below our standards of probity, integrity and legal compliance, we and our shareholders may suffer harm to our or their reputation, as well as worsened relationships with, and possibly sanctions from, gaming and other regulators with authority over our operations or us.

***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,

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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 AML regulations. Any violation of AML laws or regulations by us could have a negative effect on our results of operations.

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

We have registered the trademarks “Altira,” “Mocha Club,” “City of Dreams” and “Melco Crown Entertainment” in Macau and other jurisdictions. We have also 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. 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 ourselves against such allegations, or if third parties misappropriate or infringe our intellectual property, we may need to take steps to protect our intellectual property that may result in substantial expenses, all of which may adversely affect our business, financial condition and results of operations.

***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.

### **Risks Relating to the Gaming Industry in Macau**

***We face intense competition in Macau and elsewhere in Asia. We may not be able to compete successfully and may lose or be unable to gain market share.***

The hotel, resort and casino businesses are highly competitive. Our competitors in Macau 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 and elsewhere. In particular, some of our 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. 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, South Korea, the Philippines, Cambodia, Australia, New Zealand and elsewhere in the world, including Las Vegas and Atlantic City in the United States. In addition, certain countries, such as Singapore have legalized casino gaming and others may in the future legalize casino gaming, including Japan, Taiwan and Thailand. Singapore awarded a casino license to Las Vegas Sands and a second casino license to the Genting Group in 2006. The Genting Group opened its casino in February 2010 and Las Vegas Sands opened its casino in April 2010. 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 financial condition, results of operations or cash flows.

Currently, Macau is the only region in China offering legal casino gaming. Although the Chinese government has strictly enforced its regulations prohibiting domestic gaming operations, there may be casinos in parts of mainland China that are operated illegally and without licenses. Competition from illegal casinos in mainland China could adversely affect our business, cash flow, financial condition, results of operations and prospects.

Our regional competitors also include Crown’s Crown Entertainment Complex in Melbourne, Australia and Burswood Entertainment Complex 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 Macau government could grant additional rights to conduct gaming in the future, which could significantly increase competition in Macau and cause us to lose or be unable to gain market share.***

Melco Crown Gaming is one of six companies authorized by the Macau government to operate gaming activities in Macau. 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.

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

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

In September 2009, the Macau government set a cap on commission payments to gaming promoters, including allowances, of 1.25% of net rolling. This policy, which is being enforced as of December 2009, may limit our ability to develop successful relationships with gaming promoters and attract rolling chip patrons. Any failure to comply with these regulations may result in the imposition of liabilities, fines and other penalties and may materially and adversely affect our gaming subconcession.

New smoking control legislation came into effect on January 1, 2012 and prohibits smoking in casinos from January 1, 2013. The legislation however permits casinos to maintain designated smoking areas of up to 50% of the areas open to the public which must be created on or before January 1, 2013.

The Macau government is currently considering raising the minimum age required for the entrance in casinos in Macau from 18 years of age to 21 years of age. In respect of current employees who may be subject to this regulation, it is proposed that employees shall maintain their positions while in the process of reaching the minimum required age and it is further proposed that the director of the Direcção de Inspeção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau, or the DICJ, may authorize employees under 21 years of age to temporarily enter the casino after considering their special technical qualifications. If implemented, this could adversely affect our ability to engage sufficient staff for the operation of our projects.

In March 2010, the Macau government announced that the number of gaming tables operating in Macau should not exceed 5,500 until the end of the first quarter of 2013. According to the DICJ, the number of gaming tables in Macau as of December 31, 2011, was 5,302. On September 19, 2011, the Secretary for Economy and Finance of the Macau government announced that for a period of 10 years from 2014, the total number of gaming tables to be authorized in Macau will be limited to an annual increase of 3%. This restriction may adversely affect the future expansion of our business. These restrictions are of non-statutory nature and 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 announced on April 22, 2008 that it intends to restrict the ability of operators to open slot lounges, such as our Mocha Clubs, in residential areas. Early this year, the Macau government publicly stated that new legislation is being prepared, pursuant to which slot lounges shall cease to be operated in residential areas. According to the said statement, the new legislation shall only allow the operation of slot machine lounges within the premises of casinos, within a radius of 300 to 500 meters therefrom or in hotels and commercial buildings. The new legislation may limit our ability to find new sites or maintain existing sites for the operation of our Mocha Clubs. We currently only have one Mocha Club, Marina Plaza, in an area that may be considered to be a residential area. To date, the Macau government has not issued any formal specific instructions for Melco Crown Gaming to close or relocate such Mocha Club, but we understand that the Macau government expects such closure to take place within a timeframe to be defined with us. If Melco Crown Gaming were to receive specific instructions from the Macau government, we intend that it complies with the Macau government's instructions.

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 adequate to



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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, for the most part, fairly recent and there is little precedent on the interpretation of these laws and regulations. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations or issue new or modified regulations that differ from our interpretation, which could have a material adverse effect on 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 Department, Labor Bureau, Land, Public Works and Transport Bureau, Fire Department, 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 Gaming with its basic obligations under the subconcession and applicable Macau laws. If such a termination were to occur, Melco Crown Gaming 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 Gaming’s subconcession without compensation to Melco Crown Gaming. 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 Gaming’s subconcession, unless Melco Crown Gaming’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 Gaming’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 Gaming’s share capital or that we provide certain deposits or other

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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 Gaming 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 Gaming'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 Gaming'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 Gaming 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 Gaming 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 Gaming'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 Gaming'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 Gaming 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 the subconcession was redeemed, the compensation paid would be adequate to compensate us for the loss of future revenues.

***Melco Crown Gaming'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

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contract and as a result of any change in relevant laws. The Macau government granted to Melco Crown Gaming the benefit of a corporate tax holiday from complementary tax on gaming income in Macau from 2007 to 2011 and the exemption has been extended for five years from 2012 to 2016. However, we cannot assure you that it will be extended beyond the expiration date.

### ***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. 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.

### ***We cannot assure you that AML policies that we have implemented, and compliance with applicable AML laws, will be totally 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 create an environment whereby Macau’s casinos could be exploited for money laundering purposes. We have implemented AML policies in compliance with all applicable AML 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 AML laws and regulations.

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 regulatory investigation into money laundering activities may cause a revocation or suspension of the subconcession. For more information regarding Macau’s AML regulations, see “Item 4. Information on the Company — B. Business Overview — Regulations — AML Regulations.”

### ***If Macau’s transportation infrastructure does not adequately support the development of Macau’s gaming and leisure industry, visitation to Macau may not increase as currently expected, which may adversely affect our projects.***

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.

***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 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 33.57% of our outstanding shares (exclusive of any shares represented by ADSs held by Melco Crown SPV Limited, or SPV) as of April 3, 2012. 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 33.57% of our total shares issued and outstanding (exclusive of any ordinary shares represented by ADSs held by SPV) as of April 3, 2012. 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 that compete with our businesses in Macau 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, which, along with their current operations, may compete with our projects in Macau, 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, which, along with their current operations, may compete with our projects in Macau 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

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more attention on casino gaming projects located in other areas of Asia that may be expanding or commencing their gaming industries, or should economic conditions or other factors result in a significant decrease in gaming revenues and number of patrons in Macau, Melco 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 shares owned collectively by Melco and Crown, could result in our inability to draw loans or cause events of default under our indebtedness, or could require MCE Finance to make an offer to repurchase the Senior Notes or require us to make an offer to repurchase the RMB Bonds.***

The credit facilities entered into pursuant to an amendment agreement dated June 22, 2011, or the 2011 Credit Facilities, include provisions under which we may suffer an event of default or incur an obligation to prepay the facility in full upon the occurrence of a change of control with respect to Melco Crown Gaming, or a decline in the aggregate indirect holdings of Melco Crown Gaming shares by Melco and Crown, below certain thresholds which is accompanied by a ratings decline. Under the terms of the Senior Notes, a change of control in connection with a decrease of the indirect holdings of Melco Crown Gaming shares by Melco and Crown below certain thresholds accompanied by a ratings decline will trigger a change of control, which would require MCE Finance to offer to repurchase the Senior Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, additional amounts and liquidated damages, if any, to the date of redemption. Under the terms of the RMB Bonds, we must offer to redeem the RMB Bonds, upon the occurrence of a change of control in connection with a decrease of the indirect holdings of Melco Crown Gaming shares by Melco and Crown below certain thresholds, at a price equal to 101% of their principal amount, plus accrued interest up to, but excluding, the Put Settlement Date (as defined in the trust deed). Any occurrence of these events could be outside our control and could result in defaults and cross-defaults which cause the termination and acceleration of up to all of our credit facilities, the Senior Notes or the RMB Bonds 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 Entertainment Complex in Melbourne, Australia and Burswood Entertainment Complex 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 businesses.

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.

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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:

- approximately US\$1.2 billion under the 2011 Credit Facilities;
- US\$600 million from MCE Finance's sale of the Senior Notes;
- RMB2.3 billion from the offering of the RMB Bonds and the deposit-linked facility for HK\$2.7 billion entered on May 20, 2011, or the Deposit-Linked Loan, which is secured by the proceeds of the RMB Bonds;
- financing for a significant portion of the costs of developing the next phase at the City of Dreams site and Studio City, 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

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- 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 external debt or equity financing to complete our future investment projects, which may not be available on satisfactory terms or at all.***

We have in the past funded our capital investment projects through, among others, cash generated from our operations, credit facilities and the issuance of the Senior Notes and the RMB Bonds. We will require additional funding in the future for our capital investment projects, including Studio City, which we may raise through external financing. External debt or equity financing by us may require the approval of or communication to the Macau government, and may be subject to, among others, the terms of credit facilities, the Senior Notes and the RMB Bonds. 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 from external sources as required on terms satisfactory to us, or at all, to finance future 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, to refinance and to fund 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. We may not be able to generate sufficient cash flow from operations to satisfy our existing and projected debt obligations, in which case, we may have to 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. Our ability to refinance our indebtedness will depend on the financial markets and our financial condition at such time. We cannot assure you that any 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. Our failure to generate sufficient cash flow to satisfy our existing and projected debt obligations, or to refinance our obligations on commercially reasonable terms, would have an 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 Senior Notes and the trust deed governing the RMB Bonds, 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 Senior 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

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or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the indenture governing the Senior Notes and trust deed governing the RMB Bonds, 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 Senior Notes and the trust deed governing RMB Bonds. 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 Gaming has entered into also contain a number of restrictive covenants that impose significant operating and financial restrictions on Melco Crown Gaming 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 Gaming's subconcession contract or the Borrowing Group's land concessions and certain other contracts; and
- enter into contracts for construction or financing of an additional hotel tower in the 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.



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***Our operations are restricted by the terms of the 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 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.

***Our operations are restricted by the terms of the RMB Bonds which may limit our ability to respond to market conditions or to continue the growth of our business.***

The trust deed governing the RMB Bonds, or the RMB Bonds agreement, has certain covenants which restrict our ability to raise further funds. For example we must ensure that:

- we have satisfactory security in place for the RMB Bonds before we raise any additional secured indebtedness;
- our Consolidated Tangible Net Worth (as defined in the RMB Bonds agreement) must not fall below US\$1 billion; and
- our total borrowings must not exceed more than 2.5 times our Consolidated Tangible Net Worth.

The amount of RMB2.3 billion under the RMB Bonds agreement will be due immediately in the event of a default (subject to certain grace periods and exceptions), such as:

- non-payment of principal or interest due under repayment terms of the RMB Bonds;
- failure on the part of our Material Subsidiaries (as defined in the RMB Bonds agreement) to honor repayment terms under their debt obligations;
- the initiation of insolvency proceedings by a third party against us or any of our Material Subsidiaries (as defined in the RMB Bonds agreement); and

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- the revocation of a gaming license held by us or any of our Material Subsidiaries (as defined in the RMB Bonds agreement).

The above covenants may 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 with the RMB Bonds agreement and ensure that we do not trigger an event of default. The RMB Bonds agreement also has a change of control provision which states that any Change of Control (as defined in the RMB Bonds agreement) would entitle the holder to seek repayment of the total outstanding amount due under the RMB Bonds.

***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, require and will require satisfaction of 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.

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***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 future projects or our pursuing of other opportunities. This may limit our ability to operate and expand our business and may adversely impact our ability to generate revenues. In addition, costs incurred by any new financing may be greater than currently anticipated.

### **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, 2012, the trading prices of our ADSs ranged from US\$2.27 to US\$23.55 per ADS and the closing sale price on April 3, 2012 was US\$14.17 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 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;
- addition or departure of our executive officers and key personnel;
- fluctuations in the exchange rates between the U.S. dollar, H.K. dollar, Pataca and Renminbi;
- 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.

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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 currently do not intend to pay dividends, and we cannot assure you that we will make dividend payments in the future.***

We may pay dividends to shareholders in the future. Such 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. We currently intend to retain all of our earnings to finance the development and expansion of our business. Accordingly, we do not intend to declare or pay cash dividends on our shares in the near to medium term. 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. We currently have no reserve set aside from profits for the payment of dividends. We cannot assure you that we will make any dividend payments on our shares in the future. Our ability to pay dividends, and our subsidiaries' ability to pay dividends to us, is further subject to restrictive covenants contained in the 2011 Credit Facilities, the Senior Notes and in other facility agreements governing indebtedness we and our subsidiaries may incur. Such restrictive covenants contained in the 2011 Credit Facilities 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 Senior Notes also contain certain covenants restricting payment of dividends by MCE Finance and its subsidiaries. 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 the shares of our company. 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

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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

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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 and Hong Kong. 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 and Hong Kong 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 or Hong Kong 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 or Hong Kong courts would be competent to hear original actions brought in the Cayman Islands, Macau or Hong Kong against us or such persons predicated upon the securities laws of the United States or any state.

### ***We may become a passive foreign investment company, or PFIC, for U.S. federal income tax purposes, which could result in adverse U.S. tax consequences to U.S. investors.***

We do not believe that we were a PFIC for the taxable year ended December 31, 2011 and, based on the projected composition of our income and valuation of our assets, including goodwill, we do not currently expect to be a PFIC for our taxable year ending December 31, 2012, although there can be no assurance in this regard. A non-U.S. corporation generally will be a PFIC for a taxable year if either (1) 75% or more of its gross income for such taxable year is passive income or (2) 50% or more of the value (determined based on a quarterly average) of its assets is attributable to assets that produce, or are held for the production of, passive income, including cash. The determination of whether we are or will be a PFIC for a taxable year depends on the application of complex U.S. federal income tax rules and generally cannot be made until the close of the taxable year in question. In addition, the determination of whether or not we are a PFIC will depend on the nature and composition of our income and assets, including goodwill, throughout a taxable year and will be based, in part, on the market price of our ordinary shares and ADSs, which may fluctuate. Accordingly, we cannot provide assurance that we are not, and we will not become, a PFIC for our current taxable year or any future taxable year. If we were treated as a PFIC for any taxable year during which you hold our ADSs or ordinary shares, certain adverse U.S. federal income tax consequences, and additional reporting requirements could apply to you. 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 Gaming 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 to be developed in Macau. For a description of our principal capital expenditures for the years ended December 31, 2011, 2010 and 2009, see "Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources."

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.

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](http://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, through our subsidiary Melco Crown Gaming, operator of casino gaming and entertainment resort facilities focused on the Macau market. Our subsidiary Melco Crown Gaming is one of six companies licensed, through concessions or subconcessions, to operate casinos in Macau.

We currently have two major casino based operations, namely, City of Dreams and Altira Macau, and non-casino based operations at our Mocha Clubs. Our operations cater to a broad spectrum of gaming patrons, from high-stakes rolling chip gaming patrons to gaming patrons seeking a broader entertainment experience. We seek to attract patrons from throughout Asia and, in particular, from Greater China.

We focus on the Macau gaming market, which we believe will continue to be one of the largest gaming destinations in the world. In 2011, Macau generated approximately US\$33.4 billion of gaming revenues,

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according to the DICJ, compared to US\$6.0 billion and US\$3.3 billion of gaming revenues (excluding sports book and race book) generated on the Las Vegas Strip, according to the Nevada Gaming Control Board, and in Atlantic City, according to the New Jersey Division of Gaming Enforcement, respectively. In addition, Macau is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

### **Our Major Existing Operations**

#### ***City of Dreams***

City of Dreams is an integrated resort development in Cotai, Macau which opened in June 2009. City of Dreams targets premium mass market and rolling chip players from regional markets across Asia. City of Dreams currently features a casino area of approximately 420,000 square feet with a total of approximately 430 gaming tables and approximately 1,300 gaming machines.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from 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 and incentive fees, and we have entered into license agreements with respect to Crown Towers hotel and Hard Rock hotel, pursuant to which we are granted certain rights to use certain intellectual properties from the licensors. No fee is payable for the use of the Crown marks and certain fees are payable for the use of the Hard Rock marks. See “— Intellectual Property.” The Crown Towers 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, spa and salons and banquet and meeting facilities. The Club Cubic nightclub, with approximately 26,210 square feet of live entertainment space, opened at City of Dreams in April 2011.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, opened in September 2010 and 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 continue to evaluate the next phase of our development plan at City of Dreams. We currently expect the next phase of development to include a hotel featuring either an apartment hotel or a general hotel and



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anticipate we will finance this phase separately from the rest of the City of Dreams. Before we finalize our development plan, we are assessing our hotel room requirements, government policies and general market conditions. The development of the hotel would 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.

As of the date of this annual report, the next phase of development of City of Dreams is at a preliminary stage without any definitive plans regarding design, capital commitment, construction schedule or budget.

### ***Altira Macau***

Altira Macau (formerly known as Crown Macau) opened in May 2007 and is designed to provide a casino and hotel experience that caters to Asian rolling chip customers and players sourced primarily through gaming promoters.

Altira Macau currently features a casino area of approximately 173,000 square feet with a total of approximately 200 gaming tables. Our 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 our gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira Hotel, located within the 38-story Altira Macau, to be one of the leading hotels in Macau. 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 200 guest rooms, including suites and villas, and features in-room entertainment and communication facilities. 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 a sky terrace lounge.

Altira Macau offers a luxurious level of accommodations and facilities. Altira Hotel was awarded the “Forbes Five Star” rating in both Lodging and Spa categories by the Forbes Travel Guide (formerly known as Mobil Travel Guide) in 2010, 2011 and 2012. 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 TTG China Travel Awards 2009 and the “Casino Interior Design Award” in the International Gaming Awards in 2008.

We introduced experienced local management to Altira Macau in 2008 to further our understanding of our rolling chip clients. In late 2009, Altira Macau transitioned away from a gaming promoter aggregator model where we contract with a junket consolidator that manages and provides credit to its collaborators, to a more traditional gaming promoter model where we contract directly with all our gaming promoters without the services of an intermediary consolidator.

The Altira brand was launched in April 2009 and has been developed to target the Asian rolling chip market. The rebranding of Crown Macau as Altira Macau aligns the brand positioning of the property with its market focus on Asian rolling chip customers players while focusing the Crown property brand solely at City of Dreams.

### ***Mocha Clubs***

Mocha Clubs first opened in September 2003 and have grown to ten Mocha Clubs, with gaming space ranging from approximately 3,000 square feet to 21,500 square feet. As of December 31, 2011, Mocha Clubs had

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1,842 gaming machines in operation, which represented 11% of the total machine installation in the market, according to 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. Our Mocha Clubs comprise the largest non-casino based operations of electronic gaming machines in Macau and are located in areas with strong pedestrian traffic, typically within three-star hotels. In addition to slot machines, each club site offers electronic tables 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 Mocha Club at Mocha Square was temporarily closed for renovations from the end of 2007 and resumed operations in February 2009. We redecorated the ground and first floors of the Hotel Taipa Square Mocha Club during January 2009 to facilitate easier access by customers.

In September 2011, we opened our ninth Mocha Clubs venue at the Macau Tower Convention & Entertainment Centre, or Macau Tower, which offers 260 slot machines and electronic table games across approximately 21,500 square feet of floor area on the ground floor and the lower ground floor of Macau Tower.

In January 2012, we opened our tenth Mocha Clubs venue at the Hotel Golden Dragon, which offers 300 slot machines and electronic table games across approximately 20,500 square feet of floor area on the ground floor, first floor and second floor of Hotel Golden Dragon. Mocha Clubs currently have more than 2,100 gaming machines in operation.

### **Our Development Project**

We continually seek new opportunities for additional gaming or related businesses in Macau and will continue to target the development of a project pipeline in Macau in order to maximize the business and revenue potential of Melco Crown Gaming's investment in its subconcession. 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.

### **Studio City**

On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City. New Cotai Holdings, LLC, 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, LLC. See note 22 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 Holdings, LLC.

Studio City is one of the few integrated resort development projects to be developed in Cotai that currently has a land grant concession. We envision Studio City 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. In addition to its anticipated diverse

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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 and a proposed light rail station, is a major competitive advantage, particularly as it relates to the increasingly important mass market segment.

Our design plans in relation to Studio City are effectively complete and we are undergoing the necessary government processes to obtain the required approvals to commence construction. Other than utilizing internal cash flow, we are also evaluating financing plans in relation to Studio City including a bank loan and other debt financing.

As of December 31, 2011, we had paid approximately US\$13.2 million (excluding the cost of land) for the development of Studio City, primarily for site preparation costs and design and consultation fees.

Site preparation for Studio City has been substantially completed, and the construction period is estimated to be 36 months from commencement of construction, which we currently expect to commence by the end of the second quarter of 2012, subject to receipt of all necessary government approvals and financing. We currently estimate on a preliminary basis that the construction cost for Studio City will be approximately US\$1.9 billion. However, this preliminary cost estimate may be revised depending on a number of variables, including receipt of all necessary government approvals, the final design and development plan, funding costs, the availability of financing on terms acceptable to us, and prevailing market conditions.

We will operate the gaming areas of Studio City pursuant to a services agreement we entered into in May 2007 with Studio City Entertainment Limited (formerly known as New Cotai Entertainment (Macau) Limited) and New Cotai Entertainment LLC, entities in which we acquired control of 60% of the shares in July 2011. Our subsidiary Melco Crown Gaming will retain a portion of the gross gaming revenues from the casino operations of Studio City. Notwithstanding such agreement, it is the intention of the shareholders of Studio City that each will participate in the economic interest in Studio City in a manner that will reflect each shareholder's respective equity interest in SCI, the developer of Studio City.

### **Our Objectives and Strategies**

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

#### ***Develop a Balanced Product Portfolio of Well-Recognized Branded Experiences Tailored for a Broad Spectrum of Customer Segments***

We offer a balanced product portfolio targeting rolling chip and mass market players. We believe our clear focus on different market segments will enhance our ability to adapt to the fast growing and changing gaming market in Macau, as well as to achieve a balanced and sustainable long-term growth in the future.

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 gaming market.

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### ***Utilize Melco Crown Gaming's Subconcession to Maximize Our Business and Revenue Potential***

We intend to leverage the independence, flexibility and economic benefits we enjoy as a subconcessionaire to capitalize on the potential growth of the Macau 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 marketing resources. We have combined our brand recognition with customer management techniques and programs in order to build a database of repeat customers and loyalty club members. Through Mocha Clubs' share of the Macau electronic gaming market, we have also developed a customer database and a customer loyalty program, which we believe have 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 Macau. 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.

### **Our Properties**

We operate our gaming business in accordance with the terms and conditions of our gaming subconcession. In addition, our City of Dreams, Altira Macau and Studio City properties and development projects are subject to the terms and conditions of land concession contracts. See “— Regulations — Land Use Rights.”

#### ***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 (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 Gaming. The initial land premium was approximately US\$105.1 million, of which approximately US\$80.9 million was paid as of December 31, 2011 and the remaining amount of approximately US\$24.2 million,

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accruing with 5% interest per annum, is due to be paid in three biannual installments, and a guarantee deposit of approximately US\$424,000 was also paid upon acceptance of the land lease terms in February 2008. Melco Crown (COD) Developments and Melco Crown Gaming applied for an amendment to the land concession contract in 2009 to increase the total developable gross floor area and amend the purpose of such area, which required an additional land premium of approximately US\$32.1 million, which was fully paid in March 2010, and government land use fees were revised to approximately US\$1.2 million per annum. This amendment process was completed on September 15, 2010 and increased the developable gross floor area at the site to 668,574 square meters (approximately 7.2 million square feet).

During the construction period, we paid the Macau government land use fees at an annual rate of MOP30.0 (US\$3.74) per square meter of land, or an aggregate annual amount of approximately MOP3.4 million (US\$424,000). According to the terms of the revised land concession, the annual government land use fees payable are approximately MOP9.5 million (US\$1.2 million). The government land use fee amounts may be adjusted every five years.

See note 19 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.

Under the City of Dreams land concession contract, Melco Crown (COD) Developments is authorized to build an additional four-star apartment hotel at the City of Dreams. Although there are no legal impediments for us to obtain the relevant approvals and consents for the development of a four-star apartment hotel or a five-star hotel, if we decide to pursue the option of building a five-star hotel we would have to seek an amendment to the City of Dreams land grant. In such case, we may have to pay an additional land premium, the amount of which may not be estimated at this stage.

The equipment utilized by City of Dreams in the casinos and hotels is owned by us and held for use on the City of Dreams site, and includes the main gaming equipment and software to support table games and gaming machine operations, cage equipment, security and surveillance equipment and furniture, fittings and equipment in the casinos and hotels.

### ***Altira Macau***

The Altira Macau site is located on a plot of land in Taipa, Macau of approximately 5,230 square meters (56,295 square feet). In March 2006, the Macau government granted the land on which Altira Macau is located to Altira Developments, an indirect subsidiary of our company. The land premium of approximately US\$18.7 million was fully paid in July 2006, a guarantee deposit of approximately US\$20,000 was paid upon acceptance of the land lease terms in 2006 and government land use fees of approximately US\$171,000 per annum are payable. The amounts may be adjusted every five years. See note 19 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 Macau government approved total gross floor area for development for the Altira Macau site of approximately 95,000 square meters (approximately 1.0 million square feet).

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 operations, cage equipment, security and surveillance equipment and casino and hotel furniture, fittings and equipment.

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### **Mocha Clubs**

Mocha Clubs operate at premises with a total floor area of approximately 94,500 square feet at the following locations:

<b>Mocha Club</b>	<b>Opening Date</b>	<b>Location</b>	<b>Gaming Area (In square feet)</b>
Golden Dragon	January 2012	G/F, 1/F and 2/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
Marina Plaza	December 2006	1/F and 2/F of Marina Plaza	10,800
Hotel Taipa	January 2006	G/F of Hotel Taipa	6,000
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
Lan Kwai Fong	April 2004	G/F of Hotel Lan Kwai Fong (formerly known as Kingsway Commercial Centre)	6,700
Royal	September 2003	G/F and 1/F of Hotel Royal	8,450
<b>Total</b>			<b>94,500</b>

For locations operating at leased or sub-leased premises, the lease and sub-lease 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 Clubs premises, the on-site equipment utilized at the Mocha Clubs is owned and held for use to support the gaming machines operations.

### **Studio City**

The Studio City site is located on a plot of land in Cotai, Macau of 140,789 square meters (approximately 1.5 million square feet). In October 2001, the Macau government officially granted the land on which Studio City is located to Studio City Developments, an indirect subsidiary of our company. In accordance with the terms of the land concession contract, a land premium of approximately US\$2.9 million was fully paid in 2005, a guarantee deposit of approximately US\$105,000 was provided and government land use fees of approximately US\$105,000 per annum are payable. Since 2005, the land concession contract has been in the process of being amended.

In November 2006, the Macau government issued a proposed amendment to the Studio City land concession contract, which contemplated a developable gross floor area of 444,370 square meters (approximately 4.8 million square feet), required an additional land premium of approximately US\$70.6 million and would have revised the government land use fees to approximately US\$326,000 per annum during the development period of Studio City and approximately US\$527,000 per annum after the development period. An additional guarantee deposit of approximately US\$326,000 was paid upon acceptance by Studio City Developments of the proposed land lease terms and conditions. Approximately US\$23.6 million of the additional land premium due was paid in 2006, and the remaining amount of approximately US\$47.0 million would be due in five biannual installments, accrued with 5% interest per annum, with the first installment to be paid within six months from the date the amended contract would be published in the Macau Official Gazette.

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The November 2006 proposed amendment was not published and since that date other amendments have been requested and are in progress with the Macau government. Under the 2006 amendment letter, Studio City Developments may build a complex of one five-star hotel, three three-star apartment-like hotels, one cinema production center, and supporting facilities for entertainment and tourism. On September 26, 2008, the Macau government issued a draft amendment to the Studio City land concession contract, pursuant to which, among other changes, the developable gross floor area would be increased to approximately 707,078 square meters (approximately 7.6 million square feet). Among other conditions, Studio City Developments would have to pay an additional premium, with further payment due upon final acceptance of the amendment terms and the balance to be paid in biannual installments bearing interest at 5% per annum. However, the procedure to amend the Studio City land concession is ongoing and none of these amendment terms have been finalized. The Macau government may change any terms and conditions, including the amount of additional land premium that may be due by Studio City Developments.

See note 19 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.

### **Other Premises**

Taipa Square Casino premises, including the fit-out and gaming related equipment, are located on the ground floor and level one of Hotel Taipa Square and have a total floor area of approximately 1,760 square meters (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 with the same terms and conditions, until June 26, 2022.

Apart from the property sites for Altira Macau and City of Dreams, we maintain various offices and storage locations in Macau and Hong Kong. We lease all of our office and storage premises, except for five units located at Golden Dragon Centre (formerly known as Zhu Kuan Building) whose property rights belong to us. The five units have a total area of 839 square meters (approximately 9,029 square feet) and we operate a recruitment center there. The five units were purchased by MPEL Properties (Macau) Limited, our indirect wholly owned subsidiary, for approximately HK\$79.7 million (US\$10.2 million) on August 15, 2008. The Golden Dragon Centre is erected on a plot of land under a land lease grant that expires on July 27, 2015. Such land lease grant is renewable for successive periods of up to 10 years, subject to obtaining certain approvals from the Macau government.

### **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, maintain a database of gaming customers and have developed a series of commission and other incentive-based programs to offer to both gaming promoters and individuals alike.

### **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 a 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.

### ***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 furthered 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.

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, 2011, 2010 and 2009, approximately 61.0%, 62.3% and 71.8% of our casino revenues were derived from customers sourced through our gaming promoters, respectively. For the year ended December 31, 2011, our top five customers and the largest customer were gaming promoters and accounted for approximately 23.9% and 6.9% of our casino revenues, respectively.

Gaming promoters are independent third parties that include both individuals and corporate entities and are officially licensed in Macau 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 at the years ended



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December 31, 2011, 2010 and 2009, we had agreements in place with 86, 70 and 55 gaming promoters, 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 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 gaming promoters (net of amounts indirectly rebated to rolling chip players) amounted to US\$339.0 million, US\$238.7 million and US\$180.9 million for the years ended December 31, 2011, 2010 and 2009, 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, 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 items of value 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, the use of external collection agencies and litigation. However, we may not be able to collect all of our gaming receivables

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from our credit customers and gaming promoters. See “Item 3. Key Information — D. Risk Factors — Risks Relating to Our Business and Operations in Macau — 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, 2011 and 2010, our casino accounts receivable were US\$385.9 million and US\$294.0 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.”

### **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 competitors are larger than us and have significantly longer track records of operation of major hotel casino resort properties.

#### ***Macau Gaming Market***

In 2011, 2010 and 2009, Macau generated approximately US\$33.4 billion, US\$23.5 billion and US\$13.6 billion of gaming revenue, respectively, according to the DICJ, compared to the US\$6.0 billion, US\$5.7 billion, and US\$5.5 billion (excluding sports book and race book) of gaming revenue, respectively, generated on the Las Vegas Strip, according to the Nevada Gaming Control Board, and compared to the US\$3.3 billion, US\$3.6 billion and US\$3.9 billion of gaming revenue (excluding sports book and race book), respectively, generated in Atlantic City, according to the New Jersey Division of Gaming Enforcement for 2011 and New Jersey Casino Control Commission for 2010 and 2009. Gaming revenue in Macau has increased at a five year CAGR from 2006 to 2011 of 36.45% compared to five year CAGRs of -1.75% and -8.76% for the Las Vegas Strip and Atlantic City, respectively (excluding sports book and race book). Macau benefits from its proximity to one of the world’s largest pools of existing and potential gaming patrons and is currently the only market in Greater China, and one of only several in Asia, to offer legalized casino gaming.

In 2010 and 2011, the People’s Bank Of China implemented a range of monetary tightening measures, including raising the RMB deposit reserve requirement ratio for deposit-taking financial institutions as well as increasing RMB benchmark deposit and loan rates on several occasions. During this period, gaming revenues and visitation significantly increased. Gross gaming revenues in Macau grew by 42.2% in 2011, which follows growth of 57.8% in 2010, according to the DICJ. This growth was driven by all three main gaming segments. In 2011, according to the DICJ, rolling chip gaming revenues increased 44.6%, representing 73% of all gaming revenues in Macau, mass market table games revenues grew by 36.8% and electronic gaming revenues grew by 32.6%. 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 experienced strong growth in 2011, increasing by 12.2% to more than 28.0 million visitors in 2011, according to the Macau Government Tourism Office. Mainland China continues to drive overall visitation growth, increasing 22.2% as compared to 0.9% for all other visitors in 2011, and visitors from mainland China represented over 57.7%, while visitors from Hong Kong and Taiwan represented 27.1% and 4.3%, of all visitors to Macau in 2011, respectively, according to the Macau Government Tourism Office. In November 2011 and February 2012,

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The People's Bank of China lowered the RMB deposit reserve requirement ratio for deposit-taking financial institutions.

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 Gaming 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 an intention to develop a new casino in Cotai.

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. Wynn Macau has also announced an intention to develop a new casino in Cotai.

Galaxy currently operates multiple casinos in Macau, including StarWorld, a hotel and casino resort in Macau's central business and tourism district. The Galaxy Macau resort opened in Cotai in May 2011.

VML with a subconcession under Galaxy's concession, operates Sands Macao, 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 also announced proposals for further large developments in Cotai, one of which has opened in 2012.

MGM Grand Paradise, with a subconcession under SJM's concession, opened the MGM Grand Macau in December 2007, which is located next to Wynn Macau on the Macau Peninsula. MGM Grand Paradise has announced an intention to develop a new casino in Cotai.

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, from 2014, the total number of gaming tables to be authorized will be limited to an annual increase of 3%. According to the DICJ, the number of gaming tables operating in Macau as of December 31, 2011 was 5,302. The Macau government reiterated further that it does not intend to authorize the operation of any new casino that was not previously authorized by the government. However, these restrictions are of non-statutory nature and 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. 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 government is prepared to authorize to operate.

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### ***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 the Philippines, 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 registered the trademarks “Altira,” “Mocha Club”, “City of Dreams” and “Melco Crown Entertainment” in Macau and other jurisdictions. We have also 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. We have entered into a license agreement with Crown Melbourne Limited for an exclusive and non-transferable license to use the Crown brand in Macau. Our hotel management agreement with the Grand Hyatt Macau hotel provides us the right to use the Grand Hyatt trademarks on a non-exclusive and non-transferable basis. Our trademark license agreements with Hard Rock Holdings Limited provide us the right to use the Hard Rock brand in Macau, which we use at City of Dreams. Pursuant to these agreements, we have the exclusive right to use the Hard Rock brand for a hotel and casino facility at City of Dreams for a term of ten years based on a fee per gaming table and machine and percentages of revenues generated at the property payable to Hard Rock Holdings Limited. We also purchase gaming tables and gaming machines and enter into licensing agreements for the use of certain trade names and, in the case of the gaming machines, the right to use software in connection therewith. These include a license to use a jackpot system for the gaming machines.

### **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

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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 Gaming’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 the 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 Gaming 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 capacity. 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 Macau government authorization). If a disposal has not taken place by the time so designated, such stock must be acquired by the concessionaire or subconcessionaire. We are subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us, we: pay that person any dividend or interest upon our shares; allow that person to exercise, directly or indirectly, any voting right conferred through shares held by that person; pay remuneration in any form to that person for services rendered or otherwise; or fail 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 whole 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 corporation 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.

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Non-compliance with these obligations could lead to the revocation of Melco Crown Gaming'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, or 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 out by a concessionaire or subconcessionaire to its gaming promoters. In August 2009, the Macau government amended the legislation on gaming promoter activity (Administrative Regulation 6/2002) permitting the imposition of a cap on the percentage of commissions payable by concessionaires and subconcessionaires to gaming promoters. In September 2009, the Secretary for Economy and Finance issued a dispatch implementing a commission cap of 1.25% of rolling chip volume, effective as of September 22, 2009 and which is being enforced as of December 1, 2009. Under the amended legislation and the dispatch, 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, or Gaming Credit Law, 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.

### ***AML Regulations***

In conjunction with current gaming laws and regulations, we are required to comply with the laws and regulations relating to AML activities in Macau. Law 2/2006 of April 3, 2006, which came into effect on April 4,

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2006, the Administrative Regulation (AR) 7/2006 of May 15, 2006, which came into effect on November 12, 2006, and the DICJ Instruction 2/2006 of November 13, 2006 govern our compliance requirements with respect to identifying, reporting and preventing AML 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 AML 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 MOP 500,000 (US\$62,500). 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 AML, the applicable laws and regulations in Macau, as well as the requirements set forth in the subconcession contract.

We have developed comprehensive AML policies and related procedures covering our AML responsibilities and have training programs in place to ensure that all relevant employees understand such AML policies and procedures. We also use an integrated information technology 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.

### ***Smoking Regulations***

A new Smoking Prevention and Tobacco Control Law, or the Smoking Control Law, came into effect in Macau on January 1, 2012 and prohibits smoking in casino premises, except for a designated smoking area of up to 50% of the casino area opened to the public, provided that such area is separate from the remaining casino areas and complies with requirements to be determined by the Dispatch of the Macau Chief Executive. The Smoking Control Law requires designated smoking areas to be created and the smoking ban to be implemented by January 1, 2013. Since the effective date of the Smoking Control Law, there has been no material adverse effect on our results of operations or financial condition. However, a full assessment of the impact of this legislation can only be determined subsequent to the implementation date of the smoking ban in casino areas.

### ***Labor Quotas***

All businesses in Macau must apply to the Macau Human Resources Office for labor quotas to import non-skilled workers from China and other countries. Businesses are free to employ Macau residents in any

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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 Gaming is required by law to employ only Macau citizens as dealers and gaming supervisors. Non-resident skilled workers are also subject to authorization by the Macau Human Resource Office, which is given individually on a case by case basis.

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

### ***Land Use Rights***

Macau land is divided into lots, each of which is given a number. There is a small amount of private freehold land 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 is published in the Macau Official Gazette, at which time official title to the land use 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 from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any foreign official. Since the founding of our company in 2006, a Code of Business Conduct and Ethics (the "Code") was adopted by our company and includes specific FCPA related provisions that can be found in Section IV and VII B of the Code. To further supplement the existing policy and practice, our company



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implemented a FCPA Compliance Program in 2007. 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 Gaming, MGM Grand Paradise and VML, respectively. Our subsidiary, Melco Crown Gaming, executed a 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 (US\$3.7 million) per annum fixed premium;
- MOP300,000 (US\$37,437) per annum per VIP gaming table;
- MOP150,000 (US\$18,719) per annum per mass market gaming table; and
- MOP1,000 (US\$125) per annum per electric or mechanical gaming machine including slot machines.

#### ***The Subconcession Contract***

The subconcession contract provides for the terms and conditions of the subconcession granted to Melco Crown Gaming (formerly known as PBL Diversões (Macau), S.A), by Wynn Macau. Melco Crown Gaming does not have the right to further grant a subconcession or transfer the operation to third parties, pursuant to the subconcession contract.

Melco Crown Gaming paid a consideration of US\$900 million to Wynn Macau. In return, upon September 8, 2006, Melco Crown Gaming 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 reconfirmed that the subconcession is independent of Wynn Macau's concession and that Melco Crown Gaming 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

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Crown Gaming's legal status, rights, duties and obligations towards the Macau government or any change in applicable law, Melco Crown Gaming shall 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 Gaming 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 Gaming to ensure all the legal and contractual obligations are met.

A summary of the key terms of the subconcession contract follows.

*Development of Gaming Projects/Financial Obligations.* The subconcession contract requires us to make a minimum investment in Macau of MOP4.0 billion (US\$499.2 million), including investment in fully developing Altira Macau and the City of Dreams, by December 2010. In June 2010, we obtained confirmation from the Macau government that as of the date of the confirmation, we had invested over MOP 4.0 billion (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 Gaming'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 Gaming and Wynn Macau, but is independent of Wynn Macau's concession. A mutual agreement between the Macau government and Melco Crown Gaming 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 Gaming nor Wynn Macau is granted explicit rights of veto, or of prior consultation. The Macau government has the exclusive right to unilaterally rescind the subconcession contract, without any compensation to us, 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;

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- transfer of all or part of Melco Crown Gaming'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 Gaming;
- 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 Gaming or the grant of a subconcession or entering into any agreement to the same effect; or
- failure by a controlling shareholder in Melco Crown Gaming to dispose of its interest in Melco Crown Gaming, 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 Gaming.

*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 Gaming will be subject to authorization from the Macau government;
- Melco Crown Gaming 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 Gaming 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 Gaming 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 Gaming; and

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- the Chief Executive of Macau could require the increase of Melco Crown Gaming'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 Gaming'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 in the case of Mocha Slot Group Limited, it was subject to Macau complementary tax of 12% on profits earned in or derived from its activities conducted in Macau before the transfer of all of the Mocha Clubs assets and business to Melco Crown Gaming.

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of 12% on profits earned in or derived from their activities conducted in Macau. Having obtained a subconcession, Melco Crown Gaming applied for and was 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 income from gaming 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 to 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 businesses.

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

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax 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 New Jersey and Delaware in the United States are subject to U.S. federal and relevant state and local taxes.

#### **Dividend Distribution**

*Restrictions on Distributions.* The City of Dreams Project Facility contained restrictions on payment of dividends for Melco Crown Gaming and certain of our subsidiaries specified as guarantors, or the original 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 only 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 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 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 Senior Notes also contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for MCE Finance and its restricted subsidiaries.

*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, 2011 and 2010, the balance of the reserve amounted to US\$3,000 in each of those years.

#### **C. ORGANIZATIONAL STRUCTURE**

We are a holding company for the following principal operating subsidiaries: (1) Melco Crown Gaming, which is the holder of our subconcession; (2) Altira Hotel, (3) Altira Developments, (4) Melco Crown (COD) Hotels, and (5) Melco Crown (COD) Developments.

At the time of our initial public offering in December 2006, through three intervening holding company subsidiaries incorporated in the Cayman Islands and wholly owned by us, (1) MCE Finance (formerly known as MPEL Holdings Limited and Melco PBL Holdings Limited), (2) MPEL International Limited (formerly known as Melco PBL International Limited) ("MPEL International"), and (3) MPEL Investments Limited (formerly known as Melco PBL Investments Limited) ("MPEL Investments"), we held all of the class B shares of Melco Crown Gaming, representing 72% of the voting control of Melco Crown Gaming and the rights to virtually all the economic interests in Melco Crown Gaming. All of the class A shares of Melco Crown Gaming, representing 28% of its outstanding capital stock were owned by PBL Asia Limited, or PBL Asia (as to 18%) and, as required by Macau law, the managing director of Melco Crown Gaming (as to 10%). Mr. Lawrence Ho was appointed to serve as the managing director of Melco Crown Gaming. The class A shares were entitled as a class to an aggregate of MOP 1 in dividends and MOP 1 in proceeds of any winding up or liquidation of Melco Crown Gaming. MPEL Investments, PBL Asia, the managing director of Melco Crown Gaming and Melco Crown Gaming entered into a shareholders' agreement under which, among other things, PBL Asia agreed to vote its class A shares in the same manner as the class B shares on all matters submitted to a vote of shareholders of Melco Crown Gaming.

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In December 2006, we also incorporated a direct wholly owned subsidiary in Hong Kong, MPEL Services Limited (formerly Melco PBL Services Limited), for the purpose of entering into various administrative contracts, including leases for administrative office space, in Hong Kong.

Prior to the close of the City of Dreams Project Facility in September 2007, three more holding companies were incorporated through which we now hold our shares in Melco Crown Gaming: (1) MPEL Nominee One Limited or MPEL Nominee One, a Cayman Islands company, which is a 100% subsidiary of MPEL International and now holds 100% of the shares in MPEL Investments which in turn holds approximately 90% of the shares in Melco Crown Gaming made up of 1,799,999 class A shares and 7,200,000 class B shares; (2) MPEL Nominee Two Limited, or MPEL Nominee Two, a 100% subsidiary of MPEL Nominee One which holds a minority shareholding in Melco Crown Gaming's Macau operating companies; and (3) MPEL Nominee Three Limited, or MPEL Nominee Three, a 100% subsidiary of MPEL Nominee One, which now holds one class A share in Melco Crown Gaming.

The above shareholding structure of Melco Crown Gaming was completed when PBL Asia transferred its 1,799,999 class A shares in Melco Crown Gaming to MPEL Investments and its one class A share to MPEL International on June 12, 2007 and when MPEL International transferred its one class A share in Melco Crown Gaming to MPEL Nominee Three on August 13, 2007. Mr. Lawrence Ho remains the Managing Director and 10% shareholder of Melco Crown Gaming. The shareholders' agreement for Melco Crown Gaming was terminated on December 7, 2007.

Melco Crown Gaming, our operating subsidiary in Macau that holds a gaming subconcession, was incorporated in May 2006 and is owned 89.99% by MPEL Investments, 10% by Mr. Lawrence Ho and 0.01% by MPEL Nominee Three. According to the applicable regulations, 10% of the issued share capital of our company holding the subconcession must be held by the managing director of such company and he or she must be a permanent resident of Macau. MPEL Nominee Three was incorporated and became a shareholder of Melco Crown Gaming to comply with the applicable regulations at the time of incorporation of Melco Crown Gaming, which requires it to have at least three shareholders. The principal activity of Melco Crown Gaming is casino operations.

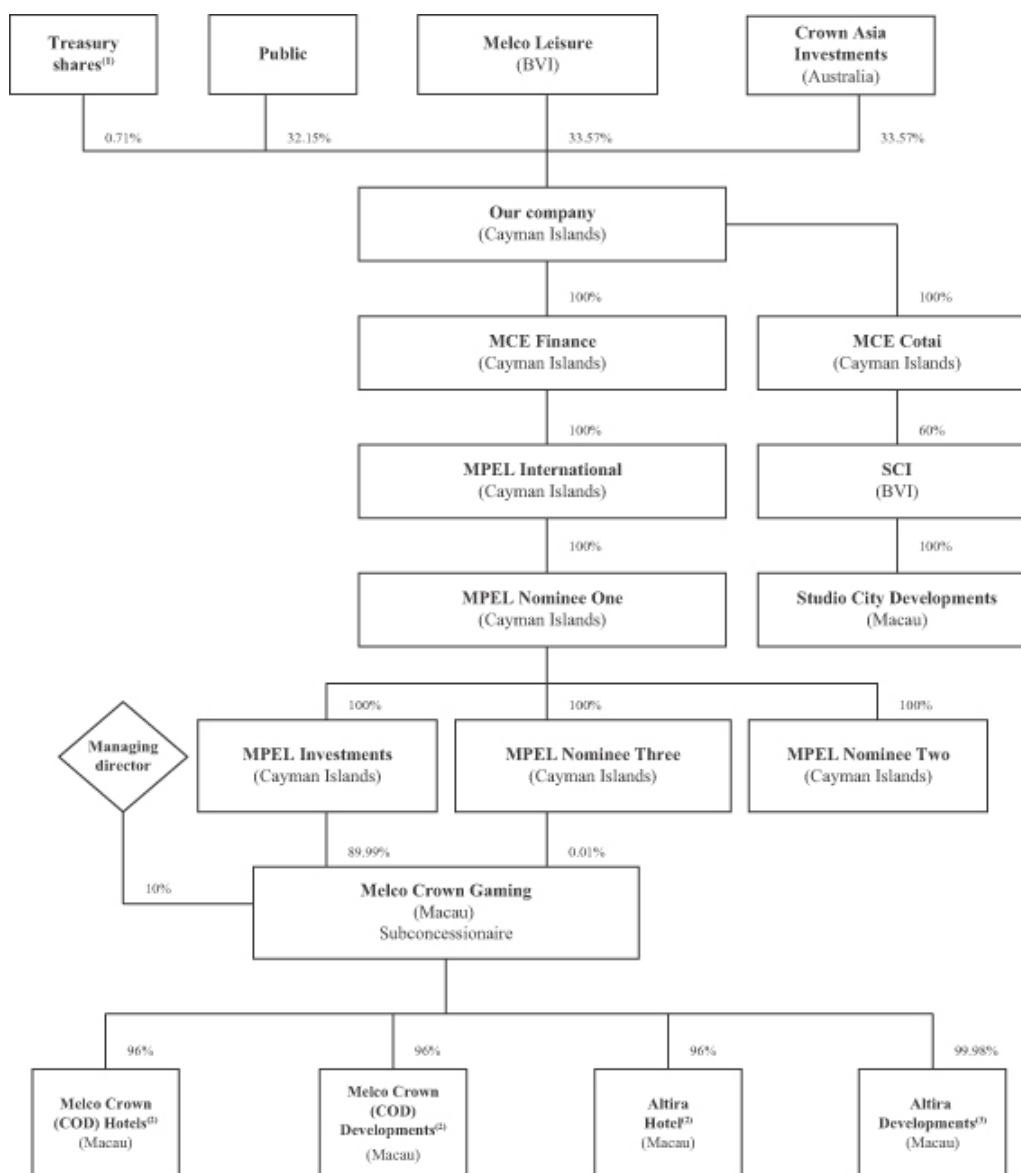
We formed Melco Crown (COD) Developments and Altira Developments to develop our properties at City of Dreams and Altira Hotel, respectively. Melco Crown (COD) Developments was incorporated in Macau in July 2004, and is owned 96% by Melco Crown Gaming and 4% by MPEL Nominee Two. Altira Developments was incorporated in Macau in September 2004, and is owned as to 99.98% by Melco Crown Gaming, 0.01% by MPEL Nominee Three and 0.01% by MPEL Nominee Two.

We formed Altira Hotel in June 2006 and Melco Crown (COD) Hotels in May 2007 to operate our hotel and non-gaming businesses at Altira Macau and City of Dreams, respectively. The shares of these companies are owned 96% by Melco Crown Gaming and 4% by MPEL Nominee Two.

On March 30, 2011, we incorporated MCE Cotai Investments Limited, or MCE Cotai, as an investment holding company for the purpose of acquiring an equity interest in Studio City. On July 27, 2011, we acquired a 60% equity interest in SCI, the developer of Studio City. The remaining 40% interest is held by New Cotai, LLC. SCI is an investment holding company and its operations are conducted through its subsidiary in Macau, Studio City Developments, which is owned 96% by SCI's wholly owned subsidiary Studio City Holdings Two Limited (formerly known as Cyber Neighbor Limited) and 4% owned by SCI. Studio City Developments holds a piece of land in Macau for development of Studio City.

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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, 2012:



Notes:

- (1) Treasury shares are new shares issued by us and held by the depository bank to facilitate the administration and operation of our share incentive plans. 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 Gaming and 4% by MPEL Nominee Two.
- (3) The shares of this company are owned 99.98% by Melco Crown Gaming, 0.01% by MPEL Nominee Three and 0.01% by MPEL Nominee Two.

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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 the Macau market. 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 in Macau.” 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, opened in June 2009, currently features a casino area of approximately 420,000 square feet with a total of approximately 430 gaming tables and approximately 1,300 gaming machines, approximately 1,400 hotel rooms and suites, over 20 restaurants and bars, approximately 70 retail outlets, a wet stage performance theater, an audio visual multimedia experience, recreation and leisure facilities, including health and fitness clubs, three swimming pools, spa and salons and banquet and meeting facilities. A wet stage performance theater with approximately 2,000 seats opened in September 2010 featuring the *The House of Dancing Water* show produced by Franco Dragone. The Club Cubic nightclub, with approximately 26,210 square feet of live entertainment space, opened at City of Dreams in April 2011. City of Dreams targets premium mass market and rolling chip players from regional markets across Asia.

We continue to evaluate the next phase of our development plan at City of Dreams, which we currently expect to include a hotel featuring either an apartment hotel or a general hotel. Our decision on the development plan on such phase is subject to various considerations, including, among others, Macau government approval, general market conditions, other business opportunities and the availability of additional financing. For the years ended December 31, 2011 and 2010, net revenues generated from City of Dreams amounted to US\$2,491.4 million and US\$1,638.4 million, representing 65.0% and 62.0% of our total net revenues, respectively.



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### *Altira Macau*

Altira Macau currently features a casino area of approximately 173,000 square feet with a total of approximately 200 gaming tables, approximately 200 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, 2011 and 2010, net revenues generated from Altira Macau amounted to US\$1,173.9 million and US\$859.8 million, representing 30.6% and 32.5% of our total net revenues, respectively.

### *Mocha Clubs*

We currently operate ten Mocha Clubs with a total of more than 2,100 gaming machines in operation. Mocha Clubs focus primarily on leisure mass market gaming patrons, including day-trip customers, outside the conventional casino setting. For the years ended December 31, 2011 and 2010, net revenues generated from Mocha Clubs amounted to US\$131.9 million and US\$112.0 million, representing 3.4% and 4.2% of our total net revenues, respectively. The source of revenues was substantially all from slot machines. For the years ended December 31, 2011 and 2010, slot machine revenues represented 98.4% and 98.5%, respectively, of net revenues generated from Mocha Clubs.

### *Corporate and Others*

Our Corporate and Others segment 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, 2011 and 2010, net revenues generated from Corporate and Others segment amounted to US\$33.6 million and US\$31.8 million, representing 0.9% and 1.2% of our total net revenues, respectively.

### *Recent Development — 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.

## **Summary of Financial Results**

For the year ended December 31, 2011, our total net revenues were US\$3.83 billion, an increase of 45.0% from US\$2.64 billion of net revenues in 2010. Net income attributable to our company for the year ended December 31, 2011 was US\$294.7 million, as compared to a net loss of US\$10.5 million for the year ended December 31, 2010. Our significant improvement in profitability was predominantly a result of the substantial improvements in operating performance, particularly from our gaming operations.

	<b>Year Ended December 31,</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
	<i>(in thousands of US\$)</i>		
Net revenues	\$ 3,830,847	\$ 2,641,976	\$ 1,332,873
Total operating costs and expenses	(3,385,737)	(2,549,464)	(1,604,920)
Operating income (loss)	445,110	92,512	(272,047)
Net income (loss) attributable to our company	\$ 294,656	\$ (10,525)	\$ (308,461)

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

- On June 1, 2009, City of Dreams opened and progressively added to its operations following the completion of construction of Grand Hyatt Macau in December 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.

### **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 central and local 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 as well as the impact of visa and other regulatory policies of central and local governments, such as monetary policies of the People's Bank of China, 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;
- Our casino mix in terms of the different mix of table and machine games and customer playing habits, such as the mix between rolling chip and mass market table game segments, 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 and the majority of which are provided with credit as part of the ordinary course of business, expose us to credit risks. For the years ended December 31, 2011, 2010 and 2009, approximately 61.0%, 62.3% and 71.8% of our casino revenues were derived from customers sourced through our gaming promoters, respectively. For the year ended December 31, 2011, our top five customers and the largest customer were gaming promoters and accounted for approximately 23.9% and 6.9% of our casino revenues, respectively. We believe we have good relationships with our gaming promoters and our commission levels broadly have remained stable throughout our operating history. Commissions paid to our gaming promoters (net of amounts indirectly rebated to customers) amounted to US\$339.0 million, US\$238.7 million and US\$180.9 million for the years ended December 31, 2011, 2010 and 2009, respectively;
- Our 2011 Credit Facilities and interest rate swaps, 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 exposes us to foreign exchange rate risk, 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:

- *Table games win*: the amount of wagers won net of wagers lost that is retained and recorded as casino revenues.
- *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.
- *Gaming machine handle (volume)*: the total amount wagered in gaming machines.
- *Gaming machine win rate (previously known as "gaming machine hold percentage")*: actual 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. We also use additional indicators to monitor table games performance for rolling chip and mass market table games segments:

- *Rolling chip volume*: the amount of non-negotiable chips wagered and lost by the rolling chip market segment.
- *Rolling chip win rate (previously known as "rolling chip hold percentage")*: rolling chip table games win as a percentage of rolling chip volume.
- *Mass market table games drop (previously known as "non-rolling chip volume")*: the amount of table games drop in the mass market table games segment.
- *Mass market table games hold percentage (previously known as "non-rolling chip hold percentage")*: mass market table games win as a percentage of mass market table games drop.

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%. Our combined expected mass market table games hold percentage is in the range of 18% to 22%, which is based on the mix of table games at our casino properties as each table game has its own theoretical hold percentage. Our combined expected gaming machine win rate is in the range of 5% to 6%.

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.

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- *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 these measures. As not all available rooms are occupied, average daily room rates are normally higher than revenue per available room.

### **Year Ended December 31, 2011 Compared to Year Ended December 31, 2010**

#### **Revenues**

Our total net revenues for the year ended December 31, 2011 were US\$3.83 billion, an increase of US\$1.19 billion, or 45.0%, from US\$2.64 billion for the year ended December 31, 2010. The increase in total net revenues was primarily driven by the significant improvements in operating performance at City of Dreams and Altira Macau, as well as contributions from *The House of Dancing Water*.

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 (total non-casino revenues after deduction of promotional allowances). Our total net revenues for the year ended December 31, 2010 comprised US\$2.55 billion of casino revenues, representing 96.5% of our total net revenues, and US\$91.4 million of net non-casino revenues.

*Casino.* Casino revenues for the year ended December 31, 2011 were US\$3.68 billion, representing a US\$1.13 billion, or 44.3%, increase from casino revenues of US\$2.55 billion for the year ended December 31, 2010, primarily due to an increase in casino revenues at City of Dreams of US\$794.0 million, or 50.8%, and at Altira Macau of US\$313.6 million, or 37.0%. This increase was primarily driven by increased rolling chip volume and mass market table games drop at both City of Dreams and Altira Macau.

*Altira Macau.* Altira Macau's rolling chip volume for the year ended December 31, 2011 was US\$51.2 billion, representing an increase of US\$10.9 billion, or 27.1%, from US\$40.3 billion for the year ended December 31, 2010. Rolling chip win rate (calculated before discounts and commissions) was 3.03% for the year ended December 31, 2011, slightly higher than our expected level of 2.7% to 3.0%, and an increase from 2.91% for the year ended December 31, 2010. In the mass market table games segment, mass market table games drop was US\$581.8 million for the year ended December 31, 2011, representing an increase of 54.3% from US\$377.1 million for the year ended December 31, 2010. The mass market table games hold percentage was 16.6% for the year ended December 31, 2011, within our expected range for that year of 16.0% to 20.0% and a slight increase from 16.2% for the year ended December 31, 2010.

*City of Dreams.* City of Dreams' rolling chip volume for the year ended December 31, 2011 of US\$78.8 billion represented an increase of US\$27.1 billion, or 52.4%, from US\$51.7 billion for the year ended December 31, 2010. Rolling chip win rate (calculated before discounts and commissions) was 2.89% for the year ended December 31, 2011, which is within our expected range of 2.7% to 3.0%, and a slight decrease from 2.92% for the year ended December 31, 2010. In the mass market table games segment, mass market table games drop was US\$2.94 billion for the year ended December 31, 2011 which represented an increase of US\$0.88 billion, or 42.7%, from US\$2.06 billion for the year ended December 31, 2010. The mass market table games hold percentage was 24.4% in the year ended December 31, 2011, which is within our expected range for that period of 21.0% to 26.0% and increased from 21.5% for the year ended December 31, 2010. Average net win per gaming machine per day was US\$268 for the year ended December 31, 2011, an increase of US\$49, or 22.4%, from US\$219 for the year ended December 31, 2010.

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*Mocha Clubs.* Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2011 was US\$217, an increase of approximately US\$25, or 13.0%, from US\$192 for the year ended December 31, 2010.

*Rooms.* Room revenues for the year ended December 31, 2011 were US\$103.0 million, representing a US\$19.3 million, or 23.0%, increase from room revenues of US\$83.7 million for the year ended December 31, 2010 primarily due to an increase in visitation and the positive impact of a full-year operation in 2011 of *The House of Dancing Water*, which opened in September 2010. Altira Macau's average daily rate, occupancy rate and REVPAR were US\$196, 98% and US\$191, respectively, for the year ended December 31, 2011, as compared to US\$166, 94% and US\$156, respectively, for the year ended December 31, 2010. City of Dreams' average daily rate, occupancy rate and REVPAR were US\$172, 91% and US\$156, respectively for the year ended December 31, 2011, as compared to US\$157, 80% and US\$126, respectively, for the year ended December 31, 2010.

*Food, beverage and others.* 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 approximately US\$86.2 million. Other non-casino revenues for the year ended December 31, 2010 included food and beverage revenues of US\$56.7 million, and entertainment, retail and other revenues of approximately US\$32.7 million. The increase of US\$58.6 million in food, beverage and other revenues from the year ended December 31, 2010 to the year ended December 31, 2011 was primarily due to an increase in visitation and the positive impact of a full-year operation in 2011 of *The House of Dancing Water*, which opened in September 2010.

### **Operating costs and expenses**

Total operating costs and expenses were US\$3.39 billion for the year ended December 31, 2011, representing an increase of US\$836.3 million, or 32.8%, from US\$2.55 billion for the year ended December 31, 2010. The increase in operating costs was primarily due to an increase in operating costs at City of Dreams and Altira Macau, which is in line with increased gaming volume and the associated increase in revenues, as well as the increase in operating costs associated with increased visitation and the full-year operation of *The House of Dancing Water* since its opening in September 2010.

*Casino.* Casino expenses increased by US\$750.0 million, or 38.5%, to US\$2.70 billion for the year ended December 31, 2011 from US\$1.95 billion for the year ended December 31, 2010 primarily due to additional gaming tax and other levies and commission expenses of US\$586.6 million and US\$100.3 million, respectively, as a result of increased casino revenues, as well as other operating costs, such as payroll and utility expenses of US\$63.0 million.

*Rooms.* Room expenses, which represent the costs in operating the hotel facilities at Altira Macau and City of Dreams, increased by 13.1% to US\$18.2 million for the year ended December 31, 2011 from US\$16.1 million for the year ended December 31, 2010, primarily due to an increase in occupancy rates as a result of increased visitation.

*Food, beverage and others.* Food, beverage and others expenses increased by US\$39.9 million, or 75.8%, to US\$92.6 million for the year ended December 31, 2011 from US\$52.7 million for the year ended December 31, 2010, primarily driven by increased visitation to our properties and particularly, *The House of Dancing Water*, which opened in September 2010.

*General and administrative.* General and administrative expenses increased by US\$20.4 million, or 10.2%, to US\$220.2 million for the year ended December 31, 2011 from US\$199.8 million for the year ended December 31, 2010, primarily due to an increase in payroll expenses, utilities and transportation costs, which resulted from improved operating performance at City of Dreams and Altira Macau.

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*Pre-opening costs.* Pre-opening costs were US\$2.7 million for the year ended December 31, 2011 as compared to US\$18.6 million for the year ended December 31, 2010. 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, 2011 related to the opening of Club Cubic at City of Dreams in April 2011 and the pre-opening costs for the year ended December 31, 2010 related primarily to the opening of *The House of Dancing Water* in September 2010.

*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, 2011 and 2010.

*Amortization of land use rights.* Amortization of land use rights expenses increased by US\$14.9 million, or 76.2%, to US\$34.4 million for the year ended December 31, 2011 from US\$19.5 million for the year ended December 31, 2010, primarily due to the inclusion of amortization of land use rights expenses associated with Studio City.

*Depreciation and amortization.* Depreciation and amortization expenses increased by US\$22.9 million, or 9.7%, to US\$259.2 million for the year ended December 31, 2011 from US\$236.3 million for the year ended December 31, 2010 primarily due to depreciation of assets placed into service associated with a full-year operation in 2011 of *The House of Dancing Water*, which opened in September 2010.

*Property charges and others.* Property charges and others for the year ended December 31, 2011 were US\$1.0 million, which related to a donation made to support the relief efforts for the Japan earthquake in 2011.

### **Non-operating expenses**

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 as well as other non-operating income, net.

Interest income was US\$4.1 million for the year ended December 31, 2011, as compared to US\$0.4 million for the year ended December 31, 2010, primarily driven by increase in cash balances as a result of improvements in our operating cash flows.

Interest expenses were US\$113.8 million, net of capitalized interest of US\$3.2 million for the year ended December 31, 2011, compared to US\$93.4 million, net of capitalized interest of US\$11.8 million for the year ended December 31, 2010. The increase in net interest expenses (net of capitalization) of US\$20.4 million was primarily due to US\$23.4 million of higher interest expenses associated with the issuance of the Senior Notes in May 2010 as a full-year of fixed interest was recognized for the year ended December 31, 2011, an increase of US\$14.9 million for interest charges on the RMB Bonds and the Deposit-Linked Loan issued in May 2011, together with a decrease in capitalized interest of US\$8.6 million as such charges were not eligible for capitalization following the opening of *The House of Dancing Water* in September 2010, offset in part by a decrease of US\$26.9 million of interest charges on the City of Dreams Project Facility, net of interest on interest rate swap agreements, primarily due to a lower outstanding balance as a result of repayments made in accordance to the amortization schedule.

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. Other finance costs for the year ended December 31, 2010 included US\$14.3 million of amortization of deferred financing costs and a credit amount of US\$3.8 million of loan commitment fees related to the City of Dreams Project Facility.

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Costs associated with debt modification of US\$3.3 million for the year ended December 31, 2010 related to the amendment of the City of Dreams Project Facility in May 2010, which included a write off on the balance of unamortized deferred financing costs relating to the reduced borrowing capacity of the revolving credit facility granted under the City of Dreams Project Facility. There were no costs associated with debt modification for the year ended December 31, 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, 2010.

The reclassification of US\$4.3 million relating to the accumulated losses of interest rate swap agreements from accumulated other comprehensive losses to consolidated statements 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.

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.

### ***Income tax credit (expense)***

The effective tax rate for the year ended December 31, 2011 was a negative rate of 0.6%, as compared to a negative rate of 9.6% for the year ended December 31, 2010. Such rates for the years ended December 31, 2011 and 2010 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, 2011 and 2010, with the effect of a tax holiday of US\$69.7 million and US\$28.1 million on the net income of our Macau gaming operations during the year ended December 31, 2011 and 2010, 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 interest of US\$5.8 million for the year ended December 31, 2011, was primarily due to the share of the Studio City expenses by New Cotai Holdings, LLC, which owns a 40% interest in SCI, upon the completion of our acquisition of a 60% equity interest in SCI on July 27, 2011.

### ***Net income (loss) attributable to our company***

As a result of the foregoing, we had net income of US\$294.7 million for the year ended December 31, 2011, compared to a net loss of US\$10.5 million for the year ended December 31, 2010.

## **Year Ended December 31, 2010 Compared to Year Ended December 31, 2009**

### ***Revenues***

Our total net revenues for the year ended December 31, 2010 were US\$2.64 billion, an increase of US\$1.31 billion, or 98.2%, from US\$1.33 billion for the year ended December 31, 2009. The increase in total net revenues was primarily driven by the improvement in operating results, and a full-year operation in 2010 of City of Dreams, which opened in June 2009 and generated US\$1.09 billion more in net revenues as compared to the year ended December 31, 2009, as well as an increase in rolling chip volume and win rate at Altira Macau.

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Our total net revenues for the year ended December 31, 2010 comprised US\$2.55 billion of casino revenues, representing 96.5% of our total net revenues, and US\$91.4 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, 2009 comprised US\$1.30 billion of casino revenues, representing 97.9% of our total net revenues, and US\$28.2 million of net non-casino revenues.

*Casino.* Casino revenues for the year ended December 31, 2010 were US\$2.55 billion, representing a US\$1.25 billion, or 95.5%, increase in casino revenues of US\$1.30 billion for the year ended December 31, 2009, primarily due to casino revenues of US\$1.03 billion attributable to a full-year operation and improvement in results of City of Dreams which opened in June 2009, and an increase in casino revenues generated by Altira Macau from US\$653.0 million to US\$846.9 million which was primarily driven by an increase in rolling chip volume and a higher rolling chip win rate.

*Altira Macau.* Altira Macau's rolling chip volume for the year ended December 31, 2010 was US\$40.3 billion, representing an increase of US\$2.8 billion from US\$37.5 billion for the year ended December 31, 2009. Rolling chip win rate (calculated before discounts and commissions) was 2.91% for the year ended December 31, 2010, within our expected level of 2.7% to 3.0% and an increase from 2.55% for the year ended December 31, 2009. In the mass market table games segment, mass market table games drop was US\$377.1 million for the year ended December 31, 2010, representing an increase of 38.2% from US\$273.0 million for the year ended December 31, 2009. The mass market table games hold percentage was 16.2% for the year ended December 31, 2010, within our expected range of 16.0% to 20.0% and an increase from 16.0% for the year ended December 31, 2009.

*City of Dreams.* City of Dreams' rolling chip volume for the year ended December 31, 2010 of US\$51.7 billion represented an increase of US\$31.5 billion from US\$20.3 billion for the year ended December 31, 2009. Rolling chip win rate (calculated before discounts and commissions) was 2.92% for the year ended December 31, 2010, within our expected level of 2.7% to 3.0% and an increase from 2.65% for the year ended December 31, 2009. In the mass market table games segment, mass market table games drop was US\$2.06 billion for the year ended December 31, 2010 which increased by 126% from US\$912.6 million for the year ended December 31, 2009. The mass market table games hold percentage was 21.5% for the year ended December 31, 2010, which was within our expected range of 18.0% to 22.0% and significantly increased from 16.3% for the year ended December 31, 2009. The mass market table games hold percentage of 16.3% for the year ended December 31, 2009 at City of Dreams was within the range expected for the first six months of a new property. The expected range of mass market table games hold percentage is different for Altira Macau and City of Dreams due to, among other factors, the difference in the mix of table games, each of which has its own theoretical hold percentage, as well as from differences in the expected length of play per customer and average spend per bet. Average net win per gaming machine per day at City of Dreams was US\$219 for the year ended December 31, 2010, an increase of US\$82 from the year ended December 31, 2009.

*Mocha Clubs.* Mocha Clubs' average net win per gaming machine per day for the year ended December 31, 2010 was US\$192, an increase of approximately US\$11 in net win per gaming machine per day over the year ended December 31, 2009.

*Rooms.* Room revenues for the year ended December 31, 2010 were US\$83.7 million, representing a US\$42.5 million, or 103.1%, increase from room revenues of US\$41.2 million for the year ended December 31, 2009, primarily due to the opening of City of Dreams in June 2009, increasing the number of hotel rooms available across both properties to approximately 1,650 in 2010. Altira Macau's average daily rate, occupancy and REVPAR were US\$166, 94% and US\$156, respectively, for 2010, as compared to US\$219, 92% and US\$201, respectively, for the year ended December 31, 2009. The decrease in Altira Macau's average daily rate for the year ended December 31, 2010 was attributable to a greater proportion of rooms being allocated to gaming customers, to whom we typically provide additional discounts and promotional services, in line with our casino revenues growth. City of Dreams' average daily rate, occupancy and REVPAR were US\$157, 80% and



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US\$126, respectively, for the year ended December 31, 2010 as compared to US\$159, 84% and US\$133, respectively, for the year ended December 31, 2009.

*Food, beverage and others.* Other non-casino revenues for the year ended December 31, 2010 included food and beverage revenues of US\$56.7 million, and entertainment, retail and other revenues of approximately US\$32.7 million. Other non-casino revenues for the year ended December 31, 2009 included food and beverage revenues of US\$28.2 million, and entertainment, retail and other revenues of approximately US\$11.9 million. The increase of US\$49.3 million in non-casino revenues was primarily due to a full year of operation of City of Dreams in 2010, increased retail leased space at City of Dreams and the opening of *The House of Dancing Water* in September 2010.

### **Operating costs and expenses**

Total operating costs and expenses were US\$2.55 billion for the year ended December 31, 2010, representing an increase of US\$944.5 million, or 58.9%, from US\$1.60 billion for the year ended December 31, 2009. The increase in operating costs of US\$944.5 million was primarily due to the commencement of operations at City of Dreams in June 2009, followed by the opening of Grand Hyatt in the fourth quarter of 2009 and *The House of Dancing Water* in September 2010, and an increase in operating costs at Altira Macau associated with the increase in revenues as described above.

*Casino.* Casino expenses increased by US\$818.7 million, or 72.4%, to US\$1.95 billion for the year ended December 31, 2010 from US\$1.13 billion for the year ended December 31, 2009, primarily due to an increase in casino revenues as a result of the full-year operation of City of Dreams in 2010, as well as additional gaming tax and other levies of US\$624.5 million.

*Rooms.* Room expenses, which represent the costs in operating the hotel facilities at Altira Macau and City of Dreams, increased by 153.8% to US\$16.1 million for the year ended December 31, 2010 from US\$6.4 million for the year ended December 31, 2009, primarily due to the full-year operation of City of Dreams in 2010.

*Food, beverage and others.* Food, beverage and other expenses increased by US\$31.8 million, or 152.5%, to US\$52.7 million for the year ended December 31, 2010 from US\$20.9 million for the year ended December 31, 2009, primarily due to the full-year operation of City of Dreams in 2010 and the opening of *The House of Dancing Water* in September 2010.

*General and administrative.* General and administrative expenses increased by US\$68.8 million, or 52.6%, to US\$199.8 million for the year ended December 31, 2010 from US\$131.0 million for the year ended December 31, 2009, primarily due to an increase of US\$56.9 million for the full-year operation of City of Dreams in 2010 and US\$14.1 million of increased corporate payroll and other costs. The increase primarily related to payroll expenses, utilities, transportation costs and bank charges. Corporate payroll and other costs increased in line with our planned growth.

*Pre-opening costs.* Pre-opening costs were US\$18.6 million for the year ended December 31, 2010 as compared to US\$91.9 million for the year ended December 31, 2009. 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, 2010 related to the opening of *The House of Dancing Water* in September 2010 and the pre-opening costs for the year ended December 31, 2009 related to the opening of City of Dreams in June 2009.

*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 both the year ended December 31, 2009 and the year ended December 31, 2010.

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*Amortization of land use rights.* The increase in amortization of land use rights expenses to US\$19.5 million for the year ended December 31, 2010 from US\$18.4 million for the year ended December 31, 2009 was due to the increase in land premium associated with the increase of the developed gross floor area by approximately 1.6 million square feet of Cotai Land in Macau where the City of Dreams site is located, commencing in November 2009, when we accepted in principle the initial terms for such revision of the land lease agreement.

*Depreciation and amortization.* Depreciation and amortization expense increased by US\$94.4 million, or 66.6%, to US\$236.3 million for the year ended December 31, 2010 from US\$141.9 million for the year ended December 31, 2009, primarily due to depreciation of assets placed into service associated with the opening of City of Dreams in June 2009 and Grand Hyatt Macau and *The House of Dancing Water* which were progressively added to City of Dreams operations in the fourth quarter of 2009 and September 2010, respectively.

*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 other for the year ended December 31, 2010 were less than US\$0.1 million. Property charges and others for the year ended December 31, 2009 were US\$7.0 million which primarily included US\$4.1 million related to the re-branding of Altira Macau and US\$2.9 million related to asset write-offs as a result of our termination of the Macau Peninsula project, which was a proposed development project pursuant to an acquisition agreement we entered into in May 2006 and which was terminated in December 2009.

### **Non-operating expenses**

Non-operating expenses consists of interest income, interest expenses, net of capitalized interest, amortization of deferred financing costs, loan commitment fees, foreign exchange gain, net, costs associated with debt modification as well as other non-operating income, net.

Interest income was US\$0.4 million for the year ended December 31, 2010, as compared to US\$0.5 million for the year ended December 31, 2009.

Interest expenses were US\$93.4 million, net of capitalized interest of US\$11.8 million, for the year ended December 31, 2010, compared to US\$31.8 million, net of capitalized interest of US\$50.5 million for the year ended December 31, 2009. The increase in interest expenses of US\$61.5 million was primarily due to a US\$38.9 million interest related to the Senior Notes issued in May 2010 together with a decrease in capitalized interest of US\$38.7 million due to the decrease in interest eligible for capitalization following the opening of City of Dreams, Grand Hyatt and *The House of Dancing Water* in June 2009, the fourth quarter of 2009 and September 2010, respectively, offset in part by a decrease of US\$13.1 million of interest charges on the City of Dreams Project Facility, net of interest rate swap agreements, primarily as a result of reducing indebtedness by US\$444.1 million by applying a portion of the net proceeds from the sale of the Senior Notes.

Other finance costs for the year ended December 31, 2010 included US\$14.3 million of amortization of deferred financing costs net of capitalization, which primarily increased from the year ended December 31, 2009 due to the ineligibility for further capitalization following the completion and opening of City of Dreams in June 2009, and a credit of US\$3.8 million of loan commitment fees related to the City of Dreams Project Facility. Other finance costs for 2009 included US\$6.0 million of amortization of deferred financing costs net of capitalization and US\$2.3 million of loan commitment fees related to the City of Dreams Project Facility.

Costs associated with debt modification of US\$3.3 million for the year ended December 31, 2010 related to the amendment of City of Dreams Project Facility which includes a write off on the balance of unamortized deferred financing costs relating to the reduced borrowing capacity of the revolving credit facility. There were no costs associated with debt modification for the year ended December 31, 2009.

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### ***Income tax credit (expense)***

The effective tax rate for the year ended December 31, 2010 was a negative rate of 9.6%, as compared to a positive rate of 0.04% for the year ended December 31, 2009. Such rates 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 year ended December 31, 2009 and the year ended December 31, 2010, the impact of a net loss of Macau gaming operations during the year ended December 31, 2009 and the effect of tax holiday of US\$28.1 million for the year ended December 31, 2010 due to our income tax exemption in Macau. 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***

As a result of the foregoing, there was a net loss of US\$10.5 million for the year ended December 31, 2010, compared to a net loss of US\$308.5 million for the year ended December 31, 2009.

### **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 other expenses, and other non-operating income and expenses, or adjusted property EBITDA, were US\$880.9 million and US\$489.8 million for the years ended December 31, 2011 and 2010, respectively. Adjusted property EBITDA of Altira Macau, City of Dreams and Mocha Clubs were US\$246.3 million, US\$594.4 million and US\$40.5 million, respectively, for the year ended December 31, 2011 and US\$133.7 million, US\$326.3 million and US\$29.8 million, respectively, for the year ended December 31, 2010.

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\$809.4 million and US\$430.4 million for the years ended December 31, 2011 and 2010, 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 IFRS.

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.

## **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 development and construction of a project starts and ceases once the development activity is suspended for more than a brief period or construction is substantially completed. Pre-opening costs, consisting of marketing and other expenses related to our new or start-up operations and resort facilities 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, 2011, 2010 and 2009 were US\$785.6 million, US\$119.7 million and US\$828.7 million, respectively, of which US\$713.3 million, US\$94.3 million,

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and US\$808.4 million, respectively, were attributable to our development and construction projects, with the remainder primarily related to our new Mocha Clubs and redesign of our properties. The development and construction capital expenditures primarily related to the acquisition and development of Studio City during the year ended December 31, 2011 and to the development and construction of City of Dreams during the years ended December 31, 2010 and 2009. Refer to notes 21 and 22 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 Major Existing Operations — Our Development Project.”

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, 2011 and 2010. During the year ended December 31, 2009, impairment losses amounting US\$282,000 were recognized to write off gaming equipment due to the reconfiguration of the casino at Altira Macau to meet the evolving demands of gaming patrons and target specific segments. In addition, during the year ended December 31, 2009, an impairment loss amounting to US\$2.9 million was recognized to write off the construction in progress carried out at the Macau Peninsula site following termination of the related acquisition agreement in December 2009.

### ***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, 2011 and 2010 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, 2011 and 2010.

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, 2011 and 2010. Under this method, we estimate the fair value of the trademarks through internal

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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 2011 awards, a 10% change in the volatility assumption would have resulted in a US\$0.6 million change in fair value and a 10% change in the expected term assumption would have resulted in a US\$0.3 million change in fair value. These assumed changes in fair value would have been recognized over the vesting schedule of such awards. It should be noted that a change in expected term would cause other changes, since the risk-free rate and volatility assumptions are specific to the term; we did not attempt to adjust those assumptions in performing the sensitivity analysis above.

### ***Revenue Recognition***

We recognize revenue at the time persuasive evidence of an arrangement exists, the service is provided or the retail goods are sold, prices are fixed or determinable and collection is reasonably assured.

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

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.

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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, including our gaming promoters, following investigations of creditworthiness. 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, 2011, 2010 and 2009, approximately 61.0%, 62.3% and 71.8% of our casino revenues were derived from customers sourced through our gaming promoters, respectively.

As of December 31, 2011 and 2010, 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, 2011, 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\$3.9 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, 2011 and 2010, we recorded valuation allowances of US\$60.8 million and US\$47.2 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.

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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 allowance 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 losses, 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, 2011, we held unrestricted and restricted cash and cash equivalents of approximately US\$1,158.0 million and US\$364.8 million, respectively, and HK\$1.47 billion (approximately US\$188.6 million) of the 2011 Credit Facilities remained available for future drawdown. The non-current portion of restricted cash of RMB2.3 billion (approximately US\$364.8 million) represents the RMB Bonds proceeds deposited into a bank account for securing the Deposit-Linked Loan. The current portion of restricted cash as of December 31, 2010 was released upon approval obtained from the lenders in July 2011. See note 11 to the consolidated financial statements included elsewhere in this annual report for more information.

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 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 a period of 12 months following the date of this annual report. 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 we will continue to evaluate our capital structure and opportunities to enhance it in the normal course of our activities.



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### Cash Flows

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

	Year Ended December 31,		
	2011	2010	2009
	<i>(In thousands of US\$)</i>		
Net cash provided by (used in) operating activities	\$ 744,660	\$ 401,955	\$ (112,257)
Net cash used in investing activities	(585,388)	(190,310)	(1,143,639)
Net cash provided by financing activities	557,910	17,680	653,350
Effect of foreign exchange on cash and cash equivalents	(1,081)	—	—
Net increase (decrease) in cash and cash equivalents	716,101	229,325	(602,546)
Cash and cash equivalents at beginning of year	441,923	212,598	815,144
Cash and cash equivalents at end of year	<u>\$1,158,024</u>	<u>\$ 441,923</u>	<u>\$ 212,598</u>

#### Operating Activities

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

Net cash provided by operating activities was US\$744.7 million for the year ended December 31, 2011, compared to US\$402.0 million for the year ended December 31, 2010. The increase in net cash provided in operating activities was mainly attributable to significant improvement in casino revenues, as well as a full year of operation of *The House of Dancing Water*, which opened in September 2010. Net cash provided by operating activities was US\$402.0 million for the year ended December 31, 2010, compared to net cash used in operating activities of US\$112.3 million for the year ended December 31, 2009. From 2009 to 2010, there was an increase in operating cash flow mainly attributable to the improvement in results and a full year of operation of City of Dreams, which opened in June 2009.

#### Investing Activities

Net cash used in investing activities was US\$585.4 million for the year ended December 31, 2011, compared to US\$190.3 million for the year ended December 31, 2010, primarily due to an increase in restricted cash and a payment of US\$290.0 million for the acquisition of a 60% equity interest in SCI (net of cash and cash equivalents acquired of US\$35.8 million), offset in part by a reduction in payments for construction and development activities relating to *The House of Dancing Water*.

For the year ended December 31, 2011, there was a net increase of US\$186.0 million in the amount of restricted cash, primarily due to the deposit of proceeds from issuance of the RMB Bonds of US\$353.3 million pledged for the Deposit-Linked Loan, offset in part by settlement of US\$10.3 million of City of Dreams project costs, settlement of interest and principal repayments of US\$133.7 million in accordance with the City of Dreams Project Facility, and release of US\$23.3 million to unrestricted cash after the completion of amendment of the City of Dreams Project Facility on June 30, 2011.

Our total capital expenditure payments for the year ended December 31, 2011 were US\$90.3 million. We also paid US\$15.3 million for the scheduled installment of City of Dreams' land premium payment during the year ended December 31, 2011.

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Net cash used in investing activities was US\$190.3 million for the year ended December 31, 2010, compared to US\$1,143.6 million for the year ended December 31, 2009. The decrease is primarily due to a reduction in construction and development activities relating to City of Dreams, which opened in June 2009.

Our total capital expenditure payments for the year ended December 31, 2010 were US\$197.4 million. We also paid US\$29.8 million for City of Dreams' land use rights and US\$27.1 million for entertainment production costs for *The House of Dancing Water* for the year ended December 31, 2010.

For the year ended December 31, 2010, there was a net decrease of US\$69.1 million in the amount of restricted cash, primarily due to the settlement of US\$210.3 million of City of Dreams costs in accordance with the City of Dreams Project Facility, offset in part by a net increase of US\$97.5 million in the balance associated with the issuance of the Senior Notes as described below and an increase of US\$47.0 million of cash set aside in accordance with the City of Dreams Project Facility, both of which were for future repayments of the City of Dreams Project Facility.

We expect to incur significant capital expenditures for Studio City in the future. We are also re-evaluating the next phase of our development plan at City of Dreams. See “— Other Financing and Liquidity Matters” below for more information.

The following table sets forth our capital expenditures by segment for the years ended December 31, 2011, 2010 and 2009.

	Year Ended December 31,		
	2011	2010	2009
	<i>(in thousands of US\$)</i>		
Mocha Clubs	23,558	13,140	11,448
Altira Macau	6,662	7,784	6,712
City of Dreams	39,774	94,279	808,424
Studio City	713,253	—	—
Corporate and Others	2,387	4,457	2,152
Total capital expenditures	<u>785,634</u>	<u>119,660</u>	<u>828,736</u>

Our capital expenditures for the year ended December 31, 2011 increased significantly primarily due to the acquisition and development of Studio City. The decrease for the year ended December 31, 2010 from the year ended December 31, 2009 was primarily due to the completion of construction and opening of City of Dreams in 2009.

### **Financing Activities**

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.

Net cash provided by financing activities amounted to US\$17.7 million for the year ended December 31, 2010, primarily due to proceeds from the issuance of the Senior Notes amounting to US\$592.0 million, offset in part by the repayment of long-term debt of US\$551.4 million, of which US\$444.1 million was used to repay the City of Dreams Project Facility, and payment of deferred financing costs primarily associated with the Senior Notes of US\$22.9 million.

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Net cash provided by financing activities amounted to US\$653.4 million for the year ended December 31, 2009, primarily due to drawdown proceeds of US\$270.7 million from the City of Dreams Project Facility and proceeds from our follow-on public offerings in May 2009 and August 2009 totaling US\$383.5 million after deducting offering expenses.

### Indebtedness

The following table presents a summary of our indebtedness as of December 31, 2011:

	<b>As of December 31, 2011</b>
	<b><i>(in thousands of US\$)</i></b>
2011 Credit Facilities	1,014,729
Senior Notes, net <sup>(1)</sup>	593,166
RMB Bonds	364,807
Deposit-Linked Loan	353,278
	<u>2,325,980</u>

Note:

(1) Net of unamortized issue discount.

Major changes in our indebtedness during the year ended December 31, 2011 are summarized below.

In May 2010, our subsidiary, MCE Finance issued US\$600 million aggregate principal amount of Senior Notes with an interest rate of 10.25% per annum and a maturity date of May 15, 2018. The net proceeds were used to reduce our indebtedness under the City of Dreams Project Facility.

In May 2011, we issued RMB2.3 billion (equivalent to US\$353.3 million based on exchange rate on transaction date) aggregate principal amount of 3.75% bonds due 2013 and listed on the Official List of SGX-ST. On May 20, 2011, we entered into the Deposit-Linked Loan for HK\$2.7 billion (equivalent to US\$353.3 million based on exchange rate on transaction date), which is secured by a deposit of RMB2.3 billion (equivalent to US\$353.3 million based on exchange rate on transaction date) principally funded by the net proceeds of the RMB Bonds to hedge our exchange rate exposure. We intend to use the Deposit-Linked Loan (i) to fund potential future growth and expansion opportunities, which may include acquisitions, (ii) to repay existing debt, (iii) to partially pre-fund certain scheduled interest payments on the RMB Bonds, (iv) for working capital requirements; and (v) for general corporate purposes. As of December 31, 2011, US\$325 million of the Deposit-Linked Loan had been used to make payments related to the acquisition of a 60% equity interest in SCI.

In June 2011, we completed an amendment to the City of Dreams Project Facility, known as the 2011 Credit Facilities, which reduced and removed certain restrictions on our business that were imposed by the covenants of the City of Dreams Project Facility and extended the repayment maturity date, thereby increasing our financial flexibility. The 2011 Credit Facilities include a revolving credit facility that we have presented as a long-term liability, as we have both the intent and the ability to refinance these borrowings on a long-term basis.

On November 29, 2011, the outstanding shareholder loans with an aggregate balance of approximately US\$115.6 million were converted into 40,211,930 ordinary shares of our company at a conversion price of US\$2.87 per ordinary share.

For further details of the above indebtedness, please refer to note 11 to the consolidated financial statements included elsewhere in this annual report, which includes information regarding the type of debt and equity facilities used, the maturity profile of debt, the currency and interest rate structure and the nature and

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extent of any restrictions on the ability of our subsidiaries to transfer funds to our company in the form of cash dividends, loans or advances. Refer also 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 properties, in particular, Studio City and potentially the next phase of 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.

On December 7, 2011, we successfully completed a dual primary listing on the Main Board of the HKSE by way of introduction. This dual primary listing is expected to provide access to a broader range of investors and provide access to additional sources of equity capital if required.

On July 27, 2011, we acquired a 60% equity interest in SCI. We currently estimate on a preliminary basis that the construction cost for Studio City will be approximately US\$1.9 billion. However, this preliminary cost estimate may be revised depending on a number of variables, including receipt of all necessary government approvals, the final design and development plan, funding costs, the availability of financing on terms acceptable to us, and prevailing market conditions.

We continue to evaluate the next phase of our development plan at City of Dreams, which we currently expect to include a hotel featuring either an apartment hotel or a general hotel.

Both Studio City and the next phase of City of Dreams are subject to further financing. 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, 2011, we had capital commitments contracted for but not provided mainly for the construction and acquisition of property and equipment for City of Dreams and Studio City totaling US\$60.6 million. 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 19 to the consolidated financial statements included elsewhere in this annual report.

As of December 31, 2011 and 2010, our gearing ratios (total debts divided by total assets) were 37.1% and 37.7%, respectively. Our gearing ratio decreased slightly as of December 31, 2011, primarily as a result of increased cash and cash equivalents due to the growth of our business and enhancements in our capital structure and also the conversion of shareholders' loans, offset by the increased indebtedness from the issuance of the RMB Bonds and drawdown of the Deposit-Linked Loan.

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Melco Crown Gaming has a rating of “BB-” by Standard & Poor’s and 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 18 to the consolidated financial statements included elsewhere in this annual report.

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

We have entered into a license agreement with Crown Melbourne Limited and obtained an exclusive and non-transferable license to use the Crown trademark in Macau. Our hotel management agreements for the use of the Grand Hyatt and Hyatt Regency trademarks on a non-exclusive and non-transferable basis were terminated in August 2008 and replaced by a management agreement for the use of the Grand Hyatt trademarks to reflect the branding of the twin-tower hotels under the “Grand Hyatt” brand. In January 2007, we entered into a casino trademark license agreement and a hotel trademark license agreement (which was subsequently novated and amended by a Novation Agreement on August 20, 2008) with Hard Rock Holdings Limited, or Hard Rock, to use the Hard Rock brand in Macau at the City of Dreams. Pursuant to the agreements, we have the exclusive right to use the Hard Rock brand for the hotel and casino facility at City of Dreams for a term of ten years based on percentages of revenues generated at the property payable to Hard Rock. 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. In addition, we have registered the trademarks “Altira,” “Mocha Club”, “City of Dreams” and “Melco Crown Entertainment” in Macau and other jurisdictions. We have also 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.

### **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 19(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, 2011.

	<b>Payments Due by Period</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	
	<i>(in millions of US\$)</i>				
<b>Long-term debt obligations <sup>(1)</sup>:</b>					
2011 Credit Facilities	—	385.1	629.6	—	1,014.7
RMB Bonds	—	364.8	—	—	364.8
Deposit-Linked Loan	—	353.3	—	—	353.3
Senior Notes	—	—	—	600.0	600.0
Fixed interest payments	85.4	131.7	123.0	84.6	424.7
Variable interest payments <sup>(2)</sup>	21.8	38.1	15.0	—	74.9
<b>Operating lease obligations:</b>					
Operating leases, including Mocha Clubs locations	12.1	12.4	6.5	12.2	43.2
<b>Other contractual commitments:</b>					
Government annual land use fees <sup>(3)</sup>	1.9	3.8	3.8	27.2	36.7
Fixed interest on land premium <sup>(3)</sup>	1.0	0.2	—	—	1.2
Construction, plant and equipment acquisition commitments	60.6	—	—	—	60.6
Gaming subconcession premium <sup>(4)</sup>	23.3	46.6	46.6	128.0	244.5
Other commitments <sup>(5)</sup>	18.3	21.5	2.0	2.2	44.0
<b>Total contractual obligations</b>	<b>224.4</b>	<b>1,357.5</b>	<b>826.5</b>	<b>854.2</b>	<b>3,262.6</b>

- (1) See note 11 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 three months Hong Kong Interbank Offered Rate, or HIBOR, as at December 31, 2011 plus the applicable interest rate spread in accordance with the respective debt agreements. Actual rates will vary.
- (3) 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 10 years each, until December 19, 2049. The land concession received from the Macau government for the Studio City site, in which we hold a 60% equity interest, is also for a 25-year term from October 17, 2001, renewable for further consecutive periods of ten years each until December 19, 2049. Renewals of these land concessions are subject to obtaining approvals from the Macau government. See “Item 4. Information on the Company — B. Business Overview — Our Properties” for further details of the land concession obligations.
- (4) 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, 2011 through to the termination of the gaming subconcession in June 2022.
- (5) Other commitments includes commitments for our trademark and memorabilia license fees, for our entertainment show operations and for other contracts.

## G. SAFE HARBOR

See “Special Note Regarding Forward-Looking Statements.”

### ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

#### A. DIRECTORS AND SENIOR MANAGEMENT

##### Directors and Executive Officers

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

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
Lawrence Yau Lung Ho	35	Co-chairman, chief executive officer and executive director
James Douglas Packer	44	Co-chairman and non-executive director
John Peter Ben Wang	51	Non-executive director
Yuk Man Chung	49	Non-executive director
William Todd Nisbet	44	Non-executive director
Rowen Bruce Craigie	56	Non-executive director
James Andrew Charles MacKenzie	58	Independent non-executive director
Thomas Jefferson Wu	39	Independent non-executive director
Yiu Wa Alec Tsui	62	Independent non-executive director
Robert Wason Mactier	47	Independent non-executive director
Geoffrey Stuart Davis	43	Chief Financial Officer
Stephanie Cheung	49	Executive Vice President and Chief Legal Officer
Nigel Alan Dean	58	Executive Vice President and Chief Internal Audit Officer
Akiko Takahashi	58	Executive Vice President and Chief Human Resources/Corporate Social Responsibility Officer
Ying Tat Chan	40	Chief Operating Officer
Ching Hui Hsu	38	President of Mocha Clubs

##### Directors

**Mr. Lawrence Yau Lung Ho** was appointed as our executive director on December 20, 2004 and has served as a co-chairman of our board 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 served as a director of Melco Leisure since 2001. Mr. Ho is the managing director of Melco Crown Gaming and the director of Melco Crown (Macau) Peninsula Developments Limited, Melco Crown (Macau Peninsula) Hotel Limited, Studio City Developments, Studio City Entertainment Limited and SCI, all of which are our subsidiaries. Mr. Ho serves numerous boards and committees of privately held companies in Hong Kong, Macau and mainland China. Mr. Ho was previously the chairman and non-executive director of Value Convergence Holdings Limited, a company listed on the HKSE, until his resignation in September 2009, and the chairman and director of Mountain China Resorts (Holding) Limited (formerly known as Melco China Resorts (Holding) Limited), a company listed on the TSX Venture Exchange of Canada, until his resignation in April 2010. 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 “5<sup>th</sup> China Enterprise Award for Creative Businessmen” by the China Marketing Association and *China Enterprise News*, “Leader of Tomorrow” by *Hong Kong Tatler* and one of the “Directors of the Year” awards by the Hong Kong Institute of

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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, and in 2008, he was granted the “China Charity Award” by the Ministry of Civil Affairs of the People’s Republic of China. In 2009, Mr. Ho was selected by *FinanceAsia* as one of the “Best CEOs” in Hong Kong, “China Top Ten Financial and Intelligent Persons” judged by a panel led by the Beijing Cultural Development Study Centre, and was named “Young Entrepreneur of the Year” at Hong Kong’s first Asia Pacific Entrepreneurship Awards. Mr. Ho was selected again as one of the “Best CEOs” in Hong Kong by *FinanceAsia* in 2010 and 2011. He was also awarded “Asia’s Best CEO (Investor Relations)” at the Asian Excellence Awards by *Corporate Governance Asia* magazine in 2011. 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 a co-chairman of our board since March 2005. Mr. Packer is the executive 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, and the deputy chairman of Consolidated Media Holdings Limited, having been appointed in December 2007. 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 from November 2003 to September 2009, SEEK Limited from October 2003 to August 2009, Ellerston Capital Limited from August 2004 to August 2011, Sunland Group Limited from July 2006 to August 2009, and Ten Network Holdings Limited from December 2010 to March 2011.

**Mr. John Peter Ben Wang** was appointed as our non-executive director on November 21, 2006. Since November 2009, Mr. Wang has served as a non-executive director of MelcoLot Limited, a company listed on the HKSE. The principal activities of MelcoLot Limited include the management of lottery business, manufacturing and sales of lottery terminals and POS machines, and provision of management services for distribution of lottery products. Mr. Wang is also a non-executive director of China Precious Metal Resources Holdings Co., Ltd, a company listed on the HKSE and is the chairman and executive director of Summit Ascent Holdings Limited, also listed on the HKSE. Mr. Wang was the chief financial officer of Melco (one of our controlling shareholders) from 2004 to September 2009. Prior to joining Melco in 2004, Mr. Wang had over 18 years of professional experience in the securities and investment banking industry. He was a non-executive director of Oriental Ginza Holdings Limited, which is listed on the HKSE, until March 1, 2012. 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. 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. Mr. Chung joined Melco in December 2003 and assumed the role of chief financial officer. Mr. Chung has served as a director of Melco Leisure since 2008. Before joining Melco, he was the chief financial officer at Megavillage Group from September 2000 to November 2003, a vice-president at Lazard Asia Investment Management (H.K.) Ltd from June 1998 to September 2000, a vice-president at Pacific Century Group, and a qualified accountant with Arthur Andersen from July 1987 to June 1992. Mr. Chung has also been serving as the chairman and chief executive officer of



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Entertainment Gaming Asia Inc. (formerly known as Elixir Gaming Technologies, Inc.), a company listed on the New York Stock Exchange (NYSE-Amex), since August 2008 and October 2008, respectively. 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 in 2008 and is a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) and the Institute of Chartered Accountants in England and Wales, respectively.

**Mr. William Todd Nisbet** was appointed as our non-executive director on October 14, 2009. 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 construction operations of 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, or 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 is the chief executive officer and director of Crown, an operator of casinos and integrated resorts, having been appointed on its formation in 2007, and a director of Crown Asia Investments and Crown Entertainment Group Holdings. 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. Mr. MacKenzie has also served as chairman of Mirvac Group since 2005, Pacific Brands Ltd. since 2008, and Gloucester Coal Limited since 2009. 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. He is the chairman of our audit committee.

**Mr. Thomas Jefferson Wu** was appointed as an independent non-executive director on December 18, 2006. 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

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Highway Infrastructure Limited since July 2003. In 2006, the World Economic Forum selected Mr. Wu as a “Young Global Leader.” He was also awarded a “Directors of the Year” award by the Hong Kong Institute of Directors in November 2010 and an “Asian Corporate Director Recognition” award by *Corporate Governance Asia* in June 2011. Among other memberships in various trade, political and community organizations, Mr. Wu has been a member of the Advisory Committee of the Securities and Futures Commission of Hong Kong since June 2007 and a member of the Hong Kong-Japan Business Co-operation Committee of the Hong Kong Trade Development Council since January 2010, a council member of The Hong Kong Polytechnic University since April 2009, and a member of the Court of The Hong Kong University of Science and Technology since July 2009. He has also acted as the honorary consultant of the Institute of Accountants Exchange since May 2006, the honorary president of the Association of Property Agents and Realty Developers of Macau since June 2005, and was the vice chairman of The Chamber of Hong Kong Listed Companies from October 2003 to August 2010. Mr. Wu obtained a master’s degree in business administration from Stanford University in 1999 and a bachelor’s degree in mechanical and aerospace engineering from Princeton University in 1994. He is the chairman of our compensation committee, a member of our audit committee and a member of our nominating and corporate governance committee.

**Mr. Yiu Wa Alec Tsui** was appointed as an independent non-executive director on December 18, 2006. 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 National Arts Holdings Limited (formerly known as Vertex Group Limited) from March 2002 to April 2009, Synergis Holdings Limited from January 2005 to September 2008, Greentown China Holdings Limited from June 2006 to June 2010 and China Huiyuan Juice Group Limited from September 2006 to July 2010, all of which are companies listed on the HKSE. Mr. Tsui has been the chairman of WAG Worldsec Corporate Finance Limited since 2006 and an independent non-executive director of a number of companies listed on the HKSE, Nasdaq and the Shanghai Stock Exchange, including Industrial and Commercial Bank of China (Asia) Limited since August 2000, China Chengtong Development Group Limited since 2003, COSCO International Holdings Limited since 2004, China Power International Development Limited since 2004, China Blue Chemical Limited since 2006, Pacific Online Ltd. since 2007, ATA Inc. since 2008, China Oilfield Services Limited since 2009, and Summit Ascent Holdings Limited since March 2011. 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. 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. Robert Wason Mactier** was appointed as an independent non-executive director on December 18, 2006. 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 has also been a non-executive director of Aurora Community Television Limited since 2005. 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,

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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. Mr. Mactier is a member of our compensation committee and nominating and corporate governance committee.

### **Executive Officers**

**Mr. Geoffrey Stuart Davis** is our 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 general counsel from November 2006, when she joined our company. She also acts 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.

**Mr. Nigel Alan Dean** is our executive vice president and chief internal audit officer and he was appointed to his current role in December 2008. Prior to that, he held the title director of internal audit from December 2006, when he joined our company. Prior to joining us, Mr. Dean was general manager-compliance F&A at Coles Myer Ltd from 2003 to 2006, where he was responsible for the implementation of the Sarbanes-Oxley Act of 2002 and other corporate governance compliance programs. Other positions held at Coles Myer included the chief internal auditor from 1995 to 2003 and general manager-internal audit of the Supermarkets Division from 1990 to 1993. Previous experience in external and internal audit included positions with Peat Marwick Mitchell & Co (now KPMG) from 1973 to 1975, Australian Federal Government Auditor-General's Office from 1975 to 1976, Ford Asia-Pacific from 1976 to 1982, CRA (now RioTinto) from 1982 to 1986, and Elders IXL Group from 1986 to 1990. Mr. Dean has been a Fellow of CPA Australia (formerly known as the Australian Society of Accountants) since 1984 and a Certified Internal Auditor since 2005. He obtained a bachelor of laws degree under a long distance learning course from Deakin University in 2005, a diploma of business studies (accounting) from Swinburne University of Technology (formerly known as Swinburne College of Technology) in 1973 and a master's degree in business administration from Monash University in 1993.

**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 assignment prior to joining our company was to lead the human resources integration for the 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 SVC 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. With the elimination of the co-chief operating officer positions in February 2012, Mr. Chan now oversees both gaming and non-gaming activities across City of Dreams, Altira Macau and Mocha Clubs. Previously, since September 2010, he was our co-chief operating officer, gaming. Prior to that, he served as president of Altira Macau from November 2008. Prior to his appointment as president of Altira Macau, Mr. Chan was the chief executive officer of Amax Entertainment Holdings Limited from December 2007 until November 2008. Before joining Amax, Mr. Chan worked with our chief executive officer on special projects from September 2007 to November 2007 and was the general manager of Mocha Clubs from 2004 to 2007. From June 2002 to October 2006, Mr. Chan was the assistant to the Group Managing Director at Melco, and he was involved in the overall strategic development and management of our company. Mr. Chan served in various roles at First Shanghai Financial Holding Limited from 1998 to May 2002, with his last position as assistant to the managing director. He graduated with a bachelor's degree in business administration from the Chinese University of Hong Kong in 1995 and with a master's degree in financial management under a long distance learning course from the University of London, the United Kingdom in 1998.

**Ms. Ching Hui Hsu** is our president of Mocha Clubs, and she was appointed to her current role in December 2008. Ms. Hsu has worked for Mocha Clubs since September 2003. She was Mocha Club's former financial controller from September 2003 to September 2006 and its chief operating officer from December 2006 to November 2008, 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. 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 (formerly known as the Hong Kong Society of Accountants) in 2001.

## **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\$14.1 million for the year ended December 31, 2011.

### **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 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 2011, we issued options to acquire 3,101,358 of our ordinary shares pursuant to a share incentive plan our board adopted in November 2006, or the 2006 Share Incentive Plan, to directors and senior executive officers of our company with exercise prices of US\$2.5233 per share, or US\$7.57 per ADS, and 1,833,577 restricted shares with grant date fair value at US\$2.5233 per share, or US\$7.57 per ADS. The options expire ten years after the date of grant. In 2011, 47,556 restricted shares held by the directors and senior executive officers

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were forfeited. No further awards will be granted under the 2006 Share Incentive Plan and all subsequent awards will be issued under a share incentive plan that was conditionally adopted in October 2011 and became effective in December 2011, or 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, 2011, we set aside or accrued US\$273,489 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.

In September 2011, 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.

## **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 version of the nominating and corporate governance committee charter adopted in December 2011 and the latest versions of the audit committee charter and the compensation committee charter adopted in March 2012 to satisfy the requirements of the HKSE. The charters may be 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 and summary of the charters under which each committee operates are provided below.

### ***Audit Committee***

Our audit committee consists of Messrs. Thomas Jefferson Wu, Alec Tsui and James MacKenzie, and is chaired by Mr. MacKenzie. Each of our audit committee members also 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 integrity of the financial statements of our company;
- the qualifications and independence of our independent auditors;
- the performance of our independent auditors;
- 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 audit 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

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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 integrity 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 Tsui and Robert Mactier, and is chaired by Mr. Wu. The purpose of the compensation 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 the compensation 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.

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The duties of the compensation 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 directors and executive officers, including the chief executive officer;
- at least annually, reviewing and making recommendations to our board with respect to 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 approving any benefits in kind received by any director or 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
- cooperating 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 Tsui and Robert Mactier, and is chaired by Mr. Tsui. The purpose of the nominating and corporate governance 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



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

The duties of the committee include:

- making recommendations to our board for its approval, the appointment or re-appointment of any members of our board and the chairs and members of its committees, including evaluating any succession planning;
- reviewing on an annual basis the appropriate skills, knowledge and characteristics required of board members and of the committees of our board, and making any recommendations to improve the performance of our board and its committees;
- developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or Nasdaq rules, 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
- cooperating 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

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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 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 11,071, 10,913 and 10,482 employees as of December 31, 2011, 2010 and 2009, 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, 2011, 2010 and 2009. 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.

	December 31,					
	2011		2010		2009	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs	777	7.0%	777	7.1%	757	7.2%
Altira Macau	2,351	21.3	2,609	23.9	2,753	26.3
City of Dreams <sup>(1)</sup>	7,532	68.0	6,941	63.6	6,569	62.7
Corporate and centralized services <sup>(1)</sup>	411	3.7	586	5.4	403	3.8
<b>Total</b>	<b>11,071</b>	<b>100.0%</b>	<b>10,913</b>	<b>100.0%</b>	<b>10,482</b>	<b>100.0%</b>

Note:

(1) Includes project management staff for Studio City.

None of our employees is a member of any labor union and we are not party to any collective bargaining or similar agreement with any of our employees. We believe that our relationship with our employees is good. We recruited a significant number of employees in 2009 to cater for the opening of City of Dreams in June 2009 for which we developed human resources outreach programs in Macau and hosted several recruitment events in cities throughout China.

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, corporate management trainee programs 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.

Our Macau employees participate in the government-managed social security fund scheme, under which we are required to make a monthly fixed contribution to fund the benefits for each resident employee. The Macau government is responsible for the planning, management and supervision of this social security fund scheme, including collecting and investing the contributions and paying out the pensions to the retired employees. We do not have any obligations to pay any pension to any retired employees under this scheme.

Our Hong Kong employees participate in the mandatory provident fund scheme, or the MPF Scheme, which we operate. For these employees, with the exception of executive officers, our and the employees' contributions to the MPF Scheme are each set at 5% of the employees' relevant income up to a maximum of HK\$1,000 per employee per month. For executive officers, the employees' contributions to the MPF Scheme are set at 5% of the employees' salaries up to a maximum of HK\$1,000 per employee per month, and our contribution to the MPF Scheme is set at 10% of the employees' base salaries. The excess of contributions over our mandatory portion, which is 5% of the employees' salaries up to a maximum of HK\$1,000 per employee per month, are treated as our voluntary contribution and are vested to executive officers at 10% per year with full vesting in 10 years. Our contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid. The MPF Scheme was established under trust with the assets of the funds held separately from ours by independent trustees.

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Our subsidiaries in the United States and other jurisdictions operate a number of defined contribution schemes. Contributions to the defined contribution schemes are made at a certain percentage of the employees' payroll in accordance with applicable minimum mandatory requirements.

The total amounts of contributions made by us for such retirement schemes for each of the three years ended December 31, 2011, 2010 and 2009 were US\$5.4 million, US\$5.1 million and US\$5.0 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.

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*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, 2011 the unvested share options granted under the 2006 Share Incentive Plan represented approximately 0.599% of our issued share capital. If all the unvested share options were to be exercised and vested during the year ended December 31, 2011 on an unaudited pro-forma basis, there would be a dilution effect on the shareholdings of our shareholders of approximately 0.599% and basic earnings per share of US\$0.0011.

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

	<b>Exercise Price/Grant Date Fair Value per ADS (US\$)</b>	<b>Number of Unvested Share Options/Restricted Shares</b>	<b>Vesting Period</b>
<b>Share Options</b>			
2008 Long Term Incentive Plan	12.04 – 14.08	88,157	4 years
2009 Cancel and Re-issue Program	4.28	1,174,629	4 years
2009 Long Term Incentive Plan	3.04 – 3.26	2,258,238	4 years
2010 Long Term Incentive Plan	3.75 – 3.98	1,450,212	3 to 4 years
2011 Long Term Incentive Plan	7.57	4,937,685	3 years
		<u>9,908,921</u>	
<b>Restricted Shares</b>			
2008 Long Term Incentive Plan	3.99 – 12.95	148,199	4 years
2009 Long Term Incentive Plan	3.26	310,596	4 years
2010 Long Term Incentive Plan	3.75 – 4.66	789,516	2 to 4 years
2011 Long Term Incentive Plan	7.57	2,754,192	3 years
		<u>4,002,503</u>	

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

Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year <sup>(2)</sup>	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2011
<b>Directors:</b>											
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
<b>Sub-total:</b>					<b>3,653,832</b>	<b>1,446,498</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,100,330</b>

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Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year (2)	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2011
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
Yiu Wa Alec 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

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Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year <sup>(2)</sup>	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2011
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



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Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year <sup>(2)</sup>	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2011
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

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Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						Outstanding as at December 31, 2011
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year <sup>(2)</sup>	Cancelled during the year	Lapsed during the year	
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:					4,978,071	1,446,498	—	—	—	—	6,424,569

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Name or category of participants	Date of grant of share options	Exercisable period	Exercise price of share options (per share) US\$	Share price at date of grant of share options US\$	Number of share options						
					Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Exercised during the year (2)	Cancelled during the year	Lapsed during the year	Outstanding as at December 31, 2011
Employees (3)	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	140,241	—	(63,030)	—	—	—	77,211
Employees (4)	March 18, 2008	March 18, 2009 to March 17, 2018	4.01	4.01	12,750	—	—	—	—	23,367 <sup>(16)</sup>	36,117
Employees (5)	November 25, 2008	November 25, 2010 to November 24, 2018	1.01	1.01	8,765,613	—	(867,957)	(1,182,531)	—	—	6,715,125
Employees (6)	January 20, 2009	January 20, 2010 to January 19, 2019	1.01	1.01	789,474	—	—	—	—	—	789,474
Employees (7)	November 25, 2009	November 25, 2010 to September 9, 2017	1.43	1.43	895,731	—	(91,773)	(30,915)	—	—	773,043
Employees (8)	November 25, 2009	November 25, 2010 to March 17, 2018	1.43	1.43	767,256	—	(71,817)	(20,961)	—	—	674,478
Employees (9)	November 25, 2009	November 25, 2010 to April 10, 2018	1.43	1.43	140,400	—	—	—	—	—	140,400
Employees (10)	May 26, 2010	May 26, 2013 to May 25, 2020	1.25	1.25	156,624	—	—	—	—	—	156,624
Employees (11)	May 26, 2010	May 26, 2012 to May 25, 2020	1.25	1.25	319,266	—	—	—	—	(14,976)	304,290
Employees (12)	July 28, 2010	July 28, 2011 to July 27, 2020	1.28	1.28	1,033,944	—	—	—	—	—	1,033,944
Employees	August 2, 2010	August 2, 2012 to August 1, 2020	1.33	1.32	182,871	—	(182,871)	—	—	—	—
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	—	3,704,448	(77,346)	—	—	(135,915)	3,491,187
Sub-total:					13,504,170	3,704,448	(1,354,794)	(1,234,407)	—	(127,524)	14,491,893
Others (15)	September 10, 2007	September 10, 2008 to September 9, 2017	5.06	4.42	—	—	63,030	—	—	(63,030)	—
Others (15)	November 25, 2008	November 25, 2010 to November 24, 2018	1.01	1.01	1,887,918	—	867,957	(2,496,420)	—	(259,455)	—
Others (15)	November 25, 2009	November 25, 2010 to September 9, 2017	1.43	1.43	—	—	91,773	(14,961)	—	(76,812)	—
Others (15)	November 25, 2009	November 25, 2010 to November 14, 2017	1.43	1.43	83,334	—	—	(83,334)	—	—	—
Others (15)	November 25, 2009	November 25, 2010 to March 17, 2018	1.43	1.43	—	—	71,817	(6,474)	—	(65,343)	—
Others (15)	August 2, 2010	August 2, 2012 to August 1, 2020	1.33	1.32	—	—	182,871	—	—	(182,871)	—
Others (15)	March 23, 2011	March 23, 2012 to March 22, 2021	2.52	2.52	—	—	77,346	—	—	(77,346)	—
Sub-total:					1,971,252	—	1,354,794	(2,601,189)	—	(724,857)	—
<b>Total</b>					<b>20,453,493</b>	<b>5,150,946</b>	<b>—</b>	<b>(3,835,596)</b>	<b>—</b>	<b>(852,381)</b>	<b>20,916,462</b>

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### Notes:

- (1) The vesting period of the share options is from the date of grant until the commencement of exercisable period.
- (2) In respect of the share options exercised during the year, the weighted average closing price of the Shares immediately before and at the dates on which the options were exercised was US\$2.59.
- (3) Among the 77,211 share options, 7,185 share options may be exercised during the period from September 10, 2008 to September 9, 2017, 15,561 share options may be exercised during the period from September 10, 2009 to September 9, 2017, 23,340 share options may be exercised during the period from September 10, 2010 to September 9, 2017 and 31,125 share options may be exercised during the period from September 10, 2011 to September 9, 2017.
- (4) Among the 36,117 share options, 9,027 share options may be exercised during the period from March 18, 2009 to March 17, 2018, 9,027 share options may be exercised during the period from March 18, 2010 to March 17, 2018, 9,027 share options may be exercised during the period from March 18, 2011 to March 17, 2018 and 9,036 share options may be exercised during the period from March 18, 2012 to March 17, 2018.
- (5) Among the 6,715,125 share options, 2,813,961 share options may be exercised during the period from November 25, 2010 to November 24, 2018 and 3,901,164 share options may be exercised during the period from November 25, 2011 to November 24, 2018.
- (6) 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.
- (7) Among the 773,043 share options, 166,050 share options may be exercised during the period from November 25, 2010 to September 9, 2017, 177,033 share options may be exercised during the period from November 25, 2011 to September 9, 2017, 214,929 share options may be exercised during the period from November 25, 2012 to September 9, 2017 and 215,031 share options may be exercised during the period from November 25, 2013 to September 9, 2017.
- (8) Among the 674,478 share options, 144,279 share options may be exercised during the period from November 25, 2010 to March 17, 2018, 159,630 share options may be exercised during the period from November 25, 2011 to March 17, 2018, 185,244 share options may be exercised during the period from November 25, 2012 to March 17, 2018 and 185,325 share options may be exercised during the period from November 25, 2013 to March 17, 2018.
- (9) 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.
- (10) The 156,624 share options may be exercised during the period from May 26, 2013 to May 25, 2020.
- (11) Among the 304,290 share options, 152,136 share options may be exercised during the period from May 26, 2012 to May 25, 2020 and 152,154 share options may be exercised during the period from May 26, 2013 to May 25, 2020.
- (12) Among the 1,033,944 share options, 344,646 share options may be exercised during the period from July 28, 2011 to July 27, 2020, 344,646 share options may be exercised during the period from July 28, 2012 to July 27, 2020 and 344,652 share options may be exercised during the period from July 28, 2013 to July 27, 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 3,491,187 share options, 1,163,559 share options may be exercised during the period from March 23, 2012 to March 22, 2021, 1,163,559 share options may be exercised during the period from March 23, 2013 to March 22, 2021 and 1,164,069 share options may be exercised during the period from March 23, 2014 to March 22, 2021.
- (15) The category "Others" represents our former employees or consultants.
- (16) Reversal of lapsed share options in 2010.

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

Name or category of participants	Date of grant of restricted shares	Vesting date	Share price at date of grant of restricted shares US\$	Number of restricted shares					Outstanding as at December 31, 2011
				Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Vested during the year	Cancelled during the year	
Directors:									
Lawrence Yau Lung Ho	December 19, 2006	December 19, 2009	6.33	—	—	—	(2)	2 <sup>(2)</sup>	—
	March 18, 2008	March 18, 2012	4.01	62,292	—	—	—	—	62,292
	March 17, 2009	March 17, 2011	1.09	241,563	—	—	(241,563)	—	—
	March 17, 2009	March 17, 2013	1.09	241,566	—	—	—	—	241,566
	March 23, 2011	March 23, 2012	2.52	—	241,056	—	—	—	241,056
	March 23, 2011	March 23, 2013	2.52	—	241,056	—	—	—	241,056
	March 23, 2011	March 23, 2014	2.52	—	241,137	—	—	—	241,137
Sub-total:				545,421	723,249	—	(241,565)	2	1,027,107
Yuk Man Chung	March 18, 2008	March 18, 2012	4.01	3,114	—	—	—	—	3,114
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				26,121	47,556	—	(11,502)	—	62,175
Yiu Wa Alec Tsui	March 18, 2008	March 18, 2012	4.01	3,114	—	—	—	—	3,114
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				26,121	47,556	—	(11,502)	—	62,175
John Peter Ben Wang	March 18, 2008	March 18, 2012	4.01	3,114	—	—	—	—	3,114
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				26,121	47,556	—	(11,502)	—	62,175

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Name or category of participants	Date of grant of restricted shares	Vesting date	Share price at date of grant of restricted shares US\$	Number of restricted shares					Outstanding as at December 31, 2011
				Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Vested during the year	Cancelled during the year	
Robert Wason Mactier	March 18, 2008	March 18, 2012	4.01	3,114	—	—	—	—	3,114
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				26,121	47,556	—	(11,502)	—	62,175
Thomas Jefferson Wu	March 18, 2008	March 18, 2012	4.01	3,114	—	—	—	—	3,114
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				26,121	47,556	—	(11,502)	—	62,175
James Andrew Charles MacKenzie	September 30, 2008	April 24, 2012	1.33	1,835	—	—	—	—	1,835
	September 30, 2008	April 24, 2011	1.33	5,268	—	—	(5,268)	—	—
	March 17, 2009	March 17, 2011	1.09	11,502	—	—	(11,502)	—	—
	March 17, 2009	March 17, 2013	1.09	11,505	—	—	—	—	11,505
	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	—	15,849
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	—	15,858
Sub-total:				30,110	47,556	—	(16,770)	—	60,896
William Todd Nisbet	March 23, 2011	March 23, 2012	2.52	—	15,849	—	—	(15,849)	—
	March 23, 2011	March 23, 2013	2.52	—	15,849	—	—	(15,849)	—
	March 23, 2011	March 23, 2014	2.52	—	15,858	—	—	(15,858)	—
Sub-total:				—	47,556	—	—	(47,556)	—
Sub-total:				706,136	1,056,141	—	(315,845)	(47,554)	1,398,878

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Name or category of participants	Date of grant of restricted shares	Vesting date	Share price at date of grant of restricted shares US\$	Number of restricted shares					Outstanding as at December 31, 2011
				Outstanding as at January 1, 2011	Granted during the year	Reclassified during the year	Vested during the year	Cancelled during the year	
Employees	December 19, 2006	December 19, 2009	6.33	—	—	—	(24)	24 <sup>(2)</sup>	—
Employees	March 18, 2008	March 18, 2012	4.01	66,186	—	(9,267)	—	—	56,919
Employees	April 11, 2008	April 11, 2012	4.32	11,583	—	—	—	—	11,583
Employees	November 25, 2008	November 25, 2010	1.01	73,977	—	(73,977)	—	—	—
Employees	November 25, 2008	November 25, 2011	1.01	730,413	—	(40,359)	(690,054)	—	—
Employees	April 1, 2010	April 1, 2012	1.55	64,410	—	—	—	—	64,410
Employees	May 26, 2010	May 26, 2013	1.25	78,315	—	—	—	—	78,315
Employees	May 26, 2010	May 26, 2012	1.25	79,803	—	—	—	(3,744)	76,059
Employees	May 26, 2010	May 26, 2013	1.25	79,827	—	—	—	(3,744)	76,083
Employees	July 28, 2010	July 28, 2011	1.28	172,324	—	(1)	(172,323)	—	—
Employees	July 28, 2010	July 28, 2012	1.28	172,324	—	(1)	—	—	172,323
Employees	July 28, 2010	July 28, 2013	1.28	172,324	—	2	—	—	172,326
Employees	August 2, 2010	August 2, 2012	1.32	45,717	—	(45,717)	—	—	—
Employees	August 2, 2010	August 2, 2014	1.32	45,720	—	(45,720)	—	—	—
Employees	August 16, 2010	August 16, 2012	1.25	75,000	—	—	—	—	75,000
Employees	August 16, 2010	August 16, 2014	1.25	75,000	—	—	—	—	75,000
Employees	March 23, 2011	March 23, 2012	2.52	—	617,337	(12,888)	—	(22,650)	581,799
Employees	March 23, 2011	March 23, 2013	2.52	—	617,337	(12,888)	—	(22,650)	581,799
Employees	March 23, 2011	March 23, 2014	2.52	—	617,568	(12,900)	—	(22,659)	582,009
Sub-total:				1,942,923	1,852,242	(253,716)	(862,401)	(75,423)	2,603,625
Others <sup>(1)</sup>	March 18, 2008	March 18, 2012	4.01	—	—	9,267	—	(9,267)	—
Others <sup>(1)</sup>	November 25, 2008	November 25, 2010	1.01	—	—	73,977	(73,977)	—	—
Others <sup>(1)</sup>	November 25, 2008	November 25, 2011	1.01	—	—	40,359	—	(40,359)	—
Others <sup>(1)</sup>	August 2, 2010	August 2, 2012	1.32	—	—	45,717	—	(45,717)	—
Others <sup>(1)</sup>	August 2, 2010	August 2, 2014	1.32	—	—	45,720	—	(45,720)	—
Others <sup>(1)</sup>	March 23, 2011	March 23, 2012	2.52	—	—	12,888	—	(12,888)	—
Others <sup>(1)</sup>	March 23, 2011	March 23, 2013	2.52	—	—	12,888	—	(12,888)	—
Others <sup>(1)</sup>	March 23, 2011	March 23, 2014	2.52	—	—	12,900	—	(12,900)	—
Sub-total:				—	—	253,716	(73,977)	(179,739)	—
<b>Total</b>				<b>2,649,059</b>	<b>2,908,383</b>	<b>—</b>	<b>(1,252,223)</b>	<b>(302,716)</b>	<b>4,002,503</b>

Notes:

- (1) The category "Others" represents our former employees or consultants.
- (2) Reversal of cancelled restricted shares in 2009 which was vested to our director and employees in 2011.

## **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 at 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.



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*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 1,922,715 shares and (ii) restricted shares in respect of a total of 1,164,681 shares, pursuant to the 2011 Share Incentive Plan.

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A summary of the details in relation to the share options granted to participants under the 2011 Share Incentive Plan as of the date of this annual report, is set out below:

Date of grant	March 29, 2012
Exercise price	US\$4.6967 per share
Number of shares involved	1,922,715
Closing price of the shares on the date of grant	US\$4.4267 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 474,399 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 as of the date of this annual report, is set out below:

Date of grant	March 29, 2012
Number of shares involved	1,164,681
Vesting Period	3 years from the date of grant

Among the restricted shares granted above, 440,508 shares were granted, with the approval of our compensation committee, to the following directors of our company, with details as follows:

<u>Name</u>	<u>Position</u>	<u>Number of restricted shares</u>	<u>Number of underlying shares involved</u>	<u>March 29, 2013</u>	<u>Vesting date March 29, 2014</u>	<u>March 29, 2015</u>
Mr. Lawrence Yau Lung Ho	Co-chairman, chief executive officer and executive director	237,198	237,198	79,065	79,065	79,068
Mr. Yuk Man Chung	Non-executive director	67,770	67,770	22,590	22,590	22,590
Mr. James Andrew Charles MacKenzie	Independent non-executive director	27,108	27,108	9,036	9,036	9,036
Mr. Robert Wason Mactier	Independent non-executive director	27,108	27,108	9,036	9,036	9,036
Mr. Yiu Wa Alec Tsui	Independent non-executive director	27,108	27,108	9,036	9,036	9,036
Mr. John Peter Ben Wang	Non-executive director	27,108	27,108	9,036	9,036	9,036
Mr. Thomas Jefferson Wu	Independent non-executive director	27,108	27,108	9,036	9,036	9,036

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

The following table sets forth the beneficial ownership of our ordinary shares (exclusive of any ordinary shares represented by ADSs held by the SPV) as of April 3, 2012 by all persons who are known to us to be the beneficial owners of 5% or more of our share capital.

<b>Name</b>	<b>Ordinary shares beneficially owned <sup>(1)</sup></b>	
	<b>Number</b>	<b>%</b>
Melco Leisure <sup>(2)(3)</sup>	556,222,503	33.57
Crown Asia Investments <sup>(4)</sup>	556,222,503	33.57

- (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 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 11,512,612 ordinary shares of Melco, representing approximately 0.93% of Melco's ordinary shares outstanding as of April 3, 2012. In addition, 115,509,024 shares of Melco are held by Lasting Legend Ltd., 288,532,606 shares of Melco are held by Better Joy Overseas Ltd., 18,587,447 shares of Melco are held by Mighty Dragon Developments Limited and 7,294,000 shares of Melco are held by The L3G Capital Trust, all of which companies are owned by persons and/or trusts affiliated with Mr. Ho. Therefore, we believe that Mr. Ho beneficially owns an aggregate of 441,435,689 ordinary shares of Melco, representing approximately 35.78% of Melco's ordinary shares outstanding as of April 3, 2012. The foregoing amount does not include 298,982,188 shares which may be issued by Melco to Great Respect Limited as a result of any future exercise in full of conversion rights by Great Respect Limited, a company controlled by a discretionary trust the beneficiaries of which include Mr. Ho and his immediate family members, under the amended convertible loan notes held by Great Respect Limited.
- (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, 2012, Crown was approximately 46% owned by Consolidated Press Holdings Group, which is a group of companies owned by the Packer family.

As of December 31, 2011, a total of 1,653,101,002 ordinary shares were outstanding, of which 543,154,372 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.

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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 MPEL (Greater China), 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 Gaming 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 Gaming, representing 28% of all the outstanding capital stock of Melco Crown Gaming, are to be owned by PBL Asia Limited (as to 18%) and the Managing Director of Melco Crown Gaming (as to 10%), respectively. Mr. Lawrence Ho has been appointed to serve as the Managing Director of Melco Crown Gaming. The holders of the class A shares, as a class,

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will have the right to one vote per share, receive an aggregate annual dividend of MOP 1 and return of capital of an aggregate amount of MOP 1 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 Gaming, representing 72% of all the outstanding capital stock of Melco Crown Gaming 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 Gaming 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 Gaming, and to participate in the winding up and liquidation assets of Melco Crown Gaming;
- The shares of Altira Developments and Melco Crown (COD) Developments and the operating assets of Mocha would be transferred to Melco Crown Gaming;
- MPEL (Greater China) and Mocha 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 Gaming.

### **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

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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, 2011, 2010 and 2009, see note 20 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**

In March 2010, our subsidiary Melco Crown Gaming initiated proceedings against Ama, a former gaming promoter for Altira Macau, and Ms. Mei Huan Chen, an individual guarantor of Ama, to recover outstanding amounts owed by Ama, and in June 2010 Melco Crown Gaming terminated the gaming promotion agreement with Ama. In January 2011, Melco Crown Gaming was served with a civil action complaint filed by Ama, claiming contractual breach of the terminated gaming promotion agreement and unfair competition at Altira Macau, and seeking damages and other relief. In July 2011 a settlement was reached. Pursuant to the settlement agreements, Ama and Ms. Chen filed requests to terminate all executory and incidental proceedings made against Melco Crown Gaming and agreed to pay the settlement sum in installments.

In October 2011, the plaintiff, K&L Gates, the Hong Kong office of international law firm K&L Gates LLP, served a writ of summons against our subsidiary, Golden Future (Management Services) Limited, as one of

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the co-defendants among others including Mr. Navin Kumar Aggarwal, a former partner in K&L Gates. K&L Gates claimed that Mr. Aggarwal misappropriated or misapplied funds from the plaintiff's client accounts, and that these amounts were received by Golden Future (Management Services) Limited. In March 2012, K&L Gates served a writ of summons against Melco Crown Gaming, claiming that Mr. Aggarwal had effected bank transfers directly from client accounts to Melco Crown Gaming and requesting an order that Melco Crown Gaming pay back these sums plus interest, among other forms of relief. We intend to work with our respective subsidiaries to vigorously defend ourselves against these claims.

We are a party to certain other legal and administrative proceedings which relate to matters arising out of the ordinary course of our business. We do not believe that such proceedings would, individually or in the aggregate, 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.

### **Dividend Policy**

We have not in the past declared or paid any dividends, nor do we have any present plan to pay any cash dividends on our shares or ADSs in the near to medium term. We currently intend to retain most, if not all, of our available funds and any future earnings to finance the construction and development of our projects, to service debt and to operate and expand our business.

Our board has complete discretion on whether to pay dividends, subject to the approval of our shareholders in the case of annual dividends. Even if our board decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our board may deem relevant. Dividends will be declared and paid in Hong Kong dollars for holders of ordinary shares and U.S. dollars for holders of 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 Senior Notes 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 currently do not intend to pay dividends, and 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 memorandum of association or 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, 2011 and 2010 amounted to approximately US\$2,609.9 million and US\$2,491.0 million, respectively. We recorded accumulated losses as of December 31, 2011 and 2010.

**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:

	<b>Nasdaq</b>		<b>HKSE</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
	<i>(in US\$)</i>		<i>(in HK\$)</i>	
<b>Monthly High and Low</b>				
April 2012 (through April 3)	14.20	13.54	36.00	35.00
March 2012	14.26	11.92	37.35	31.20
February 2012	13.06	11.29	33.00	28.65
January 2012	12.18	9.46	30.90	24.25
December 2011	10.39	8.32	26.40	22.40
November 2011	11.95	8.18	—	—
October 2011	12.40	7.05	—	—
<b>Quarterly High and Low</b>				
First Quarter 2012	14.26	9.46	—	—
Fourth Quarter 2011	12.40	7.05	—	—
Third Quarter 2011	16.15	8.15	—	—
Second Quarter 2011	12.91	7.57	—	—
First Quarter 2011	7.94	6.46	—	—
Fourth Quarter 2010	7.13	5.08	—	—
Third Quarter 2010	5.37	3.56	—	—
Second Quarter 2010	5.68	3.42	—	—
First Quarter 2010	5.38	3.30	—	—
<b>Annual High and Low</b>				
2011	16.15	6.46	—	—
2010	7.13	3.30	—	—
2009	8.45	2.27	—	—
2008	14.76	2.31	—	—
2007	22.34	9.95	—	—

**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 Senior 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 accept foreign currencies from our customers and therefore, in addition to H.K. dollars and Patacas, we hold a nominal amount of 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.

**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

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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 the material U.S. federal income tax consequences of the ownership and disposition of the ADSs or ordinary shares as of the date hereof. The discussion set forth below is applicable to you only if you are a U.S. Holder (as defined below) who holds or will hold ADSs or ordinary shares as capital assets. As used herein, the term “U.S. Holder” means a beneficial owner of an ADS or ordinary share that is:

- an individual citizen or resident of the United States, as determined for U.S. federal income tax purposes;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This discussion does not address special classes of holders of ADSs or ordinary shares, including:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding an ADS or ordinary share as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person liable for alternative minimum tax;
- a person who acquired ADSs or ordinary shares pursuant to the exercise of any employee share option or otherwise as compensation or pursuant to the conversion or exchange of another instrument;
- a person who owns 10% or more of our voting stock, directly, indirectly or constructively; or
- a person whose “functional currency” is not the U.S. dollar.

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The discussion below is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), and Treasury regulations, rulings and judicial decisions thereunder as of the date hereof. Such authorities may be replaced, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds our ADSs or ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our shares, you should consult your tax advisors.

This discussion does not contain a detailed description of all the U.S. federal income tax consequences that may be relevant to you in light of your particular circumstances and does not address the effects of any state, local or non-U.S. tax laws or U.S. federal estate or gift tax laws. **If you are considering the purchase, ownership or disposition of our ADSs or ordinary shares, you should consult your own tax advisors concerning the U.S. federal income tax consequences applicable to you in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.**

### *Dividends*

Subject to the discussion under “Passive Foreign Investment Company” below, the gross amount of distributions on the ADSs or ordinary shares will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent that the amount of any distribution exceeds the paying corporation’s current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, and the balance in excess of the adjusted basis will be taxed as capital gain recognized on a sale or exchange. However, we have not maintained and do not plan to maintain calculations of earnings and profits in accordance with U.S. federal income tax principles. Therefore, you should expect that a distribution on the ADSs or ordinary shares will be treated as a dividend. Such income will be includable in your gross income on the day actually or constructively received by you. Such dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations for dividends received from other U.S. corporations.

Non-corporate U.S. investors (including individuals) that receive dividends from a “qualified foreign corporation” in taxable years beginning before January 1, 2013 may be eligible for reduced rates of taxation on such dividends provided certain holding period requirements are met. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States. Although the ADSs are listed on Nasdaq, which is an established securities market in the United States, the shares listed on the HKSE are not listed on an established securities market in the United States. Accordingly, while dividends paid on the ADSs should qualify for the reduced rates of taxation, it is unclear whether any dividends paid on ordinary shares listed on the HKSE would be eligible for the reduced rates of taxation. In addition, in order to be treated as a qualified foreign corporation, a non-U.S. corporation must neither be a PFIC nor be treated as such with respect to a U.S. shareholder for the taxable year in which the dividend was paid and the preceding taxable year. You should consult your tax advisors regarding the availability of the lower rate for any dividends paid with respect to the ADSs or ordinary shares.

The amount of any dividend paid in Hong Kong dollars will equal the U.S. dollar value of the Hong Kong dollars received calculated by reference to the exchange rate in effect on the date the dividend is received by you, regardless of whether the Hong Kong dollars are converted into U.S. dollars on that date. If the Hong Kong dollars received as a dividend are not converted into U.S. dollars on the date of receipt, you will have a basis in the Hong Kong dollars equal to their U.S. dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the Hong Kong dollars generally will be treated as U.S. source ordinary income or loss.

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Dividends will be treated as foreign source income, and will be “passive category income,” or, in the case of certain U.S. Holders, “general category income” for foreign tax credit purposes. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

### ***Sale, Exchange or Other Taxable Disposition***

Subject to the discussion under “Passive Foreign Investment Company” below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of an ADS or ordinary share in an amount equal to the difference between the amount realized for the ADS or ordinary share and your tax basis in the ADS or ordinary share. Your adjusted tax basis in an ADS or ordinary share will generally be its U.S. dollar cost. Such gain or loss will generally be capital gain or loss. Long-term capital gains of non-corporate U.S. Holders, including individuals, currently are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by you should be treated as U.S. source gain or loss for foreign tax credit purposes.

### ***Passive Foreign Investment Company***

A non-U.S. corporation generally will be a PFIC for a taxable year if either (i) 75% or more of its gross income for such taxable year is passive income or (ii) 50% or more of the value (determined based on a quarterly average) of its assets is attributable to assets that produce, or are held for the production of, passive income, including cash. “Passive income” includes dividends, interest, and rents and royalties (other than rents and royalties derived in the active conduct of a trade or business and not derived from a related person).

For purposes of these tests, if a non-U.S. corporation owns, directly or indirectly, 25% or more (by value) of the outstanding shares of another corporation, the non-U.S. corporation will be treated as if it (i) holds a proportionate share of the assets of such other corporation and (ii) receives directly a proportionate share of the income of such other corporation.

We do not believe that we were a PFIC for the taxable year ending December 31, 2011 and, based on the projected composition of our income and valuation of our assets, including goodwill, we do not currently expect to be a PFIC for the taxable year ending December 31, 2012, although there can be no assurance in this regard. The determination of whether we are or will be a PFIC for a taxable year depends on the application of complex U.S. federal income tax rules and generally cannot be made until the close of the taxable year in question. In addition, the determination of whether or not we are a PFIC will depend on the nature and composition of our income and assets, including goodwill, throughout a taxable year and will be based, in part, on the market price of our ADSs or ordinary shares which may fluctuate. Accordingly, we can provide no assurances that we are not, and will not become, a PFIC for any taxable year during which you hold ADSs or ordinary shares.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, you will be subject to special tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition, including a pledge, of ADSs or ordinary shares. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or 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 year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and

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- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

You will be required to file U.S. Internal Revenue Service Form 8621 (or any other form specified by the U.S. Department of the Treasury) if you hold our ADSs or ordinary shares in any year in which we are a PFIC.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares and any of our subsidiaries is also a PFIC, you generally would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

If we are a PFIC for any taxable year during which you hold ADSs or ordinary shares, in certain circumstances, in lieu of being subject to the excess distribution rules discussed above, you may make an election to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such stock is regularly traded on a qualified exchange. The ordinary shares are listed on the HKSE, which should be treated as a qualified exchange under applicable Treasury regulations for purposes of the mark-to-market election. The ADSs are listed on the Nasdaq, which should be treated as a qualified exchange under applicable Treasury regulations for purposes of the mark-to-market election. No assurance can be given that either the ADSs or the ordinary shares will be “regularly traded” for purposes of the mark-to-market election.

If you make an effective mark-to-market election, you will include in each year as ordinary income the excess of the fair market value of your ADSs or ordinary shares at the end of the year over your adjusted tax basis in the ADSs or ordinary shares. You will be entitled to deduct as an ordinary loss each year the excess of your adjusted tax basis in the ADSs or ordinary shares over their fair market value at the end of the year, but only to the extent of the net unreversed gains previously included in income as a result of the mark-to-market election. Your adjusted tax basis in the ADSs or ordinary shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs or ordinary shares are no longer regularly traded on a qualified exchange or the U.S. Internal Revenue Service consents to the revocation of the election. A mark-to-market election would not be available with respect to any of our subsidiaries that are PFICs that you would be deemed to own. You are urged to consult your tax advisor about the availability of the mark-to-market election, and whether making the election would be advisable in your particular circumstances.

If we are a PFIC for any taxable year during which you hold our ADSs or ordinary shares, you should assume that a “qualified electing fund” election will not be available because we do not expect to provide you with the information required to permit you to make this election.

You are urged to consult your tax advisors regarding the U.S. federal income tax consequences of holding ADSs or ordinary shares if we are a PFIC in any taxable year.

### ***Information Reporting and Backup Withholding***

Information reporting will apply to dividends in respect of our ADSs or ordinary shares and the proceeds from the sale, exchange or redemption of our ADSs or ordinary shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. Backup withholding may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is furnished to the U.S. Internal Revenue Service in a timely manner.

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In addition, certain U.S. Holders that hold certain foreign financial assets (which may include ADSs or ordinary shares) are required to report information relating to such assets, subject to exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions). You are urged to consult your tax advisors regarding the effect, if any, of this reporting requirement on your ownership and disposition of our 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](http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

Our financial statements have been prepared in accordance with U.S. GAAP. Our annual reports will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP.

Nasdaq Marketplace Rule 5250(d)(1) requires each issuer to distribute to shareholders copies of an annual report containing audited financial statements of our company and its subsidiaries a reasonable period of time prior to our company's annual meeting of shareholders. We do not intend to provide copies. However, shareholders can request a copy, in physical or electronic form, from us or our ADR depository bank, Deutsche Bank. In addition, we intend to post our annual report on our website [www.melco-crown.com](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 Cayman Islands law, 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. From December 31, 2010, the floating rates were associated with the City of Dreams Project Facility and based on the London Interbank Offered Rate, or LIBOR, and HIBOR plus a margin of 2.50% per annum or ranging from 1.50% to 2.00% per annum as adjusted in accordance with the leverage ratio of the original borrowing group. From June 30, 2011, as a result of our 2011 Credit Facilities, the floating rates associated with the City of Dreams Project Facility were further amended to HIBOR plus a margin ranging from 1.75% to 2.75% per annum as adjusted in accordance with the leverage ratio of the Borrowing Group. In addition, we entered into interest rate swaps in connection with our drawdowns under the City of Dreams Project Facility in accordance with our lenders' requirements at such time under the City of Dreams Project Facility. As of December 31, 2011, we had three interest rate swap agreements that have expired in February 2012. See note 11, note 12 and note 13 to the consolidated financial statements included elsewhere in this annual report for summaries of the terms of our indebtedness, our interest rate swap agreements, and the fair value of these interest rate swap agreements, respectively. Accordingly, as of December 31, 2011, we are subject to fluctuations in HIBOR.

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, 2011, approximately 57% of our long-term debt was based on fixed rates due to the issuance of the RMB Bonds and the drawdown of the Deposit-Linked Loan in May 2011. As of December 31, 2010, approximately 32% of our long-term debt was based on fixed rates due to the issuance of our Senior Notes in May 2010. Based on December 31, 2011 and 2010 debt and interest rate swap levels, an assumed 100 basis point change in the HIBOR and LIBOR would cause our annual interest cost to change by approximately US\$8.9 million and US\$7.6 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

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Senior 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 significant portion of our assets and liabilities denominated in Renminbi, as a result of our RMB Bonds and the associated restricted cash balances. The costs incurred with servicing and repaying such debt will be denominated in Renminbi.

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 exchange rates between these currencies has remained relatively stable over the past several years, resulting in minimal foreign exchange exposure. However, 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 as such exchange rates may be affected by, among other things, changes in political and economic conditions. Any significant fluctuations in the exchange rates between H.K. dollars or Patacas 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.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in China and international political and economic conditions and by many other factors. While the Renminbi traded within a narrow range against the U.S. dollar during the period between July 2008 and June 2010, beginning in June 2010 the People's Bank of China adopted measures to allow broader fluctuation of the Renminbi against the U.S. dollar. Recently, the People's Bank of China adopted a policy, effective from April 16, 2012 onwards, enlarging the floating band of the Renminbi's trading prices against the U.S. dollar from 0.5% to 1%. Such exchange rate policy reforms in China may lead to greater fluctuation of the Renminbi against the U.S. dollar and other currencies, and unfavorable fluctuation in such exchange rates could adversely affect our ability to service and repay our indebtedness and our financial results in U.S. dollars.

Furthermore, we accept foreign currencies from our customers and as at December 31, 2011, in addition to H.K. dollars and Patacas, we hold a nominal amount of 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, 2011 and 2010. 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. During the years ended December 31, 2011 and 2010, we entered into the Deposit-Linked Loan denominated in H.K. dollars, which is secured by the Renminbi restricted cash balances from the proceeds of the RMB Bond, and two RMB forward exchange rate contracts. We entered into the Deposit-Linked Loan, in May 2011, for future settlement of the principal amount on the RMB Bonds and the two RMB forward exchange rate contracts for future 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. We will consider our overall procedure for managing our foreign exchange risk from time to time.

See note 11 and note 13 to the consolidated financial statements included elsewhere in this annual report for further details related to our indebtedness and foreign currency exposure, and for the fair value of the remaining forward exchange rate contract as of December 31, 2011.

Based on the balances of long-term debts and restricted cash predominated in currencies other than US dollars as of December 31, 2011, an assumed 1% change in the exchange rates between H.K. dollars or Renminbi against the U.S. dollar would cause a foreign transaction gain or loss of approximately US\$13.7 million.



**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 depository 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 depository 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 depository 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 depository in connection with the conversion of foreign currency into U.S. dollars;
- Fees and expenses incurred by the depository 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 depository from time to time.

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

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

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In the case of cash distributions, service fees are generally deducted from the cash being distributed. In the case of distributions other than cash (i.e., stock dividends, rights, etc), 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 DRS), 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.

Deutsche Bank Trust Company Americas, as depositary, has agreed to reimburse us for a portion of certain expenses incurred in connection with the establishment and maintenance of the ADR program and to provide assistance in relation to our investor relations program, the training of staff and certain other matters. Further, the depositary has agreed to share with us certain fees payable to the depositary by holders of ADSs. In 2011, we received from the depositary reimbursement totaling US\$2.9 million for our ADR program-related expenses, including investor relations expenses.

## **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.

#### **Use of Proceeds**

The proceeds relating to our registration statement on Form F-1 (File No. 333-139088), filed by us in connection with our initial public offering of ADSs and declared effective by the SEC on December 18, 2006, which, after deduction of fees and expenses, amounted to US\$1.1 billion, and the additional US\$160.6 million in net proceeds from the sale of additional ADSs pursuant to the underwriters' exercise of the over-allotment option in January 2007, were primarily used to repay our Subconcession Facility dated September 4, 2006 amounting to US\$500 million and to pay development costs of Altira Macau and City of Dreams, including approximately US\$668 million for the acquisition of property and equipment for these projects, and working capital. All the net proceeds received from our initial public offering have been applied as of the year ended December 31, 2010 and we did not use any of these proceeds in the year ended December 31, 2011.

The proceeds relating to our registration statement on Form F-1 (File No. 333-146780), filed by us in connection with our follow-on public offering of ADSs on November 6, 2007, which, after deduction of fees and expenses, amounted to US\$570 million, were primarily used for development costs of City of Dreams and working capital. All the net proceeds received from this follow-on offering have been applied as of the year ended December 31, 2010 and we did not use any of these proceeds in the year ended December 31, 2011.

The proceeds relating to our registration statements on Form F-3 (File No. 333-158545), filed by us in connection with our follow-on public offerings of ADSs, which, after deduction of fees and expenses, amounted to US\$383.5 million in aggregate, were primarily used for cash security to reduce or replace the letters of credit maintained by Melco and Crown, development costs of City of Dreams and working capital. All the net proceeds

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received from our follow-on offerings on May 1, 2009 and August 18, 2009 have been applied as of the year ended December 31, 2010 and we did not use any of these proceeds in the year ended December 31, 2011.

### **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, 2011. 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*.

Based on this assessment, management concluded that, as of December 31, 2011, our company's internal control over financial reporting is effective based on this framework.

## Attestation Report of the Registered Public Accounting Firm

The effectiveness of our company's internal control over financial reporting as of December 31, 2011, 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, 2011 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 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 September 29, 2011. We have filed our current code of business conduct and ethics as an exhibit to this annual report on Form 20-F, and posted the code of business conduct and ethics on our website at [www.melco-crown.com](http://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 periods indicated. We did not pay any other fees to our auditor during the periods indicated below.

	Year Ended December 31,	
	2011	2010
	<i>(In thousands of US\$)</i>	
Audit fees <sup>(1)</sup>	\$ 585	\$ 1,220
Audit-related fees <sup>(2)</sup>	—	38
Tax fees <sup>(3)</sup>	96	65
All other fees <sup>(4)</sup>	1,672	300

(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 statement for the six months ended June 30, 2010.

(3) "Tax fees" include fees billed for tax consultations.

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- (4) “All other fees” include the aggregate fees billed in respect of the role of reporting accountants and the internal control assessment associated with our listing by introduction on the HKSE, which amounted to US\$1.5 million, and the review of certain documents associated with the issuance of the RMB Bonds, which amounted to US\$102,000.

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 depository bank, Deutsche Bank. We intend to post our annual report on our website [www.melco-crown.com](http://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 then outstanding. Walkers, our Cayman Islands counsel, has provided letters to Nasdaq certifying that under Cayman Islands law, 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.

In September 2011, our board adopted Hong Kong corporate governance guidelines, which took effect upon the listing of our company in Hong Kong. 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.

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### 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

<b>Exhibit Number</b>	<b>Description of Document</b>
1.1	Amended and Restated Memorandum and Articles of Association amended by EGM in October 2011 (incorporated by reference to Exhibit 3.1 from our registration statement on Form F-3 (File No. 333-178215), filed with the SEC on November 29, 2011)
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 Owners 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)

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<b>Exhibit Number</b>	<b>Description of Document</b>
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*	Subscription Agreement, dated April 29, 2011, among Melco Crown Entertainment Limited, Deutsche Bank, Citicorp International Limited, Merrill Lynch International and The Royal Bank of Scotland Plc
2.11*	Trust Deed, dated May 9, 2011, in favor of DB Trustees (Hong Kong) Limited
2.12*	Paying Agency Agreement, dated May 9, 2011, among Melco Crown Entertainment Limited, Deutsche Bank and DB Trustees (Hong Kong) Limited
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)

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<b>Exhibit Number</b>	<b>Description of Document</b>
4.6	Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 7, 2007, for Melco PBL Gaming (Macau) Limited as Company 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, for Melco Crown Gaming (Macau) Limited as Company 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, for Melco Crown Gaming (Macau) Limited as Company and Deutsche Bank AG, Hong Kong Branch, as Agent (incorporated by reference to Exhibit 4.8 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 1, 2008, for Melco Crown Gaming (Macau) Limited as Company 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)



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<b>Exhibit Number</b>	<b>Description of Document</b>
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 Gaming (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)
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco PBL Gaming (now known as Melco Crown Gaming) 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)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.22	Shareholders' Agreement relating to Melco Crown Gaming (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)
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)

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<b>Exhibit Number</b>	<b>Description of Document</b>
4.31	Indenture, dated May 17, 2010, between MCE Finance Limited and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.1 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.32	Registration Rights Agreement, dated May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited, the Senior Subordinated Guarantors as specified therein, Deutsche Bank Securities Inc., Merrill Lynch International, The Royal Bank of Scotland plc, ANZ Securities, Inc., Citigroup Global Markets Inc., Commerz Markets LLC, Credit Agricole Corporate and Investment Bank, nabSecurities, LLC and UBS AG (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.33	Intercompany Promissory Note, dated May 17, 2010, issued by MPEL Investments Limited (incorporated by reference to Exhibit 4.3 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.34	Pledge Agreement, dated as of May 17, 2010, between MCE Finance Limited and The Bank of New York Mellon as collateral agent (incorporated by reference to Exhibit 4.4 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.35	Note Guarantee, dated as of May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited, Melco Crown Gaming (Macau) Limited, MPEL Nominee One Limited, MPEL Investments Limited, Altira Hotel Limited, Altira Developments Limited, Melco Crown (COD) Hotels Limited, Melco Crown (COD) Developments Limited and The Bank of New York as trustee (incorporated by reference to Exhibit 4.5 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.36	Subordination Agreement, dated as of May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited and The Bank of New York Mellon as trustee and as subordination agent (incorporated by reference to Exhibit 4.6 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.37*	Fifth Amendment Agreement in Respect of the Senior Facilities Agreement, dated June 22, 2011, between, amongst others, Melco Crown Gaming, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent
4.38*	Sale and Purchase Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, East Asia Satellite Television (Holdings) Limited and eSun Holdings Limited
4.39*	Implementation Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, MCE Cotai Investments Limited, New Cotai, LLC and New Cotai Holdings, LLC
4.40*	2011 Share Incentive Plan, adopted by EGM on October 6, 2011

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<b>Exhibit Number</b>	<b>Description of Document</b>
8.1*	List of Subsidiaries
11.1	Code of Business Conduct and Ethics, amended and approved as of September 29, 2009 (incorporated by reference to Exhibit 11.1 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)
11.2*	Code of Business Conduct and Ethics, amended and approved as of September 29, 2011
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

\* Filed with this annual report on Form 20-F

\*\* XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

**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 Ho

Name: Lawrence Ho

Title: Co-Chairman and Chief Executive Officer

Date: April 19, 2012

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Document</b>
1.1	Amended and Restated Memorandum and Articles of Association amended by EGM in October 2011 (incorporated by reference to Exhibit 3.1 from our registration statement on Form F-3 (File No. 333-178215), filed with the SEC on November 29, 2011)
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 Owners 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*	Subscription Agreement, dated April 29, 2011, among Melco Crown Entertainment Limited, Deutsche Bank, Citicorp International Limited, Merrill Lynch International and The Royal Bank of Scotland Plc

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<b>Exhibit Number</b>	<b>Description of Document</b>
2.11*	Trust Deed, dated May 9, 2011, in favor of DB Trustees (Hong Kong) Limited
2.12*	Paying Agency Agreement, dated May 9, 2011, among Melco Crown Entertainment Limited, Deutsche Bank and DB Trustees (Hong Kong) Limited
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, for Melco PBL Gaming (Macau) Limited as Company 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, for Melco Crown Gaming (Macau) Limited as Company 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, for Melco Crown Gaming (Macau) Limited as Company and Deutsche Bank AG, Hong Kong Branch, as Agent (incorporated by reference to Exhibit 4.8 from our annual report on Form 20-F for the fiscal year ended December 31, 2008 (File No. 001-33178), filed with the SEC on March 31, 2009)
4.9	Fourth Amendment Agreement in Respect of the Senior Facilities Agreement, dated December 1, 2008, for Melco Crown Gaming (Macau) Limited as Company and Deutsche Bank AG, Hong Kong Branch, as Agent (incorporated by reference to Exhibit 4.11 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)

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<b>Exhibit Number</b>	<b>Description of Document</b>
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 Gaming (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)
4.18	Memorabilia Lease (casino) between Hard Rock Cafe International (STP) Inc. and Melco Crown Gaming (formerly known as Melco PBL Gaming) dated January 22, 2007 (incorporated by reference to Exhibit 4.23 from our annual report on Form 20-F for the fiscal year ended December 31, 2006 (File No. 001-33178), as amended, initially filed with the SEC on March 30, 2007)



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<b>Exhibit Number</b>	<b>Description of Document</b>
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 Gaming (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)

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<b>Exhibit Number</b>	<b>Description of Document</b>
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	Indenture, dated May 17, 2010, between MCE Finance Limited and The Bank of New York Mellon as trustee (incorporated by reference to Exhibit 4.1 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.32	Registration Rights Agreement, dated May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited, the Senior Subordinated Guarantors as specified therein, Deutsche Bank Securities Inc., Merrill Lynch International, The Royal Bank of Scotland plc, ANZ Securities, Inc., Citigroup Global Markets Inc., Commerz Markets LLC, Credit Agricole Corporate and Investment Bank, nabSecurities, LLC and UBS AG (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.33	Intercompany Promissory Note, dated May 17, 2010, issued by MPEL Investments Limited (incorporated by reference to Exhibit 4.3 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.34	Pledge Agreement, dated as of May 17, 2010, between MCE Finance Limited and The Bank of New York Mellon as collateral agent (incorporated by reference to Exhibit 4.4 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.35	Note Guarantee, dated as of May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited, Melco Crown Gaming (Macau) Limited, MPEL Nominee One Limited, MPEL Investments Limited, Altira Hotel Limited, Altira Developments Limited, Melco Crown (COD) Hotels Limited, Melco Crown (COD) Developments Limited and The Bank of New York as trustee (incorporated by reference to Exhibit 4.5 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.36	Subordination Agreement, dated as of May 17, 2010, among MCE Finance Limited, Melco Crown Entertainment Limited, MPEL International Limited and The Bank of New York Mellon as trustee and as subordination agent (incorporated by reference to Exhibit 4.6 from our registration statement on Form F-4 (File No. 333-168823), as amended, initially filed with the SEC on August 18, 2010)
4.37*	Fifth Amendment Agreement in Respect of the Senior Facilities Agreement, dated June 22, 2011, between, amongst others, Melco Crown Gaming, Deutsche Bank AG, Hong Kong Branch as agent and DB Trustees (Hong Kong) Limited as security agent
4.38*	Sale and Purchase Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, East Asia Satellite Television (Holdings) Limited and eSun Holdings Limited

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<b>Exhibit Number</b>	<b>Description of Document</b>
4.39*	Implementation Agreement, dated June 15, 2011, among Melco Crown Entertainment Limited, MCE Cotai Investments Limited, New Cotai, LLC and New Cotai Holdings, LLC
4.40*	2011 Share Incentive Plan, adopted by EGM on October 6, 2011
8.1*	List of Subsidiaries
11.1	Code of Business Conduct and Ethics, amended and approved as of September 29, 2009 (incorporated by reference to Exhibit 11.1 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)
11.2*	Code of Business Conduct and Ethics, amended and approved as of September 29, 2011
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1*	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Walkers
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

\* Filed with this annual report on Form 20-F

\*\* XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and the Board of Directors of Melco Crown Entertainment Limited:

We have audited the accompanying consolidated balance sheets of Melco Crown Entertainment Limited and subsidiaries (the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, shareholders’ equity and comprehensive income (loss), and cash flows for the years ended December 31, 2011, 2010 and 2009. Our audits also included the related financial statements 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, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years ended December 31, 2011, 2010 and 2009, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such related financial statements included in Schedule 1, 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, 2011, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2012 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ **Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
March 28, 2012

**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, 2011, based on the criteria established in *Internal Control — Integrated Framework* 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, 2011, based on the criteria established in *Internal Control — Integrated Framework* 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 related financial statements included in Schedule 1 as of and for the year ended December 31, 2011 of the Company and our report dated March 28, 2012 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ **Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
March 28, 2012

**MELCO CROWN ENTERTAINMENT LIMITED**

**CONSOLIDATED BALANCE SHEETS**

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

	December 31,	
	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,158,024	\$ 441,923
Restricted cash	—	167,286
Accounts receivable, net (Note 3)	306,500	259,521
Amounts due from affiliated companies (Note 20(a))	1,846	1,528
Amount due from a shareholder (Note 20(d))	6	—
Income tax receivable	—	198
Inventories	15,258	14,990
Prepaid expenses and other current assets	23,882	15,026
Total current assets	<u>1,505,516</u>	<u>900,472</u>
PROPERTY AND EQUIPMENT, NET (Note 4)	2,655,429	2,671,895
GAMING SUBCONCESSION, NET (Note 5)	599,505	656,742
INTANGIBLE ASSETS, NET (Note 6)	4,220	4,220
GOODWILL (Note 6)	81,915	81,915
LONG-TERM PREPAYMENT, DEPOSITS AND OTHER ASSETS (Note 7)	72,858	95,629
RESTRICTED CASH (Note 11)	364,807	—
DEFERRED TAX ASSETS (Note 15)	24	25
DEFERRED FINANCING COSTS	42,738	45,387
LAND USE RIGHTS, NET (Note 8)	942,968	428,155
TOTAL	<u>\$ 6,269,980</u>	<u>\$ 4,884,440</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable (Note 9)	\$ 12,023	\$ 8,880
Accrued expenses and other current liabilities (Note 10)	588,719	462,084
Income tax payable	1,240	934
Current portion of long-term debt (Note 11)	—	202,997
Amounts due to affiliated companies (Note 20(b))	1,137	673
Amounts due to shareholders (Note 20(d))	—	36
Total current liabilities	<u>603,119</u>	<u>675,604</u>
LONG-TERM DEBT (Note 11)	2,325,980	1,521,251
OTHER LONG-TERM LIABILITIES (Note 12)	27,900	6,496
DEFERRED TAX LIABILITIES (Note 15)	70,028	18,010
LOANS FROM SHAREHOLDERS (Note 20(c))	—	115,647
LAND USE RIGHTS PAYABLE (Note 19(c))	55,301	24,241
COMMITMENTS AND CONTINGENCIES (Note 19)		
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares at US\$0.01 par value per share (Authorized — 7,300,000,000 and 2,500,000,000 shares as of December 31, 2011 and 2010 and issued — 1,653,101,002 and 1,605,658,111 shares as of December 31, 2011 and 2010, respectively (Note 14))	16,531	16,056
Treasury shares, at US\$0.01 par value per share (10,552,328 and 8,409,186 shares as of December 31, 2011 and 2010, respectively (Note 14))	(106)	(84)
Additional paid-in capital	3,223,274	3,095,730
Accumulated other comprehensive losses	(1,034)	(11,345)
Accumulated losses	(282,510)	(577,166)
Total Melco Crown Entertainment Limited shareholders' equity	<u>2,956,155</u>	<u>2,523,191</u>
Noncontrolling interests	231,497	—
Total equity	<u>3,187,652</u>	<u>2,523,191</u>
TOTAL	<u>\$ 6,269,980</u>	<u>\$ 4,884,440</u>

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,		
	2011	2010	2009
<b>OPERATING REVENUES</b>			
Casino	\$ 3,679,423	\$ 2,550,542	\$ 1,304,634
Rooms	103,009	83,718	41,215
Food and beverage	61,840	56,679	28,180
Entertainment, retail and others	86,167	32,679	11,877
Gross revenues	3,930,439	2,723,618	1,385,906
Less: promotional allowances	(99,592)	(81,642)	(53,033)
Net revenues	3,830,847	2,641,976	1,332,873
<b>OPERATING COSTS AND EXPENSES</b>			
Casino	(2,698,981)	(1,949,024)	(1,130,302)
Rooms	(18,247)	(16,132)	(6,357)
Food and beverage	(34,194)	(32,898)	(16,853)
Entertainment, retail and others	(58,404)	(19,776)	(4,004)
General and administrative	(220,224)	(199,830)	(130,986)
Pre-opening costs	(2,690)	(18,648)	(91,882)
Development costs	(1,110)	—	—
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(34,401)	(19,522)	(18,395)
Depreciation and amortization	(259,224)	(236,306)	(141,864)
Property charges and others	(1,025)	(91)	(7,040)
Total operating costs and expenses	(3,385,737)	(2,549,464)	(1,604,920)
OPERATING INCOME (LOSS)	445,110	92,512	(272,047)
<b>NON-OPERATING EXPENSES</b>			
Interest income	4,131	404	498
Interest expenses, net of capitalized interest	(113,806)	(93,357)	(31,824)
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	3,947	—	—
Amortization of deferred financing costs	(14,203)	(14,302)	(5,974)
Loan commitment fees	(1,411)	3,811	(2,253)
Foreign exchange (loss) gain, net	(1,771)	3,563	491
Other income, net	3,664	1,074	2,516
Listing expenses	(8,950)	—	—
Loss on extinguishment of debt (Note 11)	(25,193)	—	—
Costs associated with debt modification	—	(3,310)	—
Total non-operating expenses	(157,902)	(102,117)	(36,546)
INCOME (LOSS) BEFORE INCOME TAX	287,208	(9,605)	(308,593)
INCOME TAX CREDIT (EXPENSE) (Note 15)	1,636	(920)	132
NET INCOME (LOSS)	288,844	(10,525)	(308,461)
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	5,812	—	—
NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	\$ 294,656	\$ (10,525)	\$ (308,461)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE:</b>			
Basic	\$ 0.184	\$ (0.007)	\$ (0.210)
Diluted	\$ 0.182	\$ (0.007)	\$ (0.210)
<b>WEIGHTED AVERAGE SHARES USED IN NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED PER SHARE CALCULATION:</b>			
Basic	1,604,213,324	1,595,552,022	1,465,974,019
Diluted	1,616,854,682	1,595,552,022	1,465,974,019

The accompanying notes are an integral part of the consolidated financial statements.



**MELCO CROWN ENTERTAINMENT LIMITED**

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)**  
(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	Comprehensive (Loss) Income	Noncontrolling Interests	Total Shareholders' Equity
	Shares	Amount	Shares (Note)	Amount						
<b>BALANCE AT JANUARY 1, 2009</b>	1,321,550,399	\$13,216	(385,180)	\$ (4)	\$2,689,257	\$ (35,685)	\$ (258,180)	\$ —	\$ 2,408,604	
Net loss for the year	—	—	—	—	—	—	(308,461)	—	(308,461)	
Foreign currency translation adjustment	—	—	—	—	—	(11)	—	(11)	(11)	
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,662	—	6,662	6,662	
<b>Total comprehensive loss</b>							<b>\$ (301,810)</b>		<b>(301,810)</b>	
Share-based compensation (Note 16)	—	—	—	—	11,807	—	—	—	11,807	
Shares issued, net of offering expenses (Note 14)	263,155,335	2,631	—	—	380,898	—	—	—	383,529	
Shares issued upon restricted shares vested (Note 14)	8,297,110	83	—	—	6,831	—	—	—	6,914	
Shares issued for future vesting of restricted shares (Note 14)	2,614,706	26	(2,614,706)	(26)	—	—	—	—	—	
Issuance of shares for restricted shares vested (Note 14)	—	—	2,528,319	25	(25)	—	—	—	—	
<b>BALANCE AT DECEMBER 31, 2009</b>	1,595,617,550	15,956	(471,567)	(5)	3,088,768	(29,034)	(566,641)	—	2,509,044	
Net loss for the year	—	—	—	—	—	—	(10,525)	—	(10,525)	
Foreign currency translation adjustment	—	—	—	—	—	32	—	32	32	
Change in fair value of interest rate swap agreements	—	—	—	—	—	17,657	—	17,657	17,657	
<b>Total comprehensive income</b>							<b>\$ 7,164</b>		<b>7,164</b>	
Share-based compensation (Note 16)	—	—	—	—	6,045	—	—	—	6,045	
Shares issued upon restricted shares vested (Note 14)	1,254,920	12	—	—	(12)	—	—	—	—	
Shares issued for future vesting of restricted shares and exercise of share options (Note 14)	8,785,641	88	(8,785,641)	(88)	—	—	—	—	—	
Issuance of shares for restricted shares vested (Note 14)	—	—	43,737	1	(1)	—	—	—	—	
Exercise of share options (Note 14)	—	—	804,285	8	930	—	—	—	938	
<b>BALANCE AT DECEMBER 31, 2010</b>	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)	(149)	
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,111	—	6,111	6,111	
Change in fair value of forward exchange rate contracts	—	—	—	—	—	39	—	39	39	
Reclassification to earnings upon discontinuance of hedge accounting (Note 12)	—	—	—	—	—	4,310	—	4,310	4,310	
<b>Total comprehensive income (loss)</b>							<b>\$ 304,967</b>	<b>(5,812)</b>	<b>299,155</b>	
Acquisition of subsidiaries (Note 22)	—	—	—	—	—	—	—	237,309	237,309	
Share-based compensation (Note 16)	—	—	—	—	8,624	—	—	—	8,624	
Shares issued upon restricted shares vested (Note 14)	310,575	3	—	—	(3)	—	—	—	—	
Shares issued for future vesting of restricted shares and exercise of share options (Note 14)	6,920,386	69	(6,920,386)	(69)	—	—	—	—	—	
Issuance of shares for restricted shares vested (Note 14)	—	—	941,648	9	(9)	—	—	—	—	
Exercise of share options (Note 14)	—	—	3,835,596	38	3,912	—	—	—	3,950	
Issuance of shares for conversion of shareholders' loans (Note 14)	40,211,930	403	—	—	115,020	—	—	—	115,423	
<b>BALANCE AT DECEMBER 31, 2011</b>	1,653,101,002	\$16,531	(10,552,328)	\$ (106)	\$3,223,274	\$ (1,034)	\$ (282,510)	\$ 231,497	\$ 3,187,652	

Note: The treasury shares represent new shares issued by the Company and held by the depository bank to facilitate the administration and operations of the Company's share incentive plan. These shares are to be delivered to the Directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options.

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,		
	2011	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ 288,844	\$ (10,525)	\$ (308,461)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	350,862	313,065	217,496
Amortization of deferred financing costs	14,203	14,302	5,974
Amortization of deferred interest expense	1,142	—	—
Amortization of discount on senior notes payable	723	417	—
Loss on disposal of property and equipment	426	176	640
Impairment loss recognized on property and equipment	—	—	3,137
Allowance for doubtful debts and direct write off	37,803	33,182	16,757
Loss on extinguishment of debt	25,193	—	—
Written off deferred financing costs on modification of debt	—	1,992	—
Share-based compensation	8,624	6,043	11,385
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	(3,947)	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(69,741)	(45,795)	(209,025)
Amounts due from affiliated companies	(318)	(1,527)	649
Income tax receivable	265	—	—
Inventories	(268)	(5,565)	(6,081)
Prepaid expenses and other current assets	(9,359)	1,914	(4,107)
Long-term prepayment, deposits and other assets	379	180	(1,712)
Deferred tax assets	1	(25)	28
Accounts payable	3,143	64	6,225
Accrued expenses and other current liabilities	94,182	94,190	158,332
Income tax payable	238	(34)	(1,186)
Amounts due to affiliated companies	412	(689)	(1,220)
Amounts due to shareholders	(267)	11	25
Other long-term liabilities	777	326	321
Deferred tax liabilities	(2,967)	253	(1,434)
Net cash provided by (used in) operating activities	<u>744,660</u>	<u>401,955</u>	<u>(112,257)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	(290,058)	—	—
Changes in restricted cash	(185,992)	69,137	(168,142)
Acquisition of property and equipment	(90,268)	(197,385)	(937,074)
Payment for land use right	(15,271)	(29,802)	(30,559)
Deposits for acquisition of property and equipment	(3,962)	(5,224)	(2,712)
Payment for entertainment production costs	(70)	(27,116)	(21,735)
Proceeds from sale of property and equipment	233	80	3,730
Refund of deposit for acquisition of land interest	—	—	12,853
Net cash used in investing activities	<u>\$(585,388)</u>	<u>\$(190,310)</u>	<u>\$(1,143,639)</u>

**MELCO CROWN ENTERTAINMENT LIMITED****CONSOLIDATED STATEMENTS OF CASH FLOWS - continued**  
**(In thousands of U.S. dollars)**

	Year Ended December 31,		
	2011	2010	2009
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal payments on long-term debt	\$ (117,076)	\$ (551,402)	\$ —
Payment of deferred financing costs	(36,135)	(22,944)	(870)
Proceeds from long-term debt	706,556	592,026	270,691
Proceeds from exercise of share options	4,565	—	—
Proceeds from issue of share capital	—	—	383,529
Net cash provided by financing activities	<u>557,910</u>	<u>17,680</u>	<u>653,350</u>
<b>EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS</b>	<u>(1,081)</u>	<u>—</u>	<u>—</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>716,101</u>	<u>229,325</u>	<u>(602,546)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>441,923</u>	<u>212,598</u>	<u>815,144</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$1,158,024</u></u>	<u><u>\$ 441,923</u></u>	<u><u>\$ 212,598</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOWS</b>			
Cash paid for interest (net of capitalized interest)	\$ (111,656)	\$ (85,183)	\$ (27,978)
Cash paid for tax (net of refunds)	\$ (827)	\$ (726)	\$ (2,457)
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>			
Construction costs and property and equipment funded through accrued expenses and other current liabilities	\$ 14,630	\$ 16,885	\$ 91,648
Land use right cost funded through accrued expenses and other current liabilities	\$ —	\$ 80	\$ 22,462
Costs of property and equipment funded through amounts due to affiliated companies	\$ 52	\$ —	\$ 4,427
Deferred financing costs funded through accrued expenses and other current liabilities	\$ 778	\$ 240	\$ —
Provision of bonus funded through restricted shares issued and vested	\$ —	\$ —	\$ 6,914
Acquisition of subsidiaries funded through accrued expenses and other current liabilities and other long-term liabilities	\$ 48,473	\$ —	\$ —
Settlement of shareholders' loans through issuance of shares	<u>\$ 115,442</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying notes are an integral part of the consolidated financial statements.

**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**1. COMPANY INFORMATION**

Melco Crown Entertainment Limited (the “Company”) was incorporated in the Cayman Islands 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 (“SEHK”) 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, owner and, through its indirect subsidiary, Melco Crown Gaming (Macau) Limited (“Melco Crown Gaming”), operator of casino gaming and entertainment resort facilities focused on the Macau Special Administrative Region of the People’s Republic of China (“Macau”) market. The Group currently owns and operates City of Dreams — an integrated resort development which opened in June 2009, Taipa Square Casino which opened in June 2008, Altira Macau (formerly known as Crown Macau) — a casino and hotel resort which opened in May 2007, and Mocha Clubs — non-casino-based operations of electronic gaming machines which have been in operation since September 2003. The Group also holds Studio City — an integrated resort comprising entertainment, retail and gaming facilities to be developed in Macau.

As of December 31, 2011 and 2010, the major shareholders of the Company are Melco International Development Limited (“Melco”), a company listed in Hong Kong, and Crown Limited (“Crown”), an Australian-listed corporation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Presentation and Principles of Consolidation**

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

**(b) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Group and on various other assumptions that the Group believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

**(c) Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell the asset or paid to transfer a liability (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date. The Group estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(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 consists of cash deposited into bank accounts restricted for repayment of the Group's senior secured credit facility (the "City of Dreams Project Facility") and payment of City of Dreams project costs in accordance with the City of Dreams Project Facility. The non-current portion of restricted cash represents RMB2,300,000,000 3.75% bonds, due 2013 (the "RMB Bonds") proceeds deposited into a bank account for securing a long-term deposit-linked loan facility (the "Deposit-Linked Loan") as disclosed in Note 11.

**(f) Accounts Receivable and Credit Risk**

Financial instruments that are 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 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, 2011 and 2010, a substantial portion of the Group's markers were due from customers residing in foreign countries. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel, and other receivables, are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems it is probable the 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, 2011 and 2010, 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.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(h) Property and Equipment**

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 (loss). 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:

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

**(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 City of Dreams Project Facility, interest rate swap agreements, \$600,000 10.25% senior notes, due 2018 (the "Senior Notes"), the RMB Bonds, the Deposit-Linked Loan and the City of Dreams Project Facility amended on June 30, 2011 (the "2011 Credit Facilities"). The capitalization of interest and amortization of deferred financing costs ceases once a project is substantially complete 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 \$116,963, \$105,180 and \$82,310, of which \$3,157, \$11,823 and \$50,486 were capitalized for the years ended December 31, 2011, 2010 and 2009, respectively. Additionally, amortization of deferred financing costs of nil, nil and \$4,414 were capitalized for the years ended December 31, 2011, 2010 and 2009, respectively.

**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**

**(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 Gaming 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 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. During the year ended December 31, 2009, an impairment loss amounting to \$282 was recognized to write off gaming equipment due to the reconfiguration of the casino at Altira Macau to meet the evolving demands of gaming patrons and target specific segments, and an impairment loss amounting to \$2,855 was recognized to write off the construction in progress carried out at the Macau Peninsula site following termination of the related acquisition agreement. These impairment losses were included in "Property Charges and Others" in the consolidated statements of operations.

**(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 \$14,203, \$14,302 and \$10,388 were amortized during the years ended December 31, 2011, 2010 and 2009, respectively, of which a portion was capitalized as mentioned in Note 2(i).

**(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.

**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**

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 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, 2011, 2010 and 2009 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,		
	2011	2010	2009
Rooms	\$12,696	\$10,395	\$ 6,778
Food and beverage	28,653	27,870	17,296
Entertainment, retail and others	6,510	5,545	3,448
	<u>\$47,859</u>	<u>\$43,810</u>	<u>\$27,522</u>



**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**

**(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 Tax**

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 \$1,948,652, \$1,362,007 and \$737,485 for the years ended December 31, 2011, 2010 and 2009, 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 Studio City since its acquisition by the Group in July 2011 as disclosed in Note 22 and City of Dreams prior to its opening in June 2009, and continues to incur such costs related to the remaining portion of City of Dreams, Studio City and other one-off activities related to the marketing of new facilities and operations.

**(s) 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 \$31,556, \$45,267 and \$29,018 for the years ended December 31, 2011, 2010 and 2009, respectively.

**(t) 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 dollars and Hong Kong dollars or the Macau Patacas, respectively. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of subsidiaries' financial statements are recorded as a component of comprehensive (loss) income.

**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**

**(u) Share-based Compensation Expenses**

The Group issued restricted shares and share options under its share incentive plan during the years ended December 31, 2011, 2010 and 2009.

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 16.

**(v) Income Tax**

The Group is subject to income taxes in Hong Kong, Macau, the United States of America 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.

**(w) Net income (loss) attributable to the Company per share**

Basic net income (loss) attributable to the Company per share is calculated by dividing the net income (loss) attributable to the Company by the weighted-average number of ordinary shares outstanding during the year.

Diluted net income (loss) attributable to the Company per share is calculated by dividing the net income (loss) attributable to the Company by the weighted-average number of ordinary shares outstanding adjusted to include the potentially dilutive effect of outstanding share-based awards.

**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) Net income (loss) attributable to the Company per share - continued**

The weighted-average number of ordinary and ordinary equivalent shares used in the calculation of basic and diluted net income (loss) attributable to the Company per share consisted of the following:

	Year Ended December 31,		
	2011	2010	2009
Weighted-average number of ordinary shares outstanding used in the calculation of basic net income (loss) attributable to the Company per share	1,604,213,324	1,595,552,022	1,465,974,019
Incremental weighted-average number of ordinary shares from assumed exercise of restricted shares and share options using the treasury stock method	12,641,358	—	—
Weighted-average number of ordinary shares outstanding used in the calculation of diluted net income (loss) attributable to the Company per share	<u>1,616,854,682</u>	<u>1,595,552,022</u>	<u>1,465,974,019</u>

During the year ended December 31, 2011, 5,547,036 outstanding share options as at December 31, 2011 were excluded from the computation of diluted net income attributable to the Company per share as their effect would have been anti-dilutive. During the years ended December 31, 2010 and 2009, the Company had securities which would potentially dilute basic net loss attributable to the Company per share in the future, but which were excluded from the computation of diluted net loss attributable to the Company per share as their effect would have been anti-dilutive. Such outstanding securities consist of restricted shares and share options which result in an incremental weighted-average number of 9,377,509 and 13,931,088 ordinary shares from the assumed conversion/exercise of these restricted shares and share options using the treasury stock method for the years ended December 31, 2010 and 2009, respectively.

**(x) 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 payment 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 statement of operations or in accumulated other comprehensive losses, 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.

Further information on the Group's outstanding financial instruments arrangements on forward exchange rate contracts and interest rate swap agreements as of December 31, 2011 and 2010 are included in Note 11 and Note 12, respectively.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****(y) Accumulated Other Comprehensive Losses**

Accumulated other comprehensive losses represent foreign currency translation adjustment and changes in the fair value of the forward exchange rate contracts and interest rate swap agreements. 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 11.

As of December 31, 2011 and 2010, the Group's accumulated other comprehensive losses consisted of the following:

	December 31,	
	2011	2010
Foreign currency translation adjustment	\$(1,073)	\$ (924)
Change in the fair value of the forward exchange rate contracts	39	—
Change in the fair value of interest rate swap agreements	—	(10,421)
	<u>\$(1,034)</u>	<u>\$(11,345)</u>

**(z) Recent Changes in Accounting Standards**

In May 2011, the Financial Accounting Standards Board ("FASB") issued guidance regarding fair value measurement amendments to align the principles for fair value measurements and the related disclosure requirements under U.S. GAAP and International Financial Reporting Standards ("IFRS"). The FASB also clarified existing fair value measurement and disclosure requirements, and expanded disclosure requirements for fair value measurements. The guidance is effective on a prospective basis for the Group on January 1, 2012 and is not expected to have a material impact on the Group's financial position, results of operations and cash flows.

In June 2011, the FASB issued an accounting standard update to revise the manner in which entities present comprehensive income in their financial statements. This guidance amends existing presentation and disclosure requirements concerning comprehensive income, most significantly by requiring that comprehensive income be presented with net income in a continuous statement, or in a separate but consecutive statement. Furthermore, the accounting standards update prohibits an entity from presenting other comprehensive income and losses in a statement of changes in equity. In December 2011, the FASB issued an accounting standards update to defer the requirement that was originally included in the June 2011 accounting standard update for an entity to present reclassifications between other comprehensive income or loss and net income or loss. This accounting standards update (as modified) is effective on a retrospective basis for the Group on January 1, 2012, and will result in changes to the presentation of comprehensive net income in the Group's consolidated financial statements, but will have no effect on the Group's financial position, results of operations and cash flows.

In September 2011, the FASB issued amended accounting guidance related to goodwill impairment testing. The amended guidance permits an entity to first assess qualitative factors before calculating the fair value of a reporting unit in the annual two-step quantitative goodwill impairment test required

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

under current accounting standards. If it is determined that it is more likely than not that the fair value of a reporting unit is not less than its carrying value, further testing is not needed. The amended guidance is effective for the Group on January 1, 2012 and is not expected to have a material impact on the Group's financial position, results of operations and cash flows.

In December 2011, the FASB issued an accounting standard update related to disclosures about offsetting assets and liabilities. The amendments require that a company disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position. The amendments enhance current disclosures by requiring improved information about financial instruments and derivative instruments that are either (i) offset in accordance with current accounting guidance or (ii) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with current accounting guidance. We do not expect the provisions of this guidance, which are effective a retrospective basis for the Group on January 1, 2013, to have a material impact on the Group's financial position, results of operations and cash flows, as its requirements are disclosure-only in nature.

**3. ACCOUNTS RECEIVABLE, NET**

Components of accounts receivable, net are as follows:

	December 31,	
	2011	2010
Casino	\$385,898	\$293,976
Hotel	3,691	4,438
Other	3,686	2,597
Sub-total	\$393,275	\$301,011
Less: allowance for doubtful debts	(86,775)	(41,490)
	<u>\$306,500</u>	<u>\$259,521</u>

During the years ended December 31, 2011, 2010 and 2009, the Group has provided allowance for doubtful debts of \$36,871, \$32,241 and \$16,114 and has written off accounts receivable of \$932, \$941 and \$643, respectively.

Movement of allowance for doubtful debts are as follows:

	Year Ended December 31,		
	2011	2010	2009
At beginning of year	\$41,490	\$ 24,227	\$ 8,113
Additional allowance	36,871	32,241	16,114
Reclassified from (to) long-term receivables, net	8,414	(14,978)	—
At end of year	<u>\$86,775</u>	<u>\$ 41,490</u>	<u>\$24,227</u>

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****3. ACCOUNTS RECEIVABLE, NET - continued**

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,	
	2011	2010
Current	\$ 220,141	\$ 156,615
1-30 days	41,571	32,305
31-60 days	3,344	8,783
61-90 days	2,573	11,981
Over 90 days	38,871	49,837
	<u>\$ 306,500</u>	<u>\$ 259,521</u>

**4. PROPERTY AND EQUIPMENT, NET**

	December 31,	
	2011	2010
Cost		
Buildings	\$2,439,117	\$2,439,425
Furniture, fixtures and equipment	403,577	381,231
Plant and gaming machinery	147,084	131,104
Leasehold improvements	179,089	147,530
Motor vehicles	4,273	4,309
Sub-total	<u>\$3,173,140</u>	<u>\$3,103,599</u>
Less: accumulated depreciation	<u>(730,313)</u>	<u>(481,040)</u>
Sub-total	<u>\$2,442,827</u>	<u>\$2,622,559</u>
Construction in progress	212,602	49,336
Property and equipment, net	<u>\$2,655,429</u>	<u>\$2,671,895</u>

As of December 31, 2011 and 2010, construction in progress in relation to City of Dreams included interest paid or payable on loans from shareholders, the City of Dreams Project Facility and interest rate swap agreements, 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 \$7,551 and \$7,820, respectively.

As of December 31, 2011, construction in progress in relation to Studio City included interest paid or payable on the RMB Bonds and other direct incidental costs capitalized (representing insurance, salaries and wages and certain other professional charges incurred) which amounted to \$15,628.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****4. PROPERTY AND EQUIPMENT, NET - continued**

During the years ended December 31, 2011, 2010 and 2009, additions to property and equipment amounted to \$236,555, \$119,660 and \$828,736, respectively and disposals of property and equipment at carrying amount were \$655, \$207 and \$5,279, respectively.

**5. GAMING SUBCONCESSION, NET**

	December 31,	
	2011	2010
Deemed cost	\$ 900,000	\$ 900,000
Less: accumulated amortization	(300,495)	(243,258)
Gaming subconcession, net	<u>\$ 599,505</u>	<u>\$ 656,742</u>

The deemed cost was determined based on the estimated fair value of the gaming subconcession contributed by a shareholder of the Company in 2006. The gaming subconcession is amortized on a straight-line basis over the term of the gaming subconcession agreement which expires in June 2022. The Group expects that amortization of the gaming subconcession will be approximately \$57,237 each year from 2012 through 2021, and approximately \$27,135 in 2022.

**6. 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, 2011, 2010 and 2009.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****7. LONG-TERM PREPAYMENT, DEPOSITS AND OTHER ASSETS**

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

	December 31,	
	2011	2010
Entertainment production costs	\$68,553	\$68,483
Less: accumulated amortization	(9,141)	(2,283)
Entertainment production costs, net	\$59,412	\$66,200
Deposit and other	11,143	12,085
Long-term receivables, net	2,303	17,344
Long-term prepayment, deposits and other assets	<u>\$72,858</u>	<u>\$95,629</u>

Entertainment production costs represent the amount incurred and capitalized for the entertainment show in City of Dreams, which commenced performance in September 2010. The Group expects that amortization of entertainment production costs will be approximately \$6,855 each year from 2012 through 2019, and approximately \$4,572 in 2020.

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 \$6,564 and \$14,978 as of December 31, 2011 and 2010, respectively. During the year ended December 31, 2011, long-term receivables, net, amounting to \$17,344 including corresponding allowance for doubtful debts of \$9,697 were reclassified to current; and current accounts receivable, net amounting to \$2,303 including corresponding allowance for doubtful debts of \$1,283 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.

**8. LAND USE RIGHTS, NET**

	December 31,	
	2011	2010
Altira Macau — Medium-term lease (“Taipa Land”)	\$ 141,543	\$141,543
City of Dreams — Medium-term lease (“Cotai Land”)	376,122	376,122
Studio City — Medium-term lease (“Studio City Land”)	549,079	—
	1,066,744	517,665
Less: accumulated amortization	(123,776)	(89,510)
Land use rights, net	<u>\$ 942,968</u>	<u>\$428,155</u>

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. The land use right of Studio City was acquired upon acquisition of assets and liabilities as disclosed in Note 22.

In November 2009, Melco Crown (COD) Developments Limited (“Melco Crown (COD) Developments”), an indirect subsidiary of the Company, and Melco Crown Gaming accepted in principle the initial terms for the revision of the land lease agreement from the Macau Government and recognized additional land



**MELCO CROWN ENTERTAINMENT LIMITED**

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

**8. LAND USE RIGHTS, NET - continued**

premium of \$32,118 payable to the Macau Government for the increased developable gross floor area of Cotai Land in Macau, where the City of Dreams site is located. In March 2010, Melco Crown (COD) Developments and Melco Crown Gaming accepted the final terms for the revision of the land lease agreement and fully paid the additional premium to the Macau Government. The land grant amendment process was completed on September 15, 2010.

**9. ACCOUNTS PAYABLE**

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

	December 31,	
	2011	2010
Within 30 days	\$ 9,551	\$8,431
31-60 days	755	319
61-90 days	1,196	37
Over 90 days	521	93
	<u>\$12,023</u>	<u>\$8,880</u>

**10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	December 31,	
	2011	2010
Construction costs payable	\$ 13,316	\$ 14,218
Customer deposits and ticket sales	42,832	50,143
Gaming tax accruals	169,576	137,299
Interest expenses payable	12,180	11,635
Interest rate swap liabilities	363	8,143
Land use right payable	15,960	15,191
Operating expense and other accruals	100,161	79,232
Other gaming related accruals	19,643	15,065
Outstanding gaming chips and tokens	187,978	131,158
Payables for acquisition of assets and liabilities (Note 22)	26,710	—
	<u>\$ 588,719</u>	<u>\$ 462,084</u>

**11. LONG-TERM DEBT**

Long-term debt consisted of the following:

	December 31,	
	2011	2010
City of Dreams Project Facility	\$ —	\$1,131,805
2011 Credit Facilities	1,014,729	—
Senior Notes <sup>(1)</sup>	593,166	592,443
RMB Bonds	364,807	—
Deposit-Linked Loan	353,278	—
	<u>\$2,325,980</u>	<u>\$1,724,248</u>
Current portion of long-term debt	—	(202,997)
	<u>\$2,325,980</u>	<u>\$1,521,251</u>

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**City of Dreams Project Facility**

On September 5, 2007, Melco Crown Gaming (the "Borrower") entered into the City of Dreams Project Facility with certain lenders in the 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 (the "Scheduled Amortization Payments") commencing 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 to the Scheduled Amortization Payments, the Borrower was also subject to quarterly mandatory prepayments (the "Mandatory Prepayments") in respect of the following amounts within certain subsidiaries of the Borrower (together with the Borrower collectively referred to as the "Borrowing Group") including but not limited to: (i) 50% of the net proceeds of any permitted equity issuance of any member of the Borrowing Group; (ii) the net proceeds of any asset sales; (iii) net termination proceeds paid under the Borrower's subconcession and certain contracts or agreements; (iv) certain net proceeds or liquidated damages paid; (v) insurance proceeds net of expenses to obtain such proceeds; and (vi) excess cash as defined under a leverage test.

Drawdowns on the Term Loan Facility were subject to satisfaction of conditions precedent specified in the City of Dreams Project Facility agreement, including registration of the land concession and execution of construction contracts, compliance with affirmative, negative and financial covenants and the provision of certificates from technical consultants. 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. Security for the City of Dreams Project Facility included: a first-priority mortgage over all land where Altira Macau and City of Dreams are located which are held by subsidiaries of the Company (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 equivalent; charges over the bank accounts in respect of the 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 Borrowing Group which are not subject to any security under any other security documentation; first priority charges over the issued share capital of the Borrowing Group and equipment and tools used in the gaming business by the Borrowing Group; as well as other customary security.

The City of Dreams Project Facility agreement contained certain affirmative and negative covenants customary for such financings, including, but not limited to, limitations on incurring additional liens, incurring additional indebtedness (including guarantees), making certain investments, paying dividends and other restricted payments, creating any subsidiaries and selling assets.

The City of Dreams Project Facility also required the Borrowing Group to comply with certain financial covenants, including, but not limited to:

- a consolidated leverage ratio, which cannot exceed 4.50 to 1.00 for the reporting periods ending December 31, 2010, March 31, 2011 and June 30, 2011, cannot exceed 4.00 to 1.00 for the reporting periods ending September 30, 2011, December 31, 2011 and March 31, 2012, and cannot exceed 3.75 to 1.00 for the reporting periods ending June 30, 2012 onwards;

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**City of Dreams Project Facility - continued**

- a consolidated interest cover ratio, which must be greater than or equal to 2.50 to 1.00 for the reporting periods ending December 31, 2010 and March 31, 2011, and must be greater than or equal to 3.00 to 1.00 for the reporting periods ending June 30, 2011 onwards; and
- a consolidated cash cover ratio, which must be greater than or equal to 1.05 to 1.00 for the reporting periods ending December 31, 2010 onwards.

In addition, there were provisions that limited or prohibited payments of certain dividends and other distributions by the Borrowing Group to the Company. As of December 31, 2010, the net assets of the Borrowing Group of approximately \$1,553,000 was restricted from being distributed under the terms of the City of Dreams Project Facility.

In May 2010, the Borrower entered into an amendment agreement to the City of Dreams Project Facility (the "Amendment Agreement"). The Amendment Agreement, among other things, (i) amended the date of the first covenant test date to December 31, 2010; (ii) provided additional flexibility to the financial covenants; (iii) removed the obligation but retained the right to enter into any new interest rate or foreign currency swaps or other hedging arrangements; and (iv) restricted the use of the net proceeds received from the issuance of the Senior Notes of approximately \$577,066 to repayment of certain amounts outstanding under the City of Dreams Project Facility, including prepaying the Term Loan Facility in an amount of \$293,714 and the Revolving Credit Facility in an amount of \$150,352, with the remaining net proceeds in an amount of \$133,000 deposited in a bank account that was restricted for use to pay future Scheduled Amortization Payments commencing December 2010 as well as providing for a permanent reduction of the Revolving Credit Facility of \$100,000.

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 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.

A total of \$250,000 short-term deposits were placed by the Borrower in May and September 2009 to replace the \$250,000 letters of credit previously provided to support the contingent equity commitment by the major shareholders of the Company, Melco and Crown, which were to be released upon the final completion for the City of Dreams project (or earlier subject to lender determination that the full amount was not required to meet remaining costs) and compliance with other release conditions under the City of Dreams Project Facility.

The Borrower had no draw down on the Term Loan Facility and Revolving Credit Facility during the year ended December 31, 2010. During the year ended December 31, 2009, the Borrower drew down a total of \$70,951, which included \$12,685 and HK\$453,312,004 (equivalent to \$58,266) on the Term Loan Facility and a total of \$199,740, which included \$32,469 and HK\$1,301,364,572 (equivalent to \$167,271), on the Revolving Credit Facility, respectively.

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. Loan commitment fees on the City of

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**City of Dreams Project Facility - continued**

Dreams Project Facility amounting to \$461 and \$2,253 were recognized during the years ended December 31, 2011 and 2009, respectively. During the year ended December 31, 2010, the Borrower recognized a loan commitment fee with credit amount of \$3,811, which include a commitment fee of \$814 and a reversal of accrual not required of \$4,625.

As of December 31, 2010, total outstanding borrowings relating to the City of Dreams Project Facility was \$1,131,805. Management believes the Group was in compliance with all covenants of the City of Dreams Project Facility as of December 31, 2010.

In addition to the prepayment of the Term Loan Facility and Revolving Credit Facility in May 2010 in accordance with the Amendment Agreement as described above, during the years ended December 31, 2011 and 2010, the Borrower further repaid \$89,158 and \$35,693 and prepaid \$20,896 and \$71,643 of the Term Loan Facility, according to the Scheduled Amortization Payments and the Mandatory Prepayments, respectively. During the year ended December 31, 2011, the Borrower also made voluntary repayments of \$7,022 before the amendment to the City of Dreams Project Facility as described below.

**2011 Credit Facilities**

On June 30, 2011, the City of Dreams Project Facility was further amended pursuant to an amendment agreement entered into among the Borrower and certain lenders under the City of Dreams Project Facility on June 22, 2011. The 2011 Credit Facilities, among other things: (i) reduce the Term Loan Facility to HK\$6,241,440,000 (equivalent to \$802,241) (the "2011 Term Loan Facility") and increase the Revolving Credit Facility to HK\$3,120,720,000 (equivalent to \$401,121) (the "2011 Revolving Credit Facility"), of which both are denominated in Hong Kong Dollars; (ii) introduce new lenders and remove certain lenders originally under the City of Dreams Project Facility; (iii) extend the repayment maturity date; (iv) reduce and remove certain restrictions imposed by the covenants in the City of Dreams Project Facility; and (v) remove MPEL (Delaware) LLC, a wholly owned subsidiary of the Borrower, from the Borrowing Group (the "2011 Borrowing Group").

The final maturity date of the 2011 Credit Facilities is June 30, 2016. The 2011 Term Loan Facility will be repaid in quarterly installments according to an amortization schedule commencing on September 30, 2013. Each loan made under the 2011 Revolving Credit Facility will be repaid in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. The Borrower 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 any asset sale, 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.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**2011 Credit Facilities - continued**

The indebtedness under the 2011 Credit Facilities is guaranteed by the 2011 Borrowing Group. Security for the 2011 Credit Facilities remains the same as under the City of Dreams Project Facility (although the terms of the associated security documents have been amended for consistency with the 2011 Credit Facilities) except for securities related to MPEL (Delaware) LLC, which have been released.

The 2011 Credit Facilities also contain affirmative and negative covenants customary for financings of this type, with an additional covenant that the 2011 Borrowing Group must not enter 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 remove the financial covenants under the City of Dreams Project Facility, and replace them with, without limitation:

- a leverage ratio, which cannot exceed 3.00 to 1.00 for the reporting periods ending September 30, 2011, December 31, 2011, March 31, 2012, June 30, 2012, September 30, 2012, December 31, 2012, March 31, 2013 and June 30, 2013 and cannot exceed 2.50 to 1.00 for the reporting periods ending September 30, 2013 onwards;
- total leverage ratio, which cannot exceed 4.50 to 1.00 for the reporting periods ending September 30, 2011, December 31, 2011, March 31, 2012, June 30, 2012, September 30, 2012, December 31, 2012, March 31, 2013 and June 30, 2013 and cannot exceed 4.00 to 1.00 for the reporting periods ending September 30, 2013 onwards; and
- interest cover ratio, which must be greater than or equal to 4.00 to 1.00 for the reporting periods ending September 30, 2011 onwards.

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 below under "Distribution of Profits"). As of December 31, 2011, the net assets of the 2011 Borrowing Group of approximately \$1,896,000 was 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 fee on the 2011 Credit Facilities amounting to \$950 was recognized during the year ended December 31, 2011.

The Group accounted for the amendment of the City of Dreams Project Facility as an extinguishment of debt because the applicable future cash flows under the 2011 Credit Facilities are more than 10% different from the applicable future cash flows under the City of Dreams Project Facility as of the amendment date, June 30, 2011. 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 fee and related issuance costs in relation to the 2011 Credit Facilities of \$29,328 as deferred financing costs.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**2011 Credit Facilities - continued**

As of December 31, 2011, 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, resulting in total outstanding borrowings relating to the 2011 Credit Facilities of HK\$7,894,594,570 (equivalent to \$1,014,729). Management believes the Group was in compliance with all covenants of the 2011 Credit Facilities as of December 31, 2011. As of December 31, 2011, HK\$1,467,565,430 (equivalent to \$188,633) of the 2011 Revolving Credit Facility remains available for future draw down.

**Senior Notes**

On May 17, 2010, MCE Finance Limited ("MCE Finance") (formerly known as MPEL Holdings Limited) issued and listed the Senior Notes 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 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. The Senior Notes are 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 Senior Notes on a senior secured basis. Certain other indirect subsidiaries of MCE Finance, including Melco Crown Gaming (together with the Senior Guarantors, the "Guarantors"), fully and unconditionally and jointly and severally guaranteed the Senior Notes on a senior subordinated secured basis. Upon entering of the 2011 Credit Facilities, the guarantees provided under the Senior Notes were amended with the principal effect being that claims of noteholders under the Senior Notes against subsidiaries of MCE Finance that are obligors under the 2011 Credit Facilities will rank equally in right of payment with claims of lenders under the 2011 Credit Facilities. The Senior Notes mature on May 15, 2018. Interest on the Senior Notes is accrued at a rate of 10.25% per annum and is payable semi-annually in arrears on May 15 and November 15 of each year, commencing 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 Scheduled Amortization Payments commencing December 2010. The restriction was released upon the amendment of the City of Dreams Project Facility on June 30, 2011 as described above. The Senior Notes have been reflected net of discount under long-term debt in the consolidated balance sheets.

At any time after May 15, 2014, 2015 and 2016 and thereafter, MCE Finance may redeem some or all of the Senior Notes at the redemption prices of 105.125%, 102.563% and 100.000%, respectively, plus accrued and unpaid interest, additional amounts and liquidated damages, if any, to the redemption date.

Prior to May 15, 2014, MCE Finance may redeem all or part of the Senior Notes at the redemption price set forth in the related prospectus plus the applicable "make-whole" premium described in the related prospectus plus accrued and unpaid interest, additional amounts and liquidated damages, if any, to the redemption date.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**Senior Notes - continued**

Prior to May 15, 2013, MCE Finance may redeem up to 35% of the principal amount of the Senior Notes with the net cash proceeds from one or more certain equity offerings at the redemption price of 110.25% of the principal amount of the Senior Notes, plus accrued and unpaid interest, additional amounts and liquidated damages, if any, to the redemption date. In addition, subject to certain exceptions and as more fully described in the related prospectus, MCE Finance may redeem the Senior Notes in whole, but not in part, at a price equal to 100% of their principal amount plus accrued interest and unpaid interest, additional amounts and liquidated damages, if any, to the date fixed by MCE Finance for redemption, if MCE Finance or any Guarantor would become obligated to pay certain additional amounts as a result of certain changes in withholding tax laws or certain other circumstances. MCE Finance may also redeem the Senior Notes if the gaming authority of any jurisdiction in which the Company, MCE Finance or any of their respective subsidiaries conducts or proposes to conduct gaming requires holders or beneficial owners of the Senior Notes to be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or becomes licensed or qualified within the required period or is found unsuitable.

The indenture governing the Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of MCE Finance and its restricted subsidiaries' ability 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, 2011, MCE Finance was in compliance with each of the financial restrictions and requirements.

MCE Finance has entered into a registration rights agreement whereby MCE Finance has registered the notes to be issued in an exchange offer for the 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.

The Group capitalized the underwriting fee and related issuance costs in relation to the Senior Notes of \$14,585 as deferred financing costs.

**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 are direct, general, unconditional, unsubordinated and unsecured obligations of the Company, which will at all times rank 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 are both mandatory and of general application. The RMB Bonds mature on May 9, 2013 and the interest on the RMB Bonds is accrued at a rate of 3.75% per annum and is payable semi-annually in arrears on May 9 and November 9 of each year, commencing on November 9, 2011.

At any time after May 9, 2012, the Company may redeem in whole, but not in part, the RMB Bonds at the principal amount, together with accrued interest. The Company may also redeem the RMB Bonds in whole, but not in part, at the principal amount together with accrued interest in the event that: i) as a result of any

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**11. LONG-TERM DEBT - continued**

**RMB Bonds - continued**

change in the laws of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such law or regulation after May 9, 2011, the Company satisfies the trustee that the Company has or will be required to pay additional amounts in respect of the RMB Bonds and such obligation cannot be avoided by taking reasonable measures available to the Company; ii) if at any time the gaming authority of any jurisdiction in which the Company and its subsidiaries conducts or proposes to conduct gaming requires that a person who is a holder or beneficial owner of the RMB Bonds be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or becomes licensed or qualified within the required period or is found unsuitable; or iii) if immediately before giving such notice, at least 90% in principal amount of the RMB Bonds originally issued, including any further bonds issued prior to the time of the notice, has already been previously redeemed, or purchased and cancelled.

The indenture governing the RMB Bonds contains certain negative pledge and financial covenants, providing that the Company shall 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 is also required to comply with certain financial covenants, including maintaining a specified consolidated tangible net worth not to be less than \$1,000,000 and a maximum leverage ratio not to exceed 2.50:1.00.

The Company capitalized the underwriting fee and related issuance costs in relation to the RMB Bonds of \$6,619 as deferred financing costs. Management believes the Company was in compliance with all covenants of the RMB Bonds as of December 31, 2011.

**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 matures 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 bears interest at a rate of 2.88% per annum and is payable semi-annually in arrears on May 8 and November 8 of each year, commencing 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 on November 9, 2011 at a rate of RMB1:HK\$1.2096 and May 9, 2012 at a rate of RMB1:HK\$1.2187. During the year ended December 31, 2011, one of the RMB forward contracts was settled on November 9, 2011 and as of December 31, 2011, the fair value of the remaining forward exchange rate contract of \$7 was recorded as forward exchange rate contract receivable and included in prepaid expenses and other current assets.



**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****11. LONG-TERM DEBT - continued****Deposit-Linked Loan - continued**

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, 2011, the RMB Bonds proceeds held as a security deposit of RMB2,300,000,000 (equivalent to \$364,807), required to be set aside for the duration of this debt were recorded as non-current restricted cash in the consolidated balance sheets.

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

	Year Ended December 31,		
	2011	2010	2009
Interest for City of Dreams Project Facility *	\$ 13,269	\$ 39,157	\$ 50,824
Interest for 2011 Credit Facilities *	13,731	—	—
Interest for Senior Notes **	61,500	38,438	—
Amortization of discount in connection with issuance of Senior Notes **	723	417	—
Interest for RMB Bonds *	8,647	—	—
Interest for Deposit-Linked Loan *	6,300	—	—
	<u>\$104,170</u>	<u>\$ 78,012</u>	<u>\$ 50,824</u>
Interest capitalized (Note 2(i))	<u>(3,157)</u>	<u>(11,823)</u>	<u>(37,374)</u>
	<u>\$101,013</u>	<u>\$ 66,189</u>	<u>\$ 13,450</u>

\* Long-term debt repayable within five years

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

During the years ended December 31, 2011, 2010 and 2009, the Group's average borrowing rates were approximately 5.50%, 6.71% and 5.73% per annum, respectively.

Scheduled maturities of the long-term debt as of December 31, 2011 are as follows:

Year ending December 31,	
2012	\$ —
2013	846,444
2014	256,717
2015	256,717
2016	372,936
Over 2016 <sup>(2)</sup>	593,166
	<u>\$ 2,325,980</u>

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****11. LONG-TERM DEBT - continued**

The long-term debt are repayable as follows:

	December 31,	
	2011	2010
Within one year or on demand	\$ —	\$ 202,997
More than one year, but not exceeding two years	846,444	294,383
More than two years, but not exceeding five years	886,370	634,425
More than five years <sup>(1)</sup>	593,166	592,443
	<u>\$2,325,980</u>	<u>\$1,724,248</u>
Less: Amounts due within one year shown under current liabilities	—	(202,997)
	<u>\$2,325,980</u>	<u>\$1,521,251</u>

## Notes

- (1) Net of unamortized issue discount for the Senior Notes of approximately \$6,834 and \$7,557 as of December 31, 2011 and 2010, respectively.
- (2) Net of unamortized issue discount for the Senior Notes of approximately \$6,834 as of December 31, 2011.

**12. OTHER LONG-TERM LIABILITIES**

	December 31,	
	2011	2010
Interest rate swap liabilities	\$ —	\$2,278
Deferred rent liabilities	4,799	4,037
Other deposits received	196	181
Payables for acquisition of assets and liabilities (Note 22)	22,905	—
	<u>\$27,900</u>	<u>\$6,496</u>

In connection with the signing of the City of Dreams Project Facility in September 2007, Melco Crown Gaming entered into floating-for-fixed interest rate swap agreements to limit its exposure to interest rate risk. Eight and six interest rate swap agreements entered in 2007 and 2008 were expired during the years ended December 31, 2010 and 2011, respectively. Melco Crown Gaming also entered into another three interest rate swap agreements in 2009 that will expire in February 2012. Under the interest rate swap agreements, Melco Crown Gaming pays a fixed interest rate ranging from 1.96% to 4.74% per annum of the notional amount, and receives variable interest which is based on the applicable HIBOR for each of the payment date. As of December 31, 2011 and 2010, the notional amounts of the outstanding interest rate swap agreements amounted to \$127,892 and \$492,265, respectively.

As of December 31, 2010 and before the amendment of the City of Dreams Project Facility on June 30, 2011 as disclosed in Note 11, 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 losses until the hedged interest expenses were

**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**

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

**12. OTHER LONG-TERM LIABILITIES - continued**

recognized in the consolidated statements of operations. As of December 31, 2010, the Group estimated that \$9,752 of the net unrealized losses on the interest rate swaps would have been reclassified from accumulated other comprehensive losses into interest expenses over the next twelve months.

Immediately after the amendment of the City of Dreams Project Facility on June 30, 2011 as disclosed in Note 11, 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. Any subsequent changes in fair value of the interest rate swap agreements will be recognized in the consolidated statements of operations.

As of December 31, 2011 and 2010, the fair values of interest rate swap agreements were recorded as interest rate swap liabilities, of which \$363 and \$8,143 were included in accrued expenses and other current liabilities, and nil and \$2,278 were included in other long-term liabilities, respectively.

**13. FAIR VALUE MEASUREMENTS**

The carrying values of the Group's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, other current assets, long-term deposits, long-term receivables, amounts due from (to) affiliated companies and shareholders, accounts payable, other current liabilities, the 2011 Credit Facilities, the Deposit-Linked Loan, loans from shareholders, land use rights payable, interest rate swap agreements, forward exchange rate contract and debt instruments approximate their fair values, except for the Senior Notes and the RMB Bonds. The estimated fair value, based on quoted market price, of the Senior Notes was approximately \$651,630 and \$693,750 as of December 31, 2011 and 2010, respectively, and of the RMB Bonds was approximately \$352,079 as of December 31, 2011. As of December 31, 2011 and 2010, 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. The following fair value hierarchy table presents information about the Group's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010:

	Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<i>Forward exchange rate contract receivable</i>				
December 31, 2011	\$ —	\$ 7	\$ —	\$ 7
<i>Interest rate swap liabilities</i>				
December 31, 2011	\$ —	\$ 363	\$ —	\$ 363
December 31, 2010	\$ —	\$ 10,421	\$ —	\$ 10,421

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**13. FAIR VALUE MEASUREMENTS - continued**

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 fair value of these interest rate swap agreements and forward exchange rate contract approximates the amounts the Group would pay if these contracts were settled at the respective valuation dates. Fair value is estimated based on a standard valuation model that projects future cash flows and discounts those future cash flows to a present value using market-based observable inputs such as interest rate yields and market forward exchange rates. Since significant observable inputs are used in the valuation model, the interest rate swap arrangements and the forward exchange rate arrangement are considered as Level 2 items in the fair value hierarchy.

**14. CAPITAL STRUCTURE**

On May 1, 2009, the Company issued 67,500,000 ordinary shares and 22,500,000 ADSs, representing a total of 135,000,000 ordinary shares in aggregate, to the public in a follow-on offering with net proceeds after deducting the offering expenses amounted to \$174,417.

On August 18, 2009, the Company issued an additional 42,718,445 ADSs, representing 128,155,335 ordinary shares, to the public in a further follow-on offering with net proceeds after deducting the offering expenses which amounted to \$209,112.

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 29, 2011, the Company issued a total of 40,211,930 ordinary shares to Melco and Crown for shareholders' loan conversion as disclosed in Note 20(c).

In connection with the Company's restricted shares granted as disclosed in Note 16, 310,575, 1,254,920 and 8,297,110 ordinary shares were vested and issued during the years ended December 31, 2011, 2010 and 2009, respectively.

The Company issued 6,920,386, 8,785,641 and 2,614,706 ordinary shares to its depository bank for issuance to employees upon their future vesting of restricted shares and exercise of share options during the years ended December 31, 2011, 2010 and 2009 respectively. 941,648, 43,737 and 2,528,319 of these ordinary

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**14. CAPITAL STRUCTURE - continued**

shares have been issued to employees upon vesting of restricted shares and 3,835,596, 804,285 and nil of these ordinary shares have been issued to employees upon exercise of share options during the years ended December 31, 2011, 2010 and 2009, respectively. The balance of 10,552,328, 8,409,186 and 471,567 ordinary shares continue to be held by the Company for future issuance as of December 31, 2011, 2010 and 2009, respectively.

As of December 31, 2011, 2010 and 2009, the Company had 1,642,548,674, 1,597,248,925 and 1,595,145,983 ordinary shares issued and outstanding, respectively.

**15. INCOME TAX (CREDIT) EXPENSE**

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 and other jurisdictions are subject to Hong Kong Profits Tax, Macau Complementary Tax, income tax in the United States of America and in other jurisdictions, respectively, during the years ended December 31, 2011, 2010 and 2009.

Pursuant to the approval notices issued by Macau Government dated June 7, 2007, Melco Crown Gaming 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”) and Melco Crown (COD) Hotels Limited (“Melco Crown (COD) Hotels”) the declaration of utility purpose benefit in 2007 and 2011, respectively, 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 for Altira Macau, Hard Rock Hotel and Crown Towers Hotel. Under such tax holiday, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for purposes of assessment of 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 are entitled to a vehicle tax holiday provided there is no change in use or disposal of those vehicles within 5 years from the date of purchase.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**15. INCOME TAX (CREDIT) EXPENSE - continued**

The provision for income tax consisted of:

	Year Ended December 31,		
	2011	2010	2009
Income tax provision for current year:			
Macau Complementary Tax	\$ 223	\$ 165	\$ 190
Hong Kong Profits Tax	822	473	731
Profits tax in other jurisdictions	161	65	—
Sub-total	<u>\$ 1,206</u>	<u>\$ 703</u>	<u>\$ 921</u>
Under (over) provision of income tax in prior years:			
Macau Complementary Tax	\$ 3	\$ (18)	\$ 2
Hong Kong Profits Tax	142	(1)	351
Profits tax in other jurisdictions	(21)	8	—
Sub-total	<u>\$ 124</u>	<u>\$ (11)</u>	<u>\$ 353</u>
Deferred tax (credit) charge:			
Macau Complementary Tax	\$ (2,779)	\$ 166	\$ (1,537)
Hong Kong Profits Tax	(185)	58	131
Profits tax in other jurisdictions	(2)	4	—
Sub-total	<u>\$ (2,966)</u>	<u>\$ 228</u>	<u>\$ (1,406)</u>
Total income tax (credit) expense	<u>\$ (1,636)</u>	<u>\$ 920</u>	<u>\$ (132)</u>

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

	Year Ended December 31,		
	2011	2010	2009
Income (loss) before income tax	\$ 287,208	\$ (9,605)	\$ (308,593)
Macau Complementary Tax rate	12%	12%	12%
Income tax expense (credit) at Macau Complementary Tax rate	34,465	(1,153)	(37,031)
Effect of different tax rates of subsidiaries operating in other jurisdictions	242	169	235
Under (over) provision in prior years	124	(11)	353
Effect of income for which no income tax expense is payable	(575)	(258)	(633)
Effect of expense for which no income tax benefit is receivable	12,191	7,868	2,978
Effect of tax holiday granted by Macau Government	(69,677)	(28,069)	—
Losses that cannot be carried forward	—	—	15,639
Change in valuation allowance	21,594	22,374	18,327
	<u>\$ (1,636)</u>	<u>\$ 920</u>	<u>\$ (132)</u>

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, 2011, 2010 and 2009, if applicable. Profits tax in other jurisdictions for the years ended December 31, 2011 and 2010 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 profits tax in other jurisdictions for

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued****(In thousands of U.S. dollars, except share and per share data)****15. INCOME TAX (CREDIT) EXPENSE - continued**

the year ended December 31, 2009 was made as the representative offices and branches incurred tax losses where they operate. No provision for income tax in the United States of America for the years ended December 31, 2011, 2010 and 2009 was provided as the subsidiaries incurred tax losses.

Melco Crown Gaming was granted a tax holiday from Macau Complementary Tax on casino gaming profits by the Macau Government in 2007. In April 2011, this tax holiday for Melco Crown Gaming was extended for an additional 5 years through 2016. During the years ended December 31, 2011 and 2010, Melco Crown Gaming reported net income and had the Group been required to pay such taxes, the Group's consolidated net income attributable to the Company for the year ended December 31, 2011 would have been decreased by \$69,677, and basic and diluted net income attributable to the Company per share would have reported reduced income of \$0.043 per share; and the Group's consolidated net loss attributable to the Company for the year ended December 31, 2010 would have been increased by \$28,069, and basic and diluted net loss attributable to the Company per share would have reported additional loss of \$0.018 per share. Melco Crown Gaming reported net loss during the year ended December 31, 2009, thus, there was no impact on the Group's basic and diluted net loss attributable to the Company per share. Melco Crown Gaming's non-gaming profits remain subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with its gaming subconcession agreement.

The effective tax rates for the years ended December 31, 2011 and 2010 were negative rates of 0.6% and 9.6%, respectively, and the effective tax rate for the year ended December 31, 2009 was a positive rate of 0.04%. Such rates differ from the statutory Macau Complementary Tax rate of 12% primarily due to the effect of change in valuation allowance for the years ended December 31, 2011, 2010 and 2009 and the effect of tax holiday granted by the Macau Government as described in the preceding paragraphs during the years ended December 31, 2011 and 2010 and the impact of net loss of Melco Crown Gaming during the year ended December 31, 2009.

The deferred tax assets and liabilities as of December 31, 2011 and 2010 consisted of the following:

	December 31,	
	2011	2010
Deferred tax assets		
Net operating loss carried forwards	\$ 60,782	\$ 47,183
Depreciation and amortization	24	—
Sub-total	<u>\$ 60,806</u>	<u>\$ 47,183</u>
Valuation allowance		
Current	(17,816)	(6,968)
Long-term	(42,966)	(40,190)
Sub-total	<u>\$(60,782)</u>	<u>\$(47,158)</u>
Total net deferred tax assets	<u>\$ 24</u>	<u>\$ 25</u>
Deferred tax liabilities		
Land use rights	\$(68,552)	\$(16,209)
Intangible assets	(505)	(505)
Unrealized capital allowance	(971)	(1,296)
Total net deferred tax liabilities	<u>\$(70,028)</u>	<u>\$(18,010)</u>

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**15. INCOME TAX (CREDIT) EXPENSE - continued**

As of December 31, 2011 and 2010, valuation allowance of \$60,782 and \$47,158 were provided, respectively, as management does not believe that it is more likely than not that these deferred tax assets will be realized. As of December 31, 2011, adjusted operating tax loss carry forwards, amounting to \$148,470, \$178,100 and \$179,953 will expire in 2012, 2013 and 2014, respectively. Adjusted operating tax loss carried forwards of \$57,563 has expired during the year ended December 31, 2011.

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.

Undistributed earnings of subsidiaries are accounted for as a temporary difference, except that deferred tax liabilities are not recorded for undistributed earnings of foreign subsidiaries that are considered indefinitely reinvested in foreign jurisdictions. The Company has a plan for reinvestment of undistributed earnings of its foreign subsidiaries as of December 31, 2011, which demonstrates such earnings will be indefinitely reinvested in the applicable jurisdictions. As such, no deferred tax liabilities have been recorded.

An evaluation of the tax positions for recognition was conducted by the Group by determining if the weight of available evidence indicates it is more likely than not that the positions will be sustained on audit, including resolution of related appeals or litigation processes, if any. Uncertain tax benefits associated with the tax positions were measured based solely on the technical merits of being sustained on examinations. The Group concluded that there was no significant uncertain tax position requiring recognition in the consolidated financial statements for the years ended December 31, 2011, 2010 and 2009 and there is no material unrecognized tax benefit which would favorably affect the effective income tax rate in future periods. As of December 31, 2011 and 2010, 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 and other jurisdictions until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Hong Kong, Macau and the United States of America are 6 years, 5 years and 3 years, respectively.

**16. SHARE-BASED COMPENSATION**

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 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



**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
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**16. SHARE-BASED COMPENSATION - continued**

10 years, with a maximum of 50,000,000 over the first five years, which the Board of Directors of the Company approved the removal of the maximum limit of 50,000,000 shares issued over the first five years and the shareholders of the Company approved this removal at the general meeting held in May 2009. 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 SEHK 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. As of December 31, 2011 and 2010, nil and 63,347,487 shares out of 100,000,000 shares remained available for the grant of share options or restricted shares under the 2006 Share Incentive Plan.

On October 6, 2011, 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 and such adoption was conditional upon the listing of the Company's ordinary shares on the Main Board of SEHK 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, etc. The term of such awards shall not exceed 10 years from the date of the grant. The maximum aggregate number of shares which may be issued pursuant to all awards under the 2011 Share Incentive Plan is 100,000,000 over 10 years, which could be raised up to 10% of the issued share capital upon shareholders' approval. As of December 31, 2011, 100,000,000 shares remain available for the grant of various share based awards as no award had been granted or agreed to be granted under the 2011 Share Incentive Plan.

The Group granted ordinary share options to certain personnel under the 2006 Share Incentive Plan during the years ended December 31, 2011 and 2010 with the exercise price determined at the closing price of the date of grant. These ordinary share options became exercisable over different vesting periods ranging from immediately vested on date of grant to four years with different vesting scale. The ordinary share options granted expire 10 years after the date of grant, except for options granted in the exchange program, described below, which have a range of 7.7 to 8.3 years' life.

During the year ended December 31, 2009, the Board of Directors of the Company approved a proposal to allow for a one-time share option exchange program, designed to provide eligible employees an opportunity to exchange certain outstanding underwater share options for a lesser amount of new share options to be granted with lower exercise prices. Share options eligible for exchange were those that were granted on or prior to April 11, 2008 under the 2006 Share Incentive Plan. A total of approximately 5.4 million eligible share options were tendered by employees, representing 94% of the total share options eligible for exchange. The Group granted an aggregate of approximately 3.6 million new share options in exchange for the eligible share options surrendered. The exercise price of the new share options was \$1.43, which was the closing price of the Company's ordinary share on the grant date. No incremental share option expense was recognized for the exchange because the fair value of the new options, using Black-Scholes valuation model, was approximately equal to the fair value of the surrendered options they replaced. The significant assumptions used to determine the fair value of the new options includes expected dividend of nil, expected stock price volatility of 87.29%, risk-free interest rate of 2.11% and expected average life of 5.6 years.

During the year ended December 31, 2009, the Group settled bonus provision related to the year ended December 31, 2008 to employees with approximately 6.4 million restricted shares granted and vested on the same date in 2009. The total fair value of those restricted shares amounted to \$6,914.

**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
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**16. SHARE-BASED COMPENSATION - continued**

The Group has also granted restricted shares to certain personnel under the 2006 Share Incentive Plan during the years ended December 31, 2011, 2010 and 2009. These restricted shares have a vesting period ranging from immediately vested on date of grant to four years. The grant date fair value is determined with reference to the market closing price at date of grant.

The Group uses the Black-Scholes valuation model to determine the estimated fair value for each option grant issued, 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 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 was estimated at the date of grant using the following weighted-average assumptions (excludes options granted in share option exchange program):

	December 31,		
	2011	2010	2009
Expected dividend yield	—	—	—
Expected stock price volatility	81.87%	79.24%	74.60%
Risk-free interest rate	2.07%	1.78%	1.45%
Expected average life of options (years)	5.1	5.5	5.5

*Share Options*

A summary of share options activity under the 2006 Share Incentive Plan as of December 31, 2011, and changes during the years ended December 31, 2011, 2010 and 2009 are presented below:

	Number of Share Options	Weighted- Average Exercise Price per Share	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2009	22,270,246	\$ 2.14		
Granted	4,792,536	\$ 1.07		
Granted under option exchange program	3,612,327	\$ 1.43		
Exercised	—	\$ —		
Forfeited	(2,809,419)	\$ 1.93		
Expired	(104,738)	\$ 4.58		
Cancelled under option exchange program	(5,418,554)	\$ 4.39		
Outstanding at December 31, 2009	22,342,398	\$ 1.26		
Granted	4,266,174	\$ 1.17		
Exercised	(804,285)	\$ 1.17		
Forfeited	(5,169,216)	\$ 1.27		
Expired	(181,578)	\$ 4.48		
Outstanding at December 31, 2010	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 at December 31, 2011	<u>20,916,462</u>	<u>\$ 1.55</u>	<u>7.54</u>	<u>\$ 35,367</u>
Exercisable at December 31, 2011	<u>11,007,541</u>	<u>\$ 1.25</u>	<u>6.88</u>	<u>\$ 22,290</u>

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****16. SHARE-BASED COMPENSATION - continued***Share Options - continued*

A summary of share options vested and expected to vest under the 2006 Share Incentive Plan at December 31, 2011 are presented below:

	Vested			Aggregate Intrinsic Value
	Number of Share Options	Weighted- Average Exercise Price per Share	Weighted- Average Remaining Contractual Term	
Range of exercise prices per share (\$1.01 - \$5.06) (Note)	<u>11,007,541</u>	<u>\$ 1.25</u>	<u>6.88</u>	<u>\$ 22,290</u>

Note: 6,961,784 share options vested during the year ended December 31, 2011 of which 68,958 share options expired.

	Expected to Vest			Aggregate Intrinsic Value
	Number of Share Options	Weighted- Average Exercise Price per Share	Weighted- Average Remaining Contractual Term	
Range of exercise prices per share (\$1.01 - \$4.69)	<u>9,908,921</u>	<u>\$ 1.89</u>	<u>8.26</u>	<u>\$ 13,077</u>

The weighted-average fair value of share options granted (excludes options granted in the share option exchange program) during the years ended December 31, 2011, 2010 and 2009 were \$1.67, \$0.84 and \$0.67, respectively. 3,835,596 and 804,285 share options were exercised and proceeds amounted to \$3,950 and \$938 were recognized during the years ended December 31, 2011 and 2010, respectively. The total intrinsic value of share options exercised for the years ended December 31, 2011 and 2010 were \$8,348 and \$767, respectively. No share options were exercised during the year ended December 31, 2009 and therefore no cash proceeds was recognized.

As of December 31, 2011, there was \$9,183 unrecognized compensation costs related to unvested share options and the costs were expected to be recognized over a weighted-average period of 2.03 years.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**16. SHARE-BASED COMPENSATION - continued**

*Restricted Shares*

A summary of the status of the 2006 Share Incentive Plan's restricted shares as of December 31, 2011, and changes during the years ended December 31, 2011, 2010 and 2009 are presented below:

	Number of Restricted Shares	Weighted- Average Grant Date Fair Value
Unvested at January 1, 2009	7,538,076	\$ 2.02
Granted	7,071,741	1.09
Vested	(10,825,445)	1.61
Forfeited	(538,341)	1.61
Unvested at December 31, 2009 and January 1, 2010	3,246,031	\$ 1.41
Granted	1,463,151	1.38
Vested	(1,298,657)	1.67
Forfeited	(761,466)	1.27
Unvested at December 31, 2010 and 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 at December 31, 2011	<u>4,002,503</u>	<u>\$ 2.22</u>

The total fair values at date of grant of the restricted shares vested during the years ended December 31, 2011, 2010 and 2009 were \$1,339, \$2,166 and \$17,433, respectively.

As of December 31, 2011, there was \$6,033 of unrecognized compensation costs related to restricted shares and the costs are expected to be recognized over a weighted-average period of 2.12 years.

The impact of share options and restricted shares for the years ended December 31, 2011, 2010 and 2009 recognized in the consolidated financial statements were as follows:

	Year Ended December 31,		
	2011	2010	2009
Share options	\$ 5,570	\$ 4,439	\$ 5,169
Restricted shares	3,054	1,606	6,638
Total share-based compensation expenses	<u>\$ 8,624</u>	<u>\$ 6,045</u>	<u>\$ 11,807</u>
Less: share-based compensation expenses capitalized in construction in progress	—	(2)	(422)
Share-based compensation recognized in general and administrative expenses	<u>\$ 8,624</u>	<u>\$ 6,043</u>	<u>\$ 11,385</u>

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**17. EMPLOYEE BENEFIT PLANS**

The Group provides defined contribution plans for its employees in Macau, Hong Kong, the United States of America and other jurisdictions.

*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.

*Hong Kong*

Employees employed by the Group in Hong Kong are members of Mandatory Provident Fund Scheme (the "MPF Scheme") operated by the Group. For these employees, with exception of executive officers, the Group's and the employees' contributions to the MPF Scheme are each set at 5% of the employees' relevant income up to a maximum of HK\$1,000 per employee per month. For executive officers, the employees' contributions to the MPF Scheme are set at 5% of the employees' salaries up to a maximum of HK\$1,000 per employee per month. The Group's contribution to the MPF Scheme is set at 10% of the employees' base salaries. The excess of contributions over the Group's mandatory portion, which is 5% of the employees' salaries up to a maximum of HK\$1,000 per employee 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 Group's contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid. The MPF Scheme was established under trust with the assets of the funds held separately from those of the Group by independent trustees.

*United States of America and Other Jurisdictions*

The Group's United States of America and other jurisdictions' subsidiaries 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.

During the years ended December 31, 2011, 2010 and 2009, the Group's contributions into the provident fund were \$5,414, \$5,070 and \$5,012, respectively.

**18. 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, 2011 and 2010, the balance of the reserve amounted to \$3 in each of those years.

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

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****18. DISTRIBUTION OF PROFITS - continued**

completion of the construction of the City of Dreams, the relevant subsidiaries were only 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 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 Senior Notes also contains certain covenants that, subject to certain exceptions and conditions, restrict the payment of dividends for MCE Finance and its restricted subsidiaries.

During the years ended December 31, 2011, 2010 and 2009, the Company did not declare or pay any cash dividends on the ordinary shares. No dividends have been proposed since the end of the reporting period.

**19. COMMITMENTS AND CONTINGENCIES****(a) Capital Commitments**

As of December 31, 2011, the Group had capital commitments contracted for but not provided mainly for the construction and acquisition of property and equipment for City of Dreams and Studio City totaling \$60,643.

**(b) Lease Commitments and Other Arrangements****Operating Leases — As a lessee**

The Group leases office space, Mocha Clubs sites and staff quarters under non-cancellable operating lease agreements that expire at various dates through June 2022. 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. During the years ended December 31, 2011, 2010 and 2009, the Group incurred rental expenses amounting to \$16,944, \$15,373 and \$14,557, respectively.

As of December 31, 2011, minimum lease payments under all non-cancellable leases were as follows:

Year ending December 31,	
2012	\$12,105
2013	7,272
2014	5,098
2015	3,850
2016	2,686
Over 2016	12,145
	<u>\$43,156</u>

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****19. COMMITMENTS AND CONTINGENCIES - continued****(b) Lease Commitments and Other Arrangements - continued****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, 2011, 2010 and 2009, the Group received contingent fees amounting to \$18,053, \$12,801 and \$5,547, respectively.

As of December 31, 2011, minimum future fees to be received under all non-cancellable operating and right to use agreements were as follows:

Year ending December 31,	
2012	\$11,359
2013	10,602
2014	9,835
2015	5,567
2016	1,418
Over 2016	163
	<u>\$38,944</u>

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 Gaming to operate the gaming business in Macau. Pursuant to the gaming subconcession agreement, Melco Crown Gaming has committed to the following:

- i) To pay the Macau Government a fixed annual premium of \$3,744 (MOP30,000,000).
- ii) To pay the Macau Government a variable premium depending on the number and type of gaming tables and gaming machines that the Group operates. The variable premium is calculated as follows:
  - \$37 (MOP300,000) per year for each gaming table (subject to a minimum of 100 tables) reserved exclusively for certain kind of games or to certain players;
  - \$19 (MOP150,000) per year for each gaming table (subject to a minimum of 100 tables) not reserved exclusively for certain kind of games or to certain players; and
  - \$0.1 (MOP1,000) per year for each electrical or mechanical gaming machine, including the slot machine.
- iii) To pay the Macau Government a sum of 1.6% of the gross revenues of the gaming business operations on a monthly basis, that will be made available to a public foundation for the promotion, development and study of social, cultural, economic, educational, scientific, academic and charity activities, to be determined by the Macau Government.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**19. COMMITMENTS AND CONTINGENCIES - continued**

**(c) Other Commitments - continued**

**Gaming subconcession - continued**

- 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 Gaming 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 19(c)(vi) above, a sum of 1.75% of the guarantee amount will be payable by Melco Crown Gaming 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 sheet and a nominal annual government land use fee, which is recognized as general and administrative expense and may be adjusted every five years; and ii) place a guarantee deposit upon acceptance of the land lease terms, which is subject to adjustments from time to time in line with the amounts paid as annual land use fee. During the land concession term, amendments have been sought which have or will result in revisions to the development conditions, land premium and government land use fees.

*Altira Macau*

In March 2006, the Macau Government granted the Taipa Land on which Altira Macau is located to Altira Developments Limited ("Altira Developments"), an indirect subsidiary of the Company. The land premium of approximately \$18,685 was fully paid in July 2006, a guarantee deposit of approximately \$20 was paid upon acceptance of the land lease terms in 2006 and government land use fees of approximately \$171 per annum are payable. As of December 31, 2011, 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 was \$3,282.



**MELCO CROWN ENTERTAINMENT LIMITED**

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

**19. COMMITMENTS AND CONTINGENCIES - continued**

(c) **Other Commitments - continued**

**Land concession contracts - continued**

*City of Dreams*

In August 2008, the Macau Government granted the Cotai Land on which City of Dreams is located to Melco Crown (COD) Developments and Melco Crown Gaming. The initial land premium is approximately \$105,091, of which approximately \$80,850 has been paid as of December 31, 2011 and the remaining amount of approximately \$24,241, accruing with 5% interest per annum, is due to be paid in three biannual installments, and a guarantee deposit of approximately \$424 was also paid upon acceptance of the land lease terms in February 2008. Melco Crown (COD) Developments and Melco Crown Gaming applied for an amendment to the land concession contract in 2009 to increase the total developable gross floor area and the purpose of such area which required an additional land premium of approximately \$32,118 was fully paid in March 2010, and government land use fees were revised to approximately \$1,185 per annum. This amendment process was completed on September 15, 2010. As of December 31, 2011 and 2010, the total outstanding balance of the land premium was included in accrued expenses and other current liabilities in an amount of \$15,960 and \$15,191 and in land use rights payable in an amount of \$8,281 and \$24,241, respectively. As of December 31, 2011, 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 was \$25,569.

*Studio City*

In October 2001, the Macau Government granted the Studio City Land on which Studio City is located to Studio City Developments Limited (formerly known as MSC Desenvolvidimentos, Limitada and East Asia Satellite Television Limited) ("Studio City Developments"), an indirect subsidiary of the Company. In accordance with the terms of the land concession contract, a land premium of approximately \$2,910 was fully paid in 2005, a guarantee deposit of approximately \$105 has been provided and government land use fees of approximately \$105 per annum are payable. Since 2005, the land concession contract has been in the process of being amended.

In November 2006, the Macau Government issued a proposed amendment which was accepted by Studio City Developments that required an additional land premium of approximately \$70,581 and the government land use fees would be revised to approximately \$326 per annum during the development period of Studio City and approximately \$527 per annum after the development period. An additional guarantee deposit of approximately \$326 was paid upon acceptance of the land lease terms and conditions proposed by the Macau Government. Approximately \$23,561 of the additional land premium due was paid in 2006 and the remaining amount of approximately \$47,020 would be due in five biannual installments, accrued with 5% interest per annum, with the first installment to be paid within six months from the date the amended contract would be published in the Macau official gazette. The November 2006 proposed amendment was not published and since that date other amendments have been requested and are in progress with the Macau Government.

As of December 31, 2011, the Group's total outstanding balance of the land premium of approximately \$47,020 was included in land use rights payable and 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 was approximately \$7,799.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**19. COMMITMENTS AND CONTINGENCIES - continued**

(c) **Other Commitments** - continued

**Service agreements**

As of December 31, 2011, the Group had other commitments contracted for but not provided in respect of shuttle buses and limousines services mainly for the operations of Altira Macau and the City of Dreams totaling \$2,237. Expenses for the shuttle buses and limousines services during the years ended December 31, 2011, 2010 and 2009 amounted to \$12,734, \$12,709 and \$10,653, respectively.

As of December 31, 2011, the Group had other commitments contracted for but not provided in respect of cleaning, maintenance, consulting, marketing and other services mainly for the operations of Mocha Clubs, Altira Macau and City of Dreams totaling \$14,435. Expenses for such services during the years ended December 31, 2011, 2010 and 2009 amounted to \$23,994, \$17,201 and \$5,561, respectively.

As of December 31, 2011, the Group had other commitments contracted but not provided in respect of trademark and memorabilia license fees for operations of City of Dreams hotels and casino totaling \$6,678. Expenses for the trademark and memorabilia license fees during the years ended December 31, 2011, 2010 and 2009 amounted to \$1,757, \$1,610 and \$889, respectively.

As of December 31, 2011, the Group had other commitments contracted for but not provided in respect of fees for the operation of an entertainment show in City of Dreams, which commenced performance in September 2010, totaling \$20,667. Fees for the operation of the entertainment show during the years ended December 31, 2011 and 2010 amounted to \$8,076 and \$2,349, respectively.

(d) **Guarantees**

As of December 31, 2011, Melco Crown Gaming 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 19(c)(vi) to the consolidated financial statements.

As of December 31, 2011, the Group 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.

During the year ended December 31, 2009, the Group issued a bank guarantee to the Macau Government amounted to \$22,462 (MOP180,000,000) to guarantee payment of the additional land premium of \$32,118 payable to the Macau Government for the increased developable gross floor area of Cotai Land, where the City of Dreams site is located, as disclosed in Note 8. The guarantee has been released as of December 31, 2010.

(e) **Litigation**

As of December 31, 2011, 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)**

**20. RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2011, 2010 and 2009, the Group entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31,		
		2011	2010	2009
<i>Transactions with affiliated companies</i>				
Chang Wah Garment Manufacturing Company Limited ("Chang Wah") <sup>(1)</sup>	Operating and office supplies expenses	\$ —	\$ —	\$ 175
	Purchase of property and equipment	—	—	150
Chin Son, Limited <sup>(2)</sup>	Purchase of property and equipment	1,756	—	—
Crown's subsidiary	Consultancy fee capitalized in construction in progress	—	—	1,312
	Consultancy fee recognized as expense	461	298	761
	Management fees expense	—	3	45
	Office rental expense	—	3	13
	Purchase of property and equipment	307	—	74
	Service fee expense <sup>(5)</sup>	—	(24)	48
	Traveling expense	—	—	12
	Other service fee income	43	14	767
	Rooms and food and beverage income	—	3	—
Lisboa Holdings Limited <sup>(2)</sup>	Office rental expense	1,493	1,106	1,105
Melco's subsidiaries and its associated companies	Advertising and promotional expenses	9	—	—
	Consultancy fee expense	509	570	540
	Management fees expense	14	14	—
	Network support fee expense	—	—	28
	Office rental expense	533	533	485
	Operating and office supplies expenses	68	160	33
	Purchase of property and equipment	186	1,287	55,021
	Repairs and maintenance expenses	—	236	87
	Service fee expense <sup>(6)</sup>	502	524	646
	Other service fee income	307	254	129
	Rooms and food and beverage income	221	13	12
Melco Crown Entertainment Charity Association ("MCE Charity Association") <sup>(3)</sup>	Donation expense	120	—	—
MGM Grand Paradise Limited ("MGM") <sup>(2)</sup>	Office rental expense	—	—	155
	Operating and office supplies expenses	—	3	—
	Purchase of property and equipment	—	—	37
Shuffle Master Asia Limited ("Shuffle Master") <sup>(4)</sup>	Operating and office supplies expenses	—	—	31
	Purchase of property and equipment	—	—	4,200

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**20. RELATED PARTY TRANSACTIONS - continued**

Related companies	Nature of transactions	Year Ended December 31,		
		2011	2010	2009
<i>Transactions with affiliated companies - continued</i>				
Shun Tak Holdings Limited and its subsidiaries (referred to as "Shun Tak Group") <sup>(2)</sup>	Advertising and promotional expenses	—	—	126
	Office rental expense	124	212	131
	Operating and office supplies expenses	20	18	18
	Purchase of property and equipment	6	—	—
	Traveling expense <sup>(7)</sup>	2,794	2,750	2,058
	Rooms and food and beverage income	445	64	—
Sky Shuttle Helicopters Limited ("Sky Shuttle") <sup>(2)</sup>	Traveling expense	2,008	1,433	852
Sociedade de Jogos de Macau S.A. ("SJM") <sup>(2)</sup>	Office rental expense	—	158	206
	Traveling expense capitalized in construction in progress <sup>(7)</sup>	2	—	—
	Traveling expense recognized as expense <sup>(7)</sup>	482	—	—
Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") and its subsidiaries (together with STDM referred to as "STDM Group") <sup>(2)</sup>	Advertising and promotional expenses	116	75	85
	Office rental expense	807	259	259
	Service fee expense	113	—	54
	Traveling expense capitalized in construction in progress <sup>(7)</sup>	—	3	65
	Traveling expense recognized as expense <sup>(7)</sup>	115	792	739
<i>Transactions with shareholders</i>				
Crown	Interest charges capitalized in construction in progress	—	—	198
	Interest charges recognized as expense	97	86	77
	Other service fee income	4	—	—
	Rooms and food and beverage income	39	—	—
Melco	Interest charges capitalized in construction in progress	—	—	765
	Interest charges recognized as expense	174	156	138
	Other service fee income	—	23	—
	Rooms and food and beverage income	<u>\$ 15</u>	<u>\$ 39</u>	<u>\$ 11</u>

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****20. RELATED PARTY TRANSACTIONS - continued**

## Notes

- (1) A company in which a relative of Mr. Lawrence Ho, the Company's Chief Executive Officer, had beneficial interest until end of December 2009.
- (2) Companies in which a relative/relatives of Mr. Lawrence Ho has/have beneficial interests.
- (3) An association of which certain subsidiaries of the Company are directors.
- (4) Companies in which the Company's former Chief Operating Officer, who resigned this position in May 2009, was an independent non-executive director of its parent company.
- (5) The negative amount including reversal of over-accrual of related expense during the year.
- (6) 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.
- (7) 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 received or prepayment of operating expenses as of December 31, 2011 and 2010 are as follows:

	December 31,	
	2011	2010
Melco's subsidiaries and its associated companies	\$1,744	\$1,464
Shun Tak Group	102	64
	<u>\$1,846</u>	<u>\$1,528</u>

The maximum amounts outstanding due from Melco's subsidiaries during the years ended December 31, 2011 and 2010 were \$1,841 and \$1,757, respectively. The maximum amounts outstanding due from Melco's associated companies during the years ended December 31, 2011 and 2010 were \$4 and \$5, respectively.

The maximum amounts outstanding due from Shun Tak Group during the years ended December 31, 2011 and 2010 were \$236 and \$64, respectively.

The outstanding balances due from affiliated companies as of December 31, 2011 and 2010 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)****20. RELATED PARTY TRANSACTIONS - continued****(b) Amounts Due To Affiliated Companies**

The outstanding balances arising from operating expenses as of December 31, 2011 and 2010 are as follows:

	December 31,	
	2011	2010
Crown's subsidiary	\$ 18	\$ 99
Melco's subsidiaries and its associated companies	179	134
MCE Charity Association	120	—
Shun Tak Group	304	276
SJM	113	—
Sky Shuttle	302	—
STDM Group	101	164
	<u>\$1,137</u>	<u>\$673</u>

The outstanding balances due to affiliated companies as of December 31, 2011 and 2010 as mentioned above are unsecured, non-interest bearing and repayable on demand.

**(c) Loans From Shareholders**

Melco and Crown provided loans to the Company mainly for working capital purposes, for the acquisition of the Altira Macau and the City of Dreams sites and for construction of Altira Macau and City of Dreams.

As of December 31, 2010, the outstanding loan balance due to Melco amounted to HK\$578,577,752 (approximately \$74,367), was unsecured, interest bearing at 3-month HIBOR per annum and at 3-month HIBOR plus 1.5% per annum only during the period from May 16, 2008 to May 15, 2009 and repayable in May 2012. As of December 31, 2010, the outstanding loan balance due to Crown amounted to HK\$321,157,031 (approximately \$41,280), was unsecured, interest bearing at 3-month HIBOR per annum and repayable in May 2012.

On November 18, 2011, Melco and Crown agreed to convert their respective shareholder loans into equity. They entered into a series of agreements, pursuant to which, on November 29, 2011 (the "Capitalization Date"):

- Melco transferred by novation HK\$180,000,000 (approximately \$23,136) of the outstanding loan balances owed to Melco by the Company to Crown. On completion of the novation, the Company was indebted to Melco in the sum of HK\$398,577,752 (approximately \$51,231) and Crown in the sum of HK\$501,157,031 (approximately \$64,416).
- Each of Melco and Crown agreed to convert outstanding loan balances owed by the Company to them into shares. The Company issued a total of 40,211,930 ordinary shares in connection with the shareholder loan conversion, based on a conversion price of \$2.87 per share.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****20. RELATED PARTY TRANSACTIONS - continued****(c) Loans From Shareholders - continued**

The maximum amount of outstanding loan balances due to Melco and Crown during the years ended December 31, 2011 and 2010 was HK\$578,577,752 (approximately \$74,367) and HK\$501,157,031 (approximately \$64,416), respectively.

**(d) Amounts Due From/To Shareholders**

As of December 31, 2011, the outstanding balance due from Melco of \$6, arising from operating income received. As of December 31, 2010, the outstanding balance was a payable to Melco of \$23, mainly related to interest payable on the outstanding loan balances. These amounts were unsecured, non-interest bearing and repayable on demand.

The amounts of \$13 due to Crown as of December 31, 2010, related to interest payable on the outstanding loan balances, were unsecured, non-interest bearing and repayable on demand.

**21. SEGMENT INFORMATION**

The Group is principally engaged in the gaming and hospitality business. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Mocha Clubs, Altira Macau, City of Dreams and Studio City, which was acquired by the Group in July 2011. Taipa Square Casino is included within Corporate and Others. All revenues were generated in Macau.

**Total Assets**

	December 31,		
	2011	2010	2009
Mocha Clubs	\$ 174,404	\$ 145,173	\$ 144,455
Altira Macau	577,145	571,504	575,477
City of Dreams	3,103,458	3,202,692	3,075,052
Studio City	713,637	—	—
Corporate and Others	1,701,336	965,071	1,067,861
Total consolidated assets	<u>\$6,269,980</u>	<u>\$ 4,884,440</u>	<u>\$ 4,862,845</u>

**Capital Expenditures**

	Year Ended December 31,		
	2011	2010	2009
Mocha Clubs	\$ 23,558	\$ 13,140	\$ 11,448
Altira Macau	6,662	7,784	6,712
City of Dreams	39,774	94,279	808,424
Studio City	713,253	—	—
Corporate and Others	2,387	4,457	2,152
Total capital expenditures	<u>\$ 785,634</u>	<u>\$ 119,660</u>	<u>\$ 828,736</u>

For the years ended December 31, 2011, 2010 and 2009, there was no single customer that contributed more than 10% of the total revenues.

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**21. SEGMENT INFORMATION - continued**

The Group's segment information on its results of operations for the following years is as follows:

	Year Ended December 31,		
	2011	2010	2009
<b>NET REVENUES</b>			
Mocha Clubs	\$ 131,934	\$ 111,984	\$ 97,984
Altira Macau	1,173,930	859,755	658,043
City of Dreams	2,491,383	1,638,401	552,141
Studio City	—	—	—
Corporate and Others	33,600	31,836	24,705
<b>Total net revenues</b>	<b>\$ 3,830,847</b>	<b>\$ 2,641,976</b>	<b>\$ 1,332,873</b>
<b>ADJUSTED PROPERTY EBITDA <sup>(1)</sup></b>			
Mocha Clubs	\$ 40,475	\$ 29,831	\$ 25,416
Altira Macau	246,300	133,679	13,702
City of Dreams	594,440	326,338	56,666
Studio City	(300)	—	—
<b>Total adjusted property EBITDA</b>	<b>880,915</b>	<b>489,848</b>	<b>95,784</b>
<b>OPERATING COSTS AND EXPENSES</b>			
Pre-opening costs	(2,690)	(18,648)	(91,882)
Development costs	(1,110)	—	—
Amortization of gaming subconcession	(57,237)	(57,237)	(57,237)
Amortization of land use rights	(34,401)	(19,522)	(18,395)
Depreciation and amortization	(259,224)	(236,306)	(141,864)
Share-based compensation	(8,624)	(6,043)	(11,385)
Property charges and others	(1,025)	(91)	(7,040)
Corporate and others expenses	(71,494)	(59,489)	(40,028)
<b>Total operating costs and expenses</b>	<b>(435,805)</b>	<b>(397,336)</b>	<b>(367,831)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>445,110</b>	<b>92,512</b>	<b>(272,047)</b>
<b>NON-OPERATING EXPENSES</b>			
Interest income	4,131	404	498
Interest expenses, net of capitalized interest	(113,806)	(93,357)	(31,824)
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	3,947	—	—
Amortization of deferred financing costs	(14,203)	(14,302)	(5,974)
Loan commitment fees	(1,411)	3,811	(2,253)
Foreign exchange (loss) gain, net	(1,771)	3,563	491
Other income, net	3,664	1,074	2,516
Listing expenses	(8,950)	—	—
Loss on extinguishment of debt	(25,193)	—	—
Costs associated with debt modification	—	(3,310)	—
<b>Total non-operating expenses</b>	<b>(157,902)</b>	<b>(102,117)</b>	<b>(36,546)</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>287,208</b>	<b>(9,605)</b>	<b>(308,593)</b>
<b>INCOME TAX CREDIT (EXPENSE)</b>	<b>1,636</b>	<b>(920)</b>	<b>132</b>
<b>NET INCOME (LOSS)</b>	<b>288,844</b>	<b>(10,525)</b>	<b>(308,461)</b>
<b>NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>	<b>5,812</b>	<b>—</b>	<b>—</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED</b>	<b>\$ 294,656</b>	<b>\$ (10,525)</b>	<b>\$ (308,461)</b>



**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**

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

**21. SEGMENT INFORMATION - continued**

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 other 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 and Studio City and to compare the operating performance of its properties with those of its competitors.

**22. ACQUISITION OF SUBSIDIARIES**

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 Holdings Limited (formerly known as Cyber One Agents Limited) (“Studio City International Holdings”) (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 installments 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 noncontrolling shareholder who owns 40% interest in Studio City International Holdings), 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 installment of \$50,000 was settled by the Group in August 2011, the second installment of \$25,000 will be payable in July 2012 and the remaining installment of \$25,000 will be payable in July 2013.

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 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.

**MELCO CROWN ENTERTAINMENT LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)****22. ACQUISITION OF SUBSIDIARIES - continued**

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	<u>\$ 374,349</u>
Total consideration satisfied by:	
Cash paid	\$ 310,000
Payables for acquisition of assets and liabilities	45,964
	<u>355,964</u>
Direct costs incurred for acquisition of assets and liabilities	18,385
	<u>\$ 374,349</u>

**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION**

In May 2010, MCE Finance (the "Issuer"), an indirect subsidiary of the Company (the "Parent"), issued the Senior Notes as disclosed in Note 11.

The Issuer and all subsidiary guarantors except Melco Crown Gaming are 100% directly or indirectly owned by the Parent guarantor. Certain Macau laws require companies limited by shares (*sociedade anónima*) incorporated in Macau to have a minimum of three shareholders, and all gaming concessionaires and subconcessionaires to be managed by a Macau permanent resident, the managing director, who must hold at least 10% of the share capital of the concessionaire or subconcessionaire. In accordance with such Macau laws, approximately 90% of the share capital of Melco Crown Gaming is indirectly owned by the Parent. While the Group complies with the Macau laws, Melco Crown Gaming is considered an indirectly 100% owned subsidiary of the Parent for purposes of the consolidated financial statements of the Parent because the economic interest of the 10% holding of the managing director is limited to, in aggregate with other class A shareholders, MOP1 on the winding up or liquidation of Melco Crown Gaming and to receive an aggregate annual dividend of MOP1. The City of Dreams Project Facility, the 2011 Credit Facilities and the gaming subconcession agreement significantly restrict the Parent's, the Issuer's and the subsidiary guarantors' ability to obtain funds from each other guarantor subsidiary in the form of a dividend or loan.

Condensed consolidating financial statements for the Parent, Issuer, guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2011 and 2010, and for the years ended December 31, 2011, 2010, and 2009 are presented in the following tables. Information has been presented such that investments

**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**

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

**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued**

in subsidiaries, if any, are accounted for under the equity method and the principal elimination entries eliminate the investments in subsidiaries and intercompany balances and transactions. Additionally, the guarantor and non-guarantor subsidiaries are presented on a combined basis.

**CONDENSED CONSOLIDATING BALANCE SHEETS**

**December 31, 2011**

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 77,805	\$ —	\$ 1,014,033	\$ 66,186	\$ —	\$ 1,158,024
Accounts receivables, net	—	—	306,500	—	—	306,500
Amounts due from affiliated companies	1,551	—	299	46	(50)	1,846
Amount due from a shareholder	—	—	6	—	—	6
Intercompany receivables	49,889	7,822	59,500	171,217	(288,428)	—
Inventories	—	—	15,258	—	—	15,258
Prepaid expenses and other current assets	5,966	43	15,027	2,846	—	23,882
Total current assets	<u>135,211</u>	<u>7,865</u>	<u>1,410,623</u>	<u>240,295</u>	<u>(288,478)</u>	<u>1,505,516</u>
PROPERTY AND EQUIPMENT, NET	—	—	2,481,176	174,253	—	2,655,429
GAMING SUBCONCESSION, NET	—	—	599,505	—	—	599,505
INTANGIBLE ASSETS, NET	—	—	4,220	—	—	4,220
GOODWILL	—	—	81,915	—	—	81,915
INVESTMENT IN SUBSIDIARIES	3,415,113	2,599,928	4,114,259	381,420	(10,510,720)	—
ADVANCE TO ULTIMATE HOLDING COMPANY	—	—	—	56,140	(56,140)	—
LONG-TERM PREPAYMENT, DEPOSITS AND OTHER ASSETS	135	—	71,742	981	—	72,858
RESTRICTED CASH	364,807	—	—	—	—	364,807
DEFERRED TAX ASSETS	—	—	—	24	—	24
DEFERRED FINANCING COSTS	5,159	11,637	25,942	—	—	42,738
LAND USE RIGHTS, NET	—	—	408,630	534,338	—	942,968
TOTAL	<u>\$3,920,425</u>	<u>\$2,619,430</u>	<u>\$ 9,198,012</u>	<u>\$ 1,387,451</u>	<u>\$ (10,855,338)</u>	<u>\$ 6,269,980</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ —	\$ —	\$ 12,023	\$ —	\$ —	\$ 12,023
Accrued expenses and other current liabilities	8,317	8,046	519,114	53,242	—	588,719
Income tax payable	67	—	—	1,173	—	1,240
Intercompany payables	181,609	—	73,254	33,565	(288,428)	—
Amounts due to affiliated companies	52	—	1,032	103	(50)	1,137
Total current liabilities	<u>190,045</u>	<u>8,046</u>	<u>605,423</u>	<u>88,083</u>	<u>(288,478)</u>	<u>603,119</u>
LONG-TERM DEBT	718,085	593,166	1,014,729	—	—	2,325,980
OTHER LONG-TERM LIABILITIES	—	—	4,986	22,914	—	27,900
DEFERRED TAX LIABILITIES	—	—	16,900	53,128	—	70,028
ADVANCE FROM ULTIMATE HOLDING COMPANY	—	—	1,066,119	341,934	(1,408,053)	—
LOAN FROM INTERMEDIATE HOLDING COMPANY	—	—	580,630	—	(580,630)	—
ADVANCE FROM IMMEDIATE HOLDING COMPANY	—	—	—	56,140	(56,140)	—
ADVANCE FROM A SUBSIDIARY	56,140	—	—	—	(56,140)	—
LAND USE RIGHTS PAYABLE	—	—	8,281	47,020	—	55,301
<b>SHAREHOLDERS' EQUITY</b>						
Total Melco Crown Entertainment Limited shareholders' equity	2,956,155	2,018,218	5,900,944	778,232	(8,697,394)	2,956,155
Noncontrolling interests	—	—	—	—	231,497	231,497
TOTAL	<u>\$3,920,425</u>	<u>\$2,619,430</u>	<u>\$ 9,198,012</u>	<u>\$ 1,387,451</u>	<u>\$ (10,855,338)</u>	<u>\$ 6,269,980</u>

**MELCO CROWN ENTERTAINMENT LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**

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

**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued**

**CONDENSED CONSOLIDATING BALANCE SHEETS**

**December 31, 2010**

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 3,198	\$ —	\$ 410,767	\$ 27,958	\$ —	\$ 441,923
Restricted cash	—	—	167,286	—	—	167,286
Accounts receivable, net	—	—	259,521	—	—	259,521
Amounts due from affiliated companies	1,351	—	167	60	(50)	1,528
Intercompany receivables	77,682	8,099	32,198	174,481	(292,460)	—
Income tax receivable	198	—	—	—	—	198
Inventories	—	—	14,990	—	—	14,990
Prepaid expenses and other current assets	4,722	9	9,048	1,247	—	15,026
Total current assets	87,151	8,108	893,977	203,746	(292,510)	900,472
PROPERTY AND EQUIPMENT, NET	—	—	2,660,069	11,826	—	2,671,895
GAMING SUBCONCESSION, NET	—	—	656,742	—	—	656,742
INTANGIBLE ASSETS, NET	—	—	4,220	—	—	4,220
GOODWILL	—	—	81,915	—	—	81,915
INVESTMENTS IN SUBSIDIARIES	2,734,880	2,254,958	4,058,120	6,301	(9,054,259)	—
LONG-TERM PREPAYMENT, DEPOSITS AND OTHER ASSETS	641	—	94,470	518	—	95,629
DEFERRED TAX ASSETS	—	—	—	25	—	25
DEFERRED FINANCING COSTS	—	13,452	31,935	—	—	45,387
LAND USE RIGHTS, NET	—	—	428,155	—	—	428,155
<b>TOTAL</b>	<b>\$ 2,822,672</b>	<b>\$ 2,276,518</b>	<b>\$ 8,909,603</b>	<b>\$ 222,416</b>	<b>\$ (9,346,769)</b>	<b>\$ 4,884,440</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ —	\$ —	\$ 8,880	\$ —	\$ —	\$ 8,880
Accrued expenses and other current liabilities	1,890	8,270	441,641	10,283	—	462,084
Income tax payable	—	—	—	934	—	934
Current portion of long-term debt	—	—	202,997	—	—	202,997
Intercompany payables	181,771	19	93,329	17,341	(292,460)	—
Amounts due to affiliated companies	137	—	510	76	(50)	673
Amounts due to shareholders	36	—	—	—	—	36
Total current liabilities	183,834	8,289	747,357	28,634	(292,510)	675,604
LONG-TERM DEBT	—	592,443	928,808	—	—	1,521,251
OTHER LONG-TERM LIABILITIES	—	—	6,476	20	—	6,496
DEFERRED TAX LIABILITIES	—	—	17,818	192	—	18,010
ADVANCE FROM ULTIMATE HOLDING COMPANY	—	—	1,047,648	11,254	(1,058,902)	—
LOAN FROM INTERMEDIATE HOLDING COMPANY	—	—	578,617	—	(578,617)	—
LOANS FROM SHAREHOLDERS	115,647	—	—	—	—	115,647
LAND USE RIGHT PAYABLE	—	—	24,241	—	—	24,241
<b>SHAREHOLDERS' EQUITY</b>						
Total shareholders' equity	2,523,191	1,675,786	5,558,638	182,316	(7,416,740)	2,523,191
<b>TOTAL</b>	<b>\$ 2,822,672</b>	<b>\$ 2,276,518</b>	<b>\$ 8,909,603</b>	<b>\$ 222,416</b>	<b>\$ (9,346,769)</b>	<b>\$ 4,884,440</b>

MELCO CROWN ENTERTAINMENT LIMITED

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

23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS  
For the year ended December 31, 2011

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>OPERATING REVENUES</b>						
Casino	\$ —	\$ —	\$ 3,679,423	\$ —	\$ —	\$ 3,679,423
Rooms	—	—	105,565	—	(2,556)	103,009
Food and beverage	—	—	68,409	—	(6,569)	61,840
Entertainment, retail and others	—	—	96,085	47	(9,965)	86,167
Gross revenues	—	—	3,949,482	47	(19,090)	3,930,439
Less: promotional allowances	—	—	(99,592)	—	—	(99,592)
Net revenues	—	—	3,849,890	47	(19,090)	3,830,847
<b>OPERATING COSTS AND EXPENSES</b>						
Casino	—	—	(2,701,999)	—	3,018	(2,698,981)
Rooms	—	—	(18,631)	—	384	(18,247)
Food and beverage	—	—	(34,699)	—	505	(34,194)
Entertainment, retail and others	—	—	(71,151)	—	12,747	(58,404)
General and administrative	(19,474)	(182)	(216,640)	(61,162)	77,234	(220,224)
Pre-opening costs	—	—	(1,556)	(1,138)	4	(2,690)
Development costs	—	—	—	(1,110)	—	(1,110)
Amortization of gaming subconcession	—	—	(57,237)	—	—	(57,237)
Amortization of land use rights	—	—	(19,525)	(14,876)	—	(34,401)
Depreciation and amortization	—	—	(257,414)	(1,810)	—	(259,224)
Property charges and others	(1,000)	—	(25)	—	—	(1,025)
Total operating costs and expenses	(20,474)	(182)	(3,378,877)	(80,096)	93,892	(3,385,737)
OPERATING (LOSS) INCOME	(20,474)	(182)	471,013	(80,049)	74,802	445,110
<b>NON-OPERATING INCOME (EXPENSES)</b>						
Interest (expenses) income, net	(8,377)	1,290	(101,502)	(1,086)	—	(109,675)
Reclassification of accumulated losses of interest rate swap agreements from accumulated other comprehensive losses	—	—	(4,310)	—	—	(4,310)
Change in fair value of interest rate swap agreements	—	—	3,947	—	—	3,947
Other finance costs	(2,260)	(1,815)	(11,539)	—	—	(15,614)
Foreign exchange loss, net	(293)	—	(1,445)	(33)	—	(1,771)
Other income, net	14,812	182	—	63,472	(74,802)	3,664
Listing expenses	(8,950)	—	—	—	—	(8,950)
Loss on extinguishment of debt	—	—	(25,193)	—	—	(25,193)
Share of results of subsidiaries	320,809	332,536	(1)	—	(653,344)	—
Total non-operating income (expenses)	315,741	332,193	(140,043)	62,353	(728,146)	(157,902)
INCOME (LOSS) BEFORE INCOME TAX	295,267	332,011	330,970	(17,696)	(653,344)	287,208
INCOME TAX (EXPENSE) CREDIT	(611)	—	915	1,332	—	1,636
NET INCOME (LOSS)	294,656	332,011	331,885	(16,364)	(653,344)	288,844
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	—	—	5,812	5,812
NET INCOME (LOSS) ATTRIBUTABLE TO MELCO CROWN ENTERTAINMENT LIMITED	\$294,656	\$332,011	\$ 331,885	\$ (16,364)	\$ (647,532)	\$ 294,656

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued**

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**  
**For the year ended December 31, 2010**

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>OPERATING REVENUES</b>						
Casino	\$ —	\$ —	\$ 2,550,542	\$ —	\$ —	\$ 2,550,542
Rooms	—	—	86,165	—	(2,447)	83,718
Food and beverage	—	—	61,738	—	(5,059)	56,679
Entertainment, retail and others	—	—	33,692	194	(1,207)	32,679
Gross revenues	—	—	2,732,137	194	(8,713)	2,723,618
Less: promotional allowances	—	—	(81,642)	—	—	(81,642)
Net revenues	—	—	2,650,495	194	(8,713)	2,641,976
<b>OPERATING COSTS AND EXPENSES</b>						
Casino	—	—	(1,951,336)	—	2,312	(1,949,024)
Rooms	—	—	(16,674)	—	542	(16,132)
Food and beverage	—	—	(33,263)	—	365	(32,898)
Entertainment, retail and others	—	—	(25,332)	—	5,556	(19,776)
General and administrative	(14,985)	(19)	(197,478)	(47,268)	59,920	(199,830)
Pre-opening costs	—	—	(18,972)	—	324	(18,648)
Amortization of gaming subconcession	—	—	(57,237)	—	—	(57,237)
Amortization of land use rights	—	—	(19,522)	—	—	(19,522)
Depreciation and amortization	—	—	(234,427)	(1,879)	—	(236,306)
Property charges and others	—	—	(91)	—	—	(91)
Total operating costs and expenses	(14,985)	(19)	(2,554,332)	(49,147)	69,019	(2,549,464)
<b>OPERATING (LOSS) INCOME</b>	<b>(14,985)</b>	<b>(19)</b>	<b>96,163</b>	<b>(48,953)</b>	<b>60,306</b>	<b>92,512</b>
<b>NON-OPERATING INCOME (EXPENSES)</b>						
Interest (expenses) income, net	(236)	759	(93,499)	23	—	(92,953)
Other finance costs	—	(1,134)	(9,357)	—	—	(10,491)
Foreign exchange (loss) gain, net	(41)	(179)	2,042	1,741	—	3,563
Other income, net	11,257	19	391	49,713	(60,306)	1,074
Costs associated with debt modification	—	—	(3,310)	—	—	(3,310)
Share of results of subsidiaries	(6,129)	(7,298)	(1)	—	13,428	—
Total non-operating income (expenses)	4,851	(7,833)	(103,734)	51,477	(46,878)	(102,117)
<b>(LOSS) INCOME BEFORE INCOME TAX</b>	<b>(10,134)</b>	<b>(7,852)</b>	<b>(7,571)</b>	<b>2,524</b>	<b>13,428</b>	<b>(9,605)</b>
<b>INCOME TAX EXPENSES</b>	<b>(391)</b>	<b>—</b>	<b>(166)</b>	<b>(363)</b>	<b>—</b>	<b>(920)</b>
<b>NET (LOSS) INCOME</b>	<b><u>\$ (10,525)</u></b>	<b><u>\$(7,852)</u></b>	<b><u>\$ (7,737)</u></b>	<b><u>\$ 2,161</u></b>	<b><u>\$ 13,428</u></b>	<b><u>\$ (10,525)</u></b>

**MELCO CROWN ENTERTAINMENT LIMITED**

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

**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued**

**CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS**  
**For the year ended December 31, 2009**

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>OPERATING REVENUES</b>						
Casino	\$ —	\$ —	\$ 1,304,634	\$ —	\$ —	\$ 1,304,634
Rooms	—	—	42,598	—	(1,383)	41,215
Food and beverage	—	—	29,450	—	(1,270)	28,180
Entertainment, retail and others	—	—	10,103	1	1,773	11,877
Gross revenues	—	—	1,386,785	1	(880)	1,385,906
Less: promotional allowances	—	—	(53,033)	—	—	(53,033)
Net revenues	—	—	1,333,752	1	(880)	1,332,873
<b>OPERATING COSTS AND EXPENSES</b>						
Casino	—	—	(1,130,887)	—	585	(1,130,302)
Rooms	—	—	(6,402)	—	45	(6,357)
Food and beverage	—	—	(16,936)	—	83	(16,853)
Entertainment, retail and others	—	—	(4,283)	—	279	(4,004)
General and administrative	(21,089)	—	(122,884)	(22,584)	35,571	(130,986)
Pre-opening costs	—	—	(91,994)	(530)	642	(91,882)
Amortization of gaming subconcession	—	—	(57,237)	—	—	(57,237)
Amortization of land use rights	—	—	(18,395)	—	—	(18,395)
Depreciation and amortization	—	—	(139,875)	(1,989)	—	(141,864)
Property charges and others	—	—	(4,185)	(2,855)	—	(7,040)
Total operating costs and expenses	(21,089)	—	(1,593,078)	(27,958)	37,205	(1,604,920)
<b>OPERATING LOSS</b>	<b>(21,089)</b>	<b>—</b>	<b>(259,326)</b>	<b>(27,957)</b>	<b>36,325</b>	<b>(272,047)</b>
<b>NON-OPERATING (EXPENSES) INCOME</b>						
Interest (expenses) income, net	(119)	—	(31,208)	1	—	(31,326)
Other finance costs	—	—	(8,227)	—	—	(8,227)
Foreign exchange (loss) gain, net	(115)	—	711	(98)	(7)	491
Other income, net	15,127	—	303	23,404	(36,318)	2,516
Share of results of subsidiaries	(301,368)	(296,065)	(216)	—	597,649	—
Total non-operating (expenses) income	(286,475)	(296,065)	(38,637)	23,307	561,324	(36,546)
<b>LOSS BEFORE INCOME TAX</b>	<b>(307,564)</b>	<b>(296,065)</b>	<b>(297,963)</b>	<b>(4,650)</b>	<b>597,649</b>	<b>(308,593)</b>
<b>INCOME TAX (EXPENSES) CREDIT</b>	<b>(897)</b>	<b>—</b>	<b>1,536</b>	<b>(507)</b>	<b>—</b>	<b>132</b>
<b>NET LOSS</b>	<b><u>\$(308,461)</u></b>	<b><u>\$(296,065)</u></b>	<b><u>\$ (296,427)</u></b>	<b><u>\$ (5,157)</u></b>	<b><u>\$ 597,649</u></b>	<b><u>\$ (308,461)</u></b>

**MELCO CROWN ENTERTAINMENT LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**(In thousands of U.S. dollars, except share and per share data)**
**23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**For the year ended December 31, 2011**

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net cash (used in) provided by operating activities	\$ (11,098)	\$ 166	\$ 741,867	\$ 13,725	\$ —	\$ 744,660
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Advances to subsidiaries	(330,680)	—	—	—	330,680	—
Repayment of advance to a subsidiary	11,126	—	—	—	(11,126)	—
Amounts due from subsidiaries	(1,825)	—	—	—	1,825	—
Advance to ultimate holding company	—	—	—	(56,140)	56,140	—
Advance to a subsidiary	—	—	(56,140)	—	56,140	—
Acquisition of subsidiaries	—	—	—	(290,058)	—	(290,058)
Changes in restricted cash	(353,278)	—	167,286	—	—	(185,992)
Acquisition of property and equipment	—	—	(73,791)	(16,477)	—	(90,268)
Payment for land use right	—	—	(15,271)	—	—	(15,271)
Deposits for acquisition of property and equipment	—	—	(3,962)	—	—	(3,962)
Payment for entertainment production costs	—	—	(70)	—	—	(70)
Proceeds from sale of property and equipment	—	—	233	—	—	233
Net cash (used in) provided by investing activities	(674,657)	—	18,285	(362,675)	433,659	(585,388)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Advance from ultimate holding company	—	—	—	330,680	(330,680)	—
Repayment of advance from ultimate holding company	—	—	(11,126)	—	11,126	—
Amount due to ultimate holding company	—	—	386	1,439	(1,825)	—
Advance from immediate holding company .	—	—	—	56,140	(56,140)	—
Advance from a subsidiary	56,140	—	—	—	(56,140)	—
Principal payments on long-term debt	—	—	(117,076)	—	—	(117,076)
Payment of deferred financing costs	(6,899)	(166)	(29,070)	—	—	(36,135)
Proceeds from long-term debt	706,556	—	—	—	—	706,556
Proceeds from exercise of share options	4,565	—	—	—	—	4,565
Net cash provided by (used in) financing activities	760,362	(166)	(156,886)	388,259	(433,659)	557,910
<b>EFFECT OF FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS</b>						
	—	—	—	(1,081)	—	(1,081)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>						
	74,607	—	603,266	38,228	—	716,101
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>						
	3,198	—	410,767	27,958	—	441,923
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>						
	<u>\$ 77,805</u>	<u>\$ —</u>	<u>\$ 1,014,033</u>	<u>\$ 66,186</u>	<u>\$ —</u>	<u>\$ 1,158,024</u>



MELCO CROWN ENTERTAINMENT LIMITED

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

23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS  
For the year ended December 31, 2010

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net cash provided by (used in) operating activities	\$ 7,623	\$ (238)	\$ 383,056	\$ 11,514	\$ —	\$ 401,955
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Advances to subsidiaries	(25,777)	(577,441)	—	—	603,218	—
Amounts due from subsidiaries	(13,006)	—	—	—	13,006	—
Acquisition of property and equipment	—	—	(196,624)	(761)	—	(197,385)
Deposits for acquisition of property and equipment	—	—	(5,224)	—	—	(5,224)
Payment for entertainment production costs	—	—	(27,116)	—	—	(27,116)
Changes in restricted cash	—	—	65,799	3,338	—	69,137
Payment for land use right	—	—	(29,802)	—	—	(29,802)
Proceeds from sale of property and equipment	—	—	80	—	—	80
Net cash (used in) provided by investing activities	(38,783)	(577,441)	(192,887)	2,577	616,224	(190,310)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Payment of deferred financing costs	—	(14,346)	(8,598)	—	—	(22,944)
Advance from ultimate holding company	—	—	25,777	—	(25,777)	—
Amount due to ultimate holding company	—	(1)	323	12,684	(13,006)	—
Advance from intermediate holding company	—	—	577,441	—	(577,441)	—
Proceeds from long-term debt	—	592,026	—	—	—	592,026
Principal payments on long-term debt	—	—	(551,402)	—	—	(551,402)
Net cash provided by financing activities	—	577,679	43,541	12,684	(616,224)	17,680
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(31,160)	—	233,710	26,775	—	229,325
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	34,358	—	177,057	1,183	—	212,598
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 3,198	\$ —	\$ 410,767	\$ 27,958	\$ —	\$ 441,923

MELCO CROWN ENTERTAINMENT LIMITED

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

23. CONDENSED CONSOLIDATING FINANCIAL INFORMATION - continued

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS  
For the year ended December 31, 2009

	Parent	Issuer	Guarantor Subsidiaries <sup>(1)</sup>	Non- guarantor Subsidiaries	Elimination	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net cash used in operating activities	\$ (11,476)	\$ —	\$ (100,062)	\$ (719)	\$ —	\$ (112,257)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Advances to subsidiaries	(1,023,370)	—	—	—	1,023,370	—
Amounts due from subsidiaries	522,661	—	—	—	(522,661)	—
Acquisition of property and equipment	—	—	(934,961)	(2,113)	—	(937,074)
Deposits for acquisition of property and equipment	—	—	(2,712)	—	—	(2,712)
Prepayment of entertainment production costs	—	—	(21,735)	—	—	(21,735)
Changes in restricted cash	—	—	(165,108)	(3,034)	—	(168,142)
Payment for land use right	—	—	(30,559)	—	—	(30,559)
Refund of deposit for acquisition of land interest	—	—	—	12,853	—	12,853
Proceeds from sale of property and equipment	—	—	3,729	1	—	3,730
Net cash (used in) provided by investing activities	(500,709)	—	(1,151,346)	7,707	500,709	(1,143,639)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Payment of deferred financing costs	—	—	(870)	—	—	(870)
Advance from ultimate holding company	—	—	1,012,114	11,256	(1,023,370)	—
Amount due to ultimate holding company	—	—	(499,309)	(23,352)	522,661	—
Proceeds from issue of share capital	383,529	—	—	—	—	383,529
Proceeds from long-term debt	—	—	270,691	—	—	270,691
Net cash provided by (used in) financing activities	383,529	—	782,626	(12,096)	(500,709)	653,350
NET DECREASE IN CASH AND CASH EQUIVALENTS	(128,656)	—	(468,782)	(5,108)	—	(602,546)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	163,014	—	645,839	6,291	—	815,144
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 34,358	\$ —	\$ 177,057	\$ 1,183	\$ —	\$ 212,598

Note

(1) The guarantor subsidiaries column includes financial information of Melco Crown Gaming which is not 100% owned by the Parent

MELCO CROWN ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION — FINANCIAL STATEMENTS SCHEDULE 1  
FINANCIAL INFORMATION OF PARENT COMPANY  
BALANCE SHEETS

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

	December 31,	
	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 77,805	\$ 3,198
Amounts due from affiliated companies	1,551	1,351
Amounts due from subsidiaries	49,889	77,682
Income tax receivable	—	198
Prepaid expenses and other current assets	5,966	4,722
Total current assets	<u>135,211</u>	<u>87,151</u>
INVESTMENTS IN SUBSIDIARIES	3,415,113	2,734,880
LONG-TERM PREPAYMENT	135	641
RESTRICTED CASH	364,807	—
DEFERRED FINANCING COST	5,159	—
TOTAL	<u>\$3,920,425</u>	<u>\$2,822,672</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accrued expenses and other current liabilities	\$ 8,317	\$ 1,890
Income tax payable	67	—
Amounts due to affiliated companies	52	137
Amounts due to subsidiaries	181,609	181,771
Amounts due to shareholders	—	36
Total current liabilities	<u>190,045</u>	<u>183,834</u>
LONG-TERM DEBT	718,085	—
ADVANCE FROM A SUBSIDIARY	56,140	—
LOANS FROM SHAREHOLDERS	—	115,647
<b>SHAREHOLDERS' EQUITY</b>		
Ordinary shares at US\$0.01 par value per share (Authorized – 7,300,000,000 and 2,500,000,000 shares as of December 31, 2011 and 2010 and issued – 1,653,101,002 and 1,605,658,111 shares as of December 31, 2011 and 2010, respectively)	16,531	16,056
Treasury shares, at US\$0.01 par value per share (10,552,328 and 8,409,186 shares as of December 31, 2011 and 2010, respectively)	(106)	(84)
Additional paid-in capital	3,223,274	3,095,730
Accumulated other comprehensive losses	(1,034)	(11,345)
Accumulated losses	(282,510)	(577,166)
Total shareholders' equity	<u>2,956,155</u>	<u>2,523,191</u>
TOTAL	<u>\$3,920,425</u>	<u>\$2,822,672</u>

**MELCO CROWN ENTERTAINMENT LIMITED****ADDITIONAL INFORMATION — FINANCIAL STATEMENTS SCHEDULE 1  
FINANCIAL INFORMATION OF PARENT COMPANY  
STATEMENTS OF OPERATIONS****(In thousands of U.S. dollars, except share and per share data)**

	Year Ended December 31,		
	2011	2010	2009
REVENUE	\$ —	\$ —	\$ —
OPERATING EXPENSES			
General and administrative	(19,474)	(14,985)	(21,089)
Property charges and others	(1,000)	—	—
Total operating expenses	(20,474)	(14,985)	(21,089)
OPERATING LOSS	(20,474)	(14,985)	(21,089)
NON-OPERATING INCOME (EXPENSES)			
Interest income	3,683	6	96
Interest expenses, net of capitalized interest	(12,060)	(242)	(215)
Amortization of deferred financing cost	(2,260)	—	—
Foreign exchange loss, net	(293)	(41)	(115)
Other income, net	14,812	11,257	15,127
Listing expenses	(8,950)	—	—
Share of results of subsidiaries	320,809	(6,129)	(301,368)
Total non-operating income (expenses)	315,741	4,851	(286,475)
INCOME (LOSS) BEFORE INCOME TAX	295,267	(10,134)	(307,564)
INCOME TAX EXPENSE	(611)	(391)	(897)
NET INCOME (LOSS)	<u>\$294,656</u>	<u>\$ (10,525)</u>	<u>\$ (308,461)</u>

MELCO CROWN ENTERTAINMENT LIMITED

ADDITIONAL INFORMATION — FINANCIAL STATEMENTS SCHEDULE 1  
 FINANCIAL INFORMATION OF PARENT COMPANY  
 STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)  
 (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	Total Shareholders' Equity	Comprehensive (Loss) Income
	Shares	Amount	Shares	Amount					
BALANCE AT JANUARY 1, 2009	1,321,550,399	\$13,216	(385,180)	\$(4)	\$2,689,257	\$(35,685)	\$ (258,180)	\$ 2,408,604	
Net loss for the year	—	—	—	—	—	—	(308,461)	(308,461)	\$ (308,461)
Foreign currency translation adjustment	—	—	—	—	—	(11)	—	(11)	(11)
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,662	—	6,662	6,662
Share-based compensation	—	—	—	—	11,807	—	—	11,807	—
Shares issued, net of offering expenses	263,155,335	2,631	—	—	380,898	—	—	383,529	—
Shares issued upon restricted shares vested	8,297,110	83	—	—	6,831	—	—	6,914	—
Shares issued for future vesting of restricted shares	2,614,706	26	(2,614,706)	(26)	—	—	—	—	—
Issuance of shares for restricted shares vested	—	—	2,528,319	25	(25)	—	—	—	—
BALANCE AT DECEMBER 31, 2009	1,595,617,550	15,956	(471,567)	(5)	3,088,768	(29,034)	(566,641)	2,509,044	\$ (301,810)
Net loss for the year	—	—	—	—	—	—	(10,525)	(10,525)	\$ (10,525)
Foreign currency translation adjustment	—	—	—	—	—	32	—	32	32
Change in fair value of interest rate swap agreements	—	—	—	—	—	17,657	—	17,657	17,657
Share-based compensation	—	—	—	—	6,045	—	—	6,045	—
Shares issued upon restricted shares vested	1,254,920	12	—	—	(12)	—	—	—	—
Shares issued for future vesting of restricted shares and exercise of share options	8,785,641	88	(8,785,641)	(88)	—	—	—	—	—
Issuance of shares for restricted shares vested	—	—	43,737	1	(1)	—	—	—	—
Exercise of share options	—	—	804,285	8	930	—	—	938	—
BALANCE AT DECEMBER 31, 2010	1,605,658,111	16,056	(8,409,186)	(84)	3,095,730	(11,345)	(577,166)	2,523,191	\$ 7,164
Net income for the year	—	—	—	—	—	—	294,656	294,656	\$ 294,656
Foreign currency translation adjustment	—	—	—	—	—	(149)	—	(149)	(149)
Change in fair value of interest rate swap agreements	—	—	—	—	—	6,111	—	6,111	6,111
Change in fair value of forward exchange rate contracts	—	—	—	—	—	39	—	39	39
Reclassification to earnings upon discontinuance of hedge accounting	—	—	—	—	—	4,310	—	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	\$ 304,967

**MELCO CROWN ENTERTAINMENT LIMITED**
**ADDITIONAL INFORMATION — FINANCIAL STATEMENTS SCHEDULE 1  
 FINANCIAL INFORMATION OF PARENT COMPANY  
 STATEMENTS OF CASH FLOWS  
 (In thousands of U.S. dollars)**

	Year Ended December 31,		
	2011	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ 294,656	\$ (10,525)	\$ (308,461)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Share-based compensation	8,624	6,043	11,385
Amortization of deferred financing cost	2,260	—	—
Share of results of subsidiaries	(320,809)	6,129	301,368
Changes in operating assets and liabilities:			
Amounts due from affiliated companies	(200)	(1,351)	—
Income tax receivable	265	—	—
Prepaid expenses and other current assets	(1,819)	8,821	(11,885)
Long-term prepayment	506	537	537
Accrued expenses and other current liabilities	5,907	(1,412)	(1,605)
Income tax payable	—	(585)	(909)
Amounts due to shareholders	(261)	14	(1,973)
Amounts due to affiliated companies	(85)	(1,483)	67
Amounts due to subsidiaries	(142)	1,435	—
Net cash (used in) provided by operating activities	<u>(11,098)</u>	<u>7,623</u>	<u>(11,476)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in restricted cash	(353,278)	—	—
Advances to subsidiaries	(330,680)	(25,777)	(1,023,370)
Repayment of advance to a subsidiary	11,126	—	—
Amounts due from subsidiaries	(1,825)	(13,006)	522,661
Net cash used in investing activities	<u>(674,657)</u>	<u>(38,783)</u>	<u>(500,709)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of deferred financing cost	(6,899)	—	—
Proceeds from long-term debt	706,556	—	—
Advance from a subsidiary	56,140	—	—
Proceeds from exercise of share options	4,565	—	—
Proceeds from issue of share capital	—	—	383,529
Net cash provided by financing activities	<u>760,362</u>	<u>—</u>	<u>383,529</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>74,607</b>	<b>(31,160)</b>	<b>(128,656)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>3,198</b>	<b>34,358</b>	<b>163,014</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 77,805</u></b>	<b><u>\$ 3,198</u></b>	<b><u>\$ 34,358</u></b>

**MELCO CROWN ENTERTAINMENT LIMITED**

**ADDITIONAL INFORMATION — FINANCIAL STATEMENTS SCHEDULE 1**

**FINANCIAL INFORMATION OF PARENT COMPANY**

**NOTES TO FINANCIAL STATEMENTS 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, 2011 and 2010, approximately \$1,896,000 and \$1,553,000, 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, 2011, 2010 and 2009.

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.

3. Long-term debt

The Company issued the RMB Bonds and obtained the Deposit-Linked Loan during the year ended December 31, 2011 as disclosed in Note 11 to the Group's consolidated financial statements.

Scheduled maturities of the long-term debt of the Company as of December 31, 2011 are as follows:

Year ending December 31,	
2012	\$ —
2013	<u>718,085</u>
	<u>\$ 718,085</u>

MELCO CROWN ENTERTAINMENT LIMITED

AND

DEUTSCHE BANK AG, HONG KONG BRANCH

AND

CITICORP INTERNATIONAL LIMITED

AND

MERRILL LYNCH INTERNATIONAL

AND

THE ROYAL BANK OF SCOTLAND PLC

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SUBSCRIPTION AGREEMENT  
RELATING TO RMB2,300,000,000 3.75%  
BONDS DUE 2013

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**BETWEEN**

- (1) **MELCO CROWN ENTERTAINMENT LIMITED** (the “**Issuer**”);
- (2) **DEUTSCHE BANK AG, HONG KONG BRANCH** (“**Deutsche Bank**”);
- (3) **CITICORP INTERNATIONAL LIMITED** (“**Citi**”);
- (4) **MERRILL LYNCH INTERNATIONAL** (“**BofAML**”); and
- (5) **THE ROYAL BANK OF SCOTLAND PLC** (“**RBS**” and, together with Deutsche Bank, Citi and BofAML, the “**Joint Bookrunners**”).

**WHEREAS**

- (A) The Issuer, an exempted company with limited liability incorporated under the laws of the Cayman Islands, has authorised the creation and issue of RMB2,300,000,000 in aggregate principal amount of 3.75% bonds due 2013 (the “**Bonds**”).
- (B) The Bonds will be in bearer form and in the denomination of RMB250,000 each and integral multiples of RMB10,000 in excess thereof. The Bonds will be represented by a global permanent bond (the “**Global Bond**”), which will be exchangeable for bonds in definitive form (the “**Definitive Bonds**”) in the circumstances specified in the Global Bond.
- (C) The Bonds will be offered and sold outside the United States (as defined below) in reliance on Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”).
- (D) The Bonds will be constituted by a trust deed (the “**Trust Deed**”), a draft of which is in the agreed form and to which will be scheduled the forms of the Bonds. The Trust Deed will be made between the Issuer and DB Trustees (Hong Kong) Limited (the “**Trustee**”) as trustee for the holders of the Bonds from time to time.
- (E) The Issuer will, in relation to the Bonds, enter into a paying agency agreement (the “**Agency Agreement**”) with Deutsche Bank AG, Hong Kong Branch as the lodging agent with the CMU (as defined herein) (the “**CMU Lodging Agent**”), Deutsche Bank AG, Hong Kong Branch as the principal paying agent (the “**Principal Paying Agent**”) and the other paying agents named therein and the Trustee, a draft of which is in the agreed form.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement the following expressions have the following meanings:

“**Affiliate**” has the meaning ascribed to such term in Rule 501(b) under the Securities Act.

“**Billing and Delivery Agent**” means Deutsche Bank;

“**business day**” means any day (other than a Sunday or a Saturday) on which (i) if the Bonds are lodged with the CMU, the CMU is operating and (ii) commercial banks in Hong Kong settle Renminbi payments;

“**Closing Date**” means, subject to Clause 8.3 (*Postponed closing*), May 9, 2011;

“**CMU**” means the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority;

“**CMU Main Account**” means an account, other than a custody account, within the CMU of a person who has entered into an appropriate membership agreement with the Hong Kong Monetary Authority;

“**Conditions**” means the terms and conditions of the Bonds as scheduled to the agreed form of the Trust Deed as the same may be modified prior to the Closing Date, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof;

“**Event of Default**” means one of those circumstances described in Condition 8 (*Events of Default*);

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;

“**Fees and Expenses Letter**” means the fees and expenses letter, dated April 29, 2011, agreed among the Issuer and the Joint Bookrunners;

“**Final Offering Circular**” means the final offering circular dated the date of this Agreement prepared in connection with the Issue;

“**Group**” means the Issuer and its Subsidiaries;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Issue**” means the issue of the Bonds by the Issuer;

“**Issue Documents**” means the Trust Deed and the Agency Agreement;

“**Issue Price**” means 100% of the aggregate principal amount of the Bonds;

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“**Loss**” has the meaning ascribed to such term in Clause 6.1 (*Indemnity*);

“**Macau**” means the Macau Special Administrative Region of the People’s Republic of China;

“**Marketing and Roadshow Materials**” means the materials approved by the Issuer and furnished at investor roadshows relating to the Bonds (the “**Investor Roadshows**”) and any other material approved by the Issuer for use in connection with the marketing of the Bonds;

“**Material Adverse Effect**” means a material adverse effect on the condition (financial or otherwise), business, properties, business prospects or results of operations of the Group taken as a whole;

“**Material Contracts**” means each of (i) the Subconcession Contract dated 8 September 2006 between Wynn Resorts (Macau), S.A. and Melco PBL Gaming (Macau) Limited, previously known as PBL Entertainment (Macau) Limited, a Macau company (“**MC Gaming**”); (ii) the Senior Secured Term Loan and Revolving Credit Facilities Agreement and the subconcession bank guarantee request letter, dated 1 September 2006, issued by Melco Crown Gaming (Macau) Limited and the bank guarantee number 269/2006, dated 6 September 2006, extended by Banco Nacional Ultramarino, S.A. in favour of the Macau SAR Government at the request of Melco Crown Gaming (Macau) Limited and all finance and security documents related thereto; (iii) the Subordination Deed dated 13 September 2007 between MC Gaming and Others (as Subordinated Creditors), MC Gaming and Others (as Obligors) and DB Trustees (Hong Kong) Limited (as Security Agent); (iv) the Amended and Restated Shareholders’ Deed dated 12 December 2007 between the Issuer, Melco Leisure and Entertainment Group Limited, Melco International Development Limited, PBL Asia Investments Limited and Crown Limited; (v) the Order of the Secretary for Public Works and Transportation No. 20/2006 with respect to the grant by the Macau government of a lease for the Crown Macau property; (vi) the Services and Right to Use Agreement dated 11 May 2007 between New Cotai Entertainment (Macau) Limited, MC Gaming and New Cotai Entertainment, LLC; (vii) the Hotel Taipa Square Right to Use Agreement dated 12 June 2008 between Hotel Taipa Square (Macau) Company Limited and MC Gaming; (viii) the Management Agreement for Grand Hyatt Macau dated 30 August 2008 between Melco Crown COD (GH) Hotel Limited and Hyatt of Macau Ltd.; (ix) the Hotel Trademark License Agreement dated 22 January 2007 between Hard Rock Holdings Limited and Melco Hotels and Resorts (Macau) Limited, as novated to Melco Crown COD (HR) Hotel Limited on August 30, 2008; (x) the Memorabilia Lease (Casino) dated 22 January 2007 between Hard Rock Cafe International (STP), Inc. and MC Gaming; (xi) the Memorabilia Lease (Hotel) dated 22 January 2007 between Hard Rock Café International (STP), Inc. and Melco Hotels and Resorts (Macau) Limited, as novated to Melco Crown COD (HR) Hotel Limited on 30 August 2008; (xii) the Trademark License dated 30 November 2006 between the Issuer and Crown Limited; (xiii) the Trademark License dated 18 August 2008 between the Issuer and MPEL Services Limited; (xiv) the Sponsors Group Shareholder’s Undertaking dated 5 September 2007 between Lawrence Yau Lung Ho, Deutsche Bank AG, Hong Kong Branch (as Agent) and DB Trustees (Hong Kong) Limited (as Security Agent), as amended by an Amendment Letter dated 19 November 2007; (xv) the Sponsors Group Shareholder’s Undertaking dated 5 September 2007 between Melco International Development Limited, Melco Leisure and Entertainment Group, Deutsche Bank AG Hong Kong Branch (as Agent) and DB Trustees (Hong Kong) Limited (as Security Agent); (xvi) the Sponsors Group Shareholder’s Undertaking dated 13 September 2007 between the Issuer, Melco PBL Investments Limited, Melco PBL Nominee One Limited, Melco PBL Nominee Three Limited, Melco PBL International Limited, Melco PBL Holdings Limited, Deutsche Bank AG, Hong Kong Branch (as Agent) and DB Trustees (Hong Kong) Limited (as Security Agent); (xvii) the Sponsors Group Shareholder’s Undertaking dated 11 December 2007 between Crown Entertainment Group Holdings Pty Limited, Crown Limited, PBL Asia Investments Limited, Deutsche Bank AG Hong Kong Branch (as Agent) and DB Trustees (Hong Kong) Limited (as Security Agent); (xviii) the Loan Agreement dated 5 September 2007 between MC Gaming and MPEL Investments Limited; (xix) the Loan Agreements dated 15 April 2008, 7 November 2008 and 1 May 2009 between MPEL Investments Limited and MPEL International Limited; (xx) the Loan Agreement, dated 27 March 2007 between the Issuer and Melco Leisure and Entertainment Group Limited, as supplemented by Supplemental Agreements dated 6 September 2007, 30 June 2008, 14 May 2009, 13 November 2009 and 4 May 2010, respectively; (xxi) the Loan Agreement, dated 27 March 2007 between the Issuer and PBL Asia Investments Limited, as supplemented by Supplemental Agreements dated 4 September 2007, 30 June 2008, 14 May 2009, 13 November 2009 and 4 May 2010, respectively; (xxii) the Gaming Promotion Agreement dated 30 March 2009 between MC Gaming, Jin Jun Gaming Promotion Company Limited and Chan Meng Kam as amended by an amendment agreement dated 27 April 2010; (xxiii) the Operating Agreement dated August 29, 2008 between Melco Crown (COD) Developments Limited and DFS Cotai Limitada; (xxiv) the Order of the Secretary for Public Works and Transportation No. 25/2008 with respect to the grant by the Macau SAR of a lease for the City of Dreams property; (xxv) the Public Deed of Sale and Purchase dated 15 August 2008 between MPEL Properties Macau Limited, In Wai Lam, Man Pak Hoi and Companhia de Foment Predial Jun Xuan Internacional Limitada; (xxvi) the Indenture to the US\$600 million aggregate principal amount of 10.25% Senior Notes issued by MCE Finance, dated as of May 17, 2010 between MCE Finance Limited and The Bank of New York Mellon (as Trustee and Collateral Agent), the Note Guarantee dated as of May 17, 2010, made by each of the guarantors named therein, in favour of the Trustee, and all finance and security documents related thereto; (xxvii) the Performance Agreement for the House of Dancing Water show performed at the Dancing Water theatre dated 3 November 2010 between COD Theatre Limited and Dragone Macau Limited; (xxviii) the License Agreement for the House of Dancing Water show performed at the Dancing Water theatre dated 3 November 2010 between COD Theatre Limited and Treasure Chest-Comerco Internacional Lda; (xxix) all other agreements filed or required to be filed as exhibits to or incorporated by reference in the Issuer’s annual report on Form 20-F for the year ended 31 December 2010; and (xxx) all amendments, variations, modifications and supplements of the documents referred to in (i) through (xxix) above;

“**Offering Circulars**” means the Preliminary Offering Circular and the Final Offering Circular;

“**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” means the People’s Republic of China;

“**Preliminary Offering Circular**” means the preliminary offering circular dated April 26, 2011 prepared in connection with the Issue;

“**Proportion**” means, in respect of any Joint Bookrunner, the proportion set forth opposite its name (and expressed as a percentage) in Schedule 2 (*Subscription Amounts*);

“**Related Party**” means, in respect of any person, any Affiliate of that person or any officer, director, employee or agent of that person or any such Affiliate or any person by whom any of them is controlled (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act);

“**Relevant Party**” has the meaning ascribed to such term in Clause 6.1;

“**RMB**” denotes the lawful currency for the time being of the PRC;

“**Sanctions**” includes (i) any United States sanctions issued under the authority of the United States Trading with the Enemy Act, the United States International Emergency Economic Powers Act, or the United States United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act and the Comprehensive Iran Sanctions Accountability and Divestment Act of 2010 and any Executive Order, directive, or regulation imposing or implementing sanctions, including the regulations of the United States Treasury Department’s Office of Foreign Assets Control set forth at 31 CFR, Subtitle B, Chapter V, as amended, and any other regulations issued by the Office of Foreign Assets control of the United States Treasury Department and any orders or licenses issued under any of the above, and (ii) sanctions issued by the United Nations Security Council, the European Union or Her Majesty’s Treasury, and any orders or licenses issued under any of the above;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**Securities Act**” means the United States Securities Act of 1933, as amended;

“**Senior Secured Term Loan and Revolving Credit Facilities Agreement**” means the US\$1.75 billion Senior Secured Term Loan and Revolving Credit Facilities Agreement dated 5 September 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 (as agent) and DB Trustees (Hong Kong) Limited (acting as security agent), as amended by transfer agreements dated 17 October 2007 and 4 December 2007, a supplemental deed dated 19 November 2007, amendment agreements dated 7 December 2007, 1 September 2008, 1 December 2008 and 10 May 2010, and all finance and security documents related thereto;

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited;

“**Solvent**” means, with respect to any person on a particular date, that on such date (i) the fair market value of the assets of such person is greater than the total amount of liabilities (including contingent liabilities) of such person, (ii) the present fair saleable value of the assets of such person is greater than the amount that will be required to pay the sum of the stated liabilities and identified contingent liabilities of such person, (iii) such person is able to realise upon its assets and pay its debts and other liabilities (including contingent liabilities) as they mature, (iv) such person does not have unreasonably small capital, and (v) such person is not unable to or has not been deemed to be unable to pay its debts as they fall due;

“**Stabilising Manager**” means Deutsche Bank AG, Hong Kong Branch; and

“**Subsidiary**” means as to any person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such person.

## 1.2 **Clauses and Schedules**

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

## 1.3 **Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

## 1.5 **Agreed Form**

Any reference herein to a document being in “**agreed form**” means that the document in question has been agreed between the proposed parties thereto, subject to any amendments that the parties may agree upon prior to the Closing Date.

## 2. **ISSUE OF THE BONDS**

### 2.1 **Undertaking to issue**

The Issuer undertakes to the Joint Bookrunners that:

#### 2.1.1 **Issue of the Bonds**

Subject to and in accordance with the provisions of this Agreement, the Bonds will be issued on the Closing Date, in accordance with this Agreement and the Trust Deed.

#### 2.1.2 **Issue documentation**

It will, on or before the Closing Date, execute, and provide the Joint Bookrunners with an executed copy of, the Issue Documents.

### 2.2 **Undertaking to subscribe**

Each Joint Bookrunner, severally and not jointly, undertakes to the Issuer that, subject to and in accordance with the provisions hereof, it will procure subscribers for, or failing which, subscribe for the Bonds in the amount set forth opposite its name in Schedule 2 (*Subscription Amounts*) on the Closing Date at the Issue Price.

### 2.3 **Issuer's acknowledgement**

The Issuer acknowledges and agrees that the Joint Bookrunners may offer and sell Bonds to or through any affiliate of the Joint Bookrunners and that any such affiliate may offer and sell Bonds purchased by it to or through the Joint Bookrunners and that a Joint Bookrunner or any affiliate of a Joint Bookrunner may purchase Bonds.

### 2.4 **Offering Circulars**

The Issuer confirms that it has prepared the Offering Circulars for use in connection with the offering of the Bonds and the listing of the Bonds on the SGX-ST and hereby authorises each Joint Bookrunner and its respective affiliates to distribute copies of the Offering Circulars in connection with the offering and sale of the Bonds subject to and in accordance with the selling restrictions as more particularly described in Schedule 3 (*Selling Restrictions*) hereto, copies of the Preliminary Offering Circular already having been distributed with the consent of the Issuer.

### 2.5 **Stabilisation**

In connection with the issue of the Bonds, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilising Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any loss sustained or profit realized as a consequence of any such over-allotment or stabilisation shall be shared pro-rata among the Joint Bookrunners, in proportion to the amount of Bonds subscribed for pursuant to Clause 2.2 (*Undertaking to subscribe*) or as otherwise agreed by the Joint Bookrunners.



## 2.6 Agreement among Managers

The Joint Bookrunners agree as between themselves that they will be bound by and will comply with the International Capital Market Association Standard Form Agreement Among Managers version 1 (the “**AAM**”) as amended in the manner set out below and further agree that references in the AAM to the “Lead Manager” and the “Managers” shall mean the Joint Bookrunners, references to the “Settlement Lead Manager” shall mean Deutsche Bank AG, Hong Kong Branch, and references to the “Stabilising Manager” shall mean Deutsche Bank AG, Hong Kong Branch. The Joint Bookrunners agree as between themselves to amend the AAM as follows:

2.6.1 in clause 1, the phrase “as agent of the Issuer” shall be deemed to be deleted;

2.6.2 references in the AAM to the “Commitments” shall mean, as between the Joint Bookrunners only, the amounts set out in Schedule 2 (*Subscription Amounts*);

2.6.3 clause 3 shall be amended as follows:

- (a) “if any Manager defaults on its obligation to subscribe the Securities that have been allotted to it for subscription (such a Manager being referred to as a Defaulter, and such Securities, the Default Securities), the other Managers (the Non-defaulting Managers) may, but shall not be obligated to, subscribe the Default Securities. In the event that more than one Non-defaulting Manager wishes to subscribe the Default Securities, the Default Securities shall be allotted for subscription among such Non-defaulting Managers on a pro rata basis in accordance with their respective Commitments, *provided that* such allocation shall not exceed 10% of such Non-defaulting Manager’s Commitment or such percentage as may be increased with the approval of a majority in interest of the Non-defaulting Managers; and
- (b) any Default Securities subscribed in accordance with this Clause will be subscribed at the selling price. For the avoidance of doubt, commissions that would be payable in respect of the Default Securities to the Defaulter shall instead be paid pro rata to the Non-defaulting Managers subscribing for the Default Securities. In addition, the Defaulter shall pay to such Non-defaulting Managers an amount determined by them in their absolute discretion as being the cost of borrowing the funds necessary to make payment for the Default Securities to the Issuer on the Closing Date and of any other costs associated with the default.”

2.6.4 clause 4(3) shall be deemed to be deleted in its entirety;

2.6.5 clause 6(b) shall be deemed to be deleted in its entirety.

Where there are any inconsistencies between this Agreement and the AAM, the terms of this Agreement shall prevail.

2.7 **CMU**

Each of the Joint Bookrunners confirms that it is a member of the CMU and will nominate to the CMU Lodging Agent its account with the CMU to which its interest in the Global Bond in respect of any Bonds subscribed by it should be credited. Each of the Joint Bookrunners further confirms that it is aware of and will be bound by the agreements, rules and regulations governing the CMU.

3. **REPRESENTATIONS AND WARRANTIES BY THE ISSUER**

3.1 **Representations and Warranties by the Issuer**

The Issuer represents and warrants to the Joint Bookrunners the representations and warranties as set out in Schedule 1 (*Representations and Warranties by the Issuer*).

3.2 **Change in matters represented**

From the period beginning on the date hereof and ending 40 days after the Closing Date (both dates inclusive), the Issuer shall forthwith notify the Joint Bookrunners of any event or circumstance, and shall consult with the Joint Bookrunners with respect thereto, that has or may have rendered, or will or may render, untrue or incorrect in any respect any representation and warranty by the Issuer in this Agreement as if it had been made or given at such time with reference to the facts and circumstances then subsisting and take such steps as may be requested by the Joint Bookrunners to remedy and/or publicise the same.

3.3 **Representations repeated**

The representations and warranties in Schedule 1 (*Representations and Warranties by the Issuer*) shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on the Closing Date.

#### 4. UNDERTAKINGS BY THE ISSUER

##### 4.1 Clear market

From the date of this Agreement to (and including) the date falling 90 days after the Closing Date, neither the Issuer nor any member of the Group shall make any announcements of, or any issue or offering of debt securities (other than the Bonds and the sale or issuance of convertible bonds by either the Company, a parent company or Affiliate of the Company) to the public or through a private placement in connection with which the Issuer or any member of the Group is the borrower, debtor, issuer or guarantor, directly or on their behalf, unless the Issuer has obtained the prior written consent of the Joint Bookrunners. The Issuer represents and warrants that, as at the date hereof and during the 90-day period referred to above, it has not mandated and will not mandate any other party to arrange any issue or offering of debt securities (other than the Bonds) in connection with which it or any member of the Group is, directly or on their behalf, the borrower, debtor, issuer or guarantor.

##### 4.2 Publication and delivery of Offering Circular

The Issuer shall deliver to the Joint Bookrunners, without charge, as promptly as possible hereafter from time to time as many copies of the Offering Circulars as the Joint Bookrunners may reasonably request.

##### 4.3 Supplements

If at any time during the period beginning on the date hereof and ending 40 days after the Closing Date (both dates inclusive) any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Offering Circulars in order that the Offering Circulars not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, or if in the reasonable opinion of the Joint Bookrunners or counsel for the Joint Bookrunners it is otherwise necessary to amend or supplement the Offering Circulars to comply with law, the Issuer will forthwith amend or supplement the Offering Circulars by promptly preparing and furnishing, at its own expense, to each Joint Bookrunner an amendment or amendments of, or a supplement or supplements to, the Offering Circulars (in form and substance satisfactory in the reasonable opinion of counsel for the Joint Bookrunners) so that, as so amended or supplemented, the Offering Circulars will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Offering Circulars are delivered to a person procured by a Joint Bookrunner to purchase any Bonds or a subsequent purchaser of the Bonds from a Joint Bookrunner, not misleading or so that the Offering Circulars, as amended or supplemented, will comply with law. The Issuer shall procure that any such amended Offering Circular or supplementary Offering Circular is submitted to the SGX-ST. In addition the Issuer shall deliver, without charge, to the Joint Bookrunners from time to time as many copies of the relevant amended Offering Circular or supplementary Offering Circular as the Joint Bookrunners may reasonably request. The Issuer will not make any amendment or supplement to the Offering Circulars without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed).

#### 4.4 **No announcements**

From the date of this Agreement to (and including) the Closing Date, the Issuer shall not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed), make:

- 4.4.1 any announcement which would reasonably be expected to have an adverse effect on the marketability of the Bonds or which could be material in the context of the offering and distribution of the Bonds; or
- 4.4.2 any communication which would reasonably be expected to prejudice the ability of the Joint Bookrunners lawfully to offer or sell the Bonds in accordance with the provisions set out in Schedule 3 (*Selling Restrictions*),

other than as required by law, regulation and/or any applicable listing rules following consultation with the Joint Bookrunners.

#### 4.5 **Delivery of the Bonds**

The Issuer shall make arrangements satisfactory to the Joint Bookrunners to ensure that the Global Bond and any Definitive Bonds are delivered to the CMU Lodging Agent for authentication in the form required by, and otherwise in accordance with, the Trust Deed and the Agency Agreement and shall co-operate with the Joint Bookrunners to procure clearance of the Bonds through the CMU.

#### 4.6 **Listing and trading**

The Issuer agrees to use reasonable endeavours to procure that the Bonds are listed on the SGX-ST for as long as any of the Bonds are outstanding. If, however, it is unable to do so, having used such endeavours, or if it determines, in consultation with the Joint Bookrunners, that the maintenance of the listing on the SGX-ST is unduly onerous, the Issuer will instead use reasonable endeavours promptly to obtain and thereafter to maintain a listing for the Bonds on such other stock exchange as is commonly used for the quotation or listing of debt securities as the Issuer may, with approval of the Joint Bookrunners (such approval not to be unreasonably withheld or delayed), decide. The Issuer shall be responsible for any fees incurred in connection therewith.

#### 4.7 **Use of proceeds**

- 4.7.1 The Issuer will use the net proceeds received by it from the sale of the Bonds for the purposes set out under "Use of Proceeds" in the Offering Circulars.
- 4.7.2 None of the Issuer nor any of its Subsidiaries will directly or indirectly use the net proceeds received by it from the sale of the Bonds for any purpose which would violate any Sanctions.

#### 4.8 **Reports**

For so long as any of the Bonds remain outstanding, the Issuer will furnish to the Joint Bookrunners copies of all documents, reports and other communications (financial or otherwise) related to the Bonds and furnished by the Issuer to the Trustee, the CMU Lodging Agent or the Principal Paying Agent or to the holders of the Bonds, in each case to the extent that such documents, reports and other communications are not otherwise publicly available on the Issuer's website, *provided that* notice that such documents, reports and other communications have been furnished to the Trustee, the CMU Lodging Agent or the Principal Paying Agent or to the holders of the Bonds shall be given to the Joint Bookrunners.

#### 4.9 **No fiduciary duty**

The Issuer acknowledges and agrees that:

- 4.9.1 The Joint Bookrunners have been retained solely to act as the initial subscribers of the Bonds and that no fiduciary, advisory or agency relationship between the Issuer and the Joint Bookrunners has been created in respect of any of the transactions contemplated by this Agreement, the Preliminary Offering Circular or the Final Offering Circular, irrespective of whether the Joint Bookrunners have advised or are advising the Issuer on other matters.
- 4.9.2 No legal, accounting, regulatory or tax advice in respect of the offer of the Bonds has been provided by any of the Joint Bookrunners. The Issuer shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Joint Bookrunners shall have no responsibility or liability to the Issuer with respect thereto.
- 4.9.3 The price of the Bonds set forth in this Agreement was established by the Issuer following discussions and arms-length negotiations with the Joint Bookrunners and the Issuer is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement.
- 4.9.4 The Issuer has been advised that the Joint Bookrunners and their affiliates are engaged in a broad range of transactions which may involve interests that differ from or conflict with those of the Issuer and that the Joint Bookrunners have no obligation to disclose such interests and transactions to the Issuer by virtue of any fiduciary, advisory or agency relationship.
- 4.9.5 The Issuer waives, to the fullest extent permitted by law, any claims it may have against the Joint Bookrunners for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Joint Bookrunners shall have no liability (whether direct or indirect) to the Issuer in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Issuer, including stockholders, employees or creditors of the Issuer.

5. **SELLING RESTRICTIONS**

Each of the parties to this Agreement represents, warrants and undertakes as set out in Schedule 3 (*Selling Restrictions*).

6. **INDEMNIFICATION**

6.1 **Indemnity**

The Issuer undertakes to each Joint Bookrunner that if that Joint Bookrunner or any of its affiliates, directors, officers, employees, agents or controlling persons (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act, as amended) (together with the Joint Bookrunners, each a “**Relevant Party**”), incurs any loss, liability, cost, claim, damages, expense (including but not limited to legal costs and expenses) or demand (or actions in respect thereof) (a “**Loss**”) which arises out of, in relation to or in connection with (i) any breach or alleged breach by the Issuer of any of the representations, warranties, undertakings and agreements contained in, or deemed to be made pursuant to, this Agreement; (ii) any untrue (or allegedly untrue) statement in the Offering Circulars or any amendment or supplement thereto, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iii) other than in the case of gross negligence or wilful misconduct of any Joint Bookrunner, the services rendered or duties performed by the Joint Bookrunners under this Agreement, the Issuer shall indemnify that Joint Bookrunner on demand for such Loss and all costs, charges and expenses which it or such Relevant Parties may pay or incur in connection with investigating, disputing, defending or preparing to defend any such action or claim as such costs, charges and expenses are incurred. This undertaking to make payment will be in addition to any liability that the Issuer may otherwise have.

No Joint Bookrunner shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 6.

6.2 **Actions against Parties; Notification**

Promptly after receipt by a Relevant Party of notice of the commencement of any action, such Relevant Party will, if a claim in respect thereof is to be made against the Issuer under this Clause 6 hereafter, notify the Issuer of the commencement thereof; but the failure to notify the Issuer shall not relieve the Issuer from any liability that it may have under this Clause 6 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the Issuer shall not relieve it from any liability that it may have to a Relevant Party otherwise than under this Clause 6. In case any such action is brought against any Relevant Party and it notifies the Issuer of the commencement thereof, the Issuer will be entitled to participate therein and, to the extent that it may wish, to assume the defense thereof, with counsel satisfactory to such Relevant Party (who shall not, except with the consent of the Relevant Party, be counsel to the Issuer), and after notice from the Issuer to such Relevant Party of its election so to assume the defense thereof, the Issuer will not be liable to such Relevant Party under this Clause 6, as the case may be, for any legal or other expenses subsequently incurred by such Relevant Party in connection with the defense thereof other than reasonable costs of investigation.

**6.3 Settlement**

The Issuer shall not, without the prior written consent of the Joint Bookrunners, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not any Relevant Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each Relevant Party from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of a Relevant Party.

**6.4 Rights of Relevant Parties**

Each Relevant Party (other than the Joint Bookrunners) shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce its rights against the Issuer under Clause 6.1, Clause 6.2 and Clause 6.3. Save as provided in this Clause 6.4, Relevant Parties (other than the Joint Bookrunners) will not be entitled directly to enforce their rights against the Issuer under this Agreement, under the Contracts (Rights of Third Parties) Act 1999 or otherwise. The Joint Bookrunners and the Issuer may agree to terminate this Agreement or vary any of its terms without the consent of any such Relevant Party.

**7. FEES AND EXPENSES**

**7.1 Commission**

In respect of the Bonds, the Issuer shall, on the Closing Date, pay to each Joint Bookrunner the commission as set forth opposite its name in Schedule 2 (*Subscription Amounts*) in accordance with the Fees and Expenses Letter. Such commission shall be deducted from the Issue Price of the Bonds.

**7.2 Issuer's costs and expenses**

The Issuer shall pay:

**7.2.1 Professional advisers**

The fees and expenses of the legal, accountancy and other professional advisers instructed by the Issuer in connection with the creation and issue of the Bonds and the preparation of the Preliminary Offering Circular and the Final Offering Circular and any amendments or supplements thereto; *provided, however*, that if the issue and offering of the Bonds is consummated, the Joint Bookrunners shall be responsible for all legal fees and expenses incurred in respect of the Joint Bookrunners' legal advisers.

#### 7.2.2 **Legal documentation**

The costs incurred in connection with the preparation and execution of this Agreement and the Issue Documents; *provided, however*, that if the issue and offering of the Bonds is consummated, the Joint Bookrunners shall be responsible for all legal fees and expenses incurred in respect of the Joint Bookrunners' legal advisers.

#### 7.2.3 **Printing**

The cost of setting, proofing, printing and delivering the Preliminary Offering Circular and the Final Offering Circular and any amendments or supplements thereto and the Bonds.

#### 7.2.4 **Trustee and Agents**

The fees and expenses of the other parties to the Issue Documents and their respective legal counsels (if any); *provided, however*, that if the issue and offering of the Bonds is consummated, the Joint Bookrunners shall be responsible for all legal fees and expenses incurred in respect of the Joint Bookrunners' legal advisers.

#### 7.2.5 **Advertising**

The cost of any advertising agreed between the Issuer and the Joint Bookrunners.

#### 7.2.6 **Listing**

The costs incurred in connection with the application for the Bonds to be listed on the SGX-ST.

#### 7.2.7 **Marketing and Roadshow Materials**

The costs and expenses of any Marketing and Roadshow Materials and the costs and expenses of the Joint Bookrunners incurred in connection with the Investor Roadshows.

If any Joint Bookrunner incurs any of such fees, costs and expenses on behalf of the Issuer, the Issuer shall on demand reimburse such Joint Bookrunner for the same. Any amount due to the Joint Bookrunners under this sub-clause may be deducted from the Issue Price.



### 7.3 **Joint Bookrunners' expenses**

In addition, the Issuer shall reimburse the Joint Bookrunners for fees and expenses in accordance with the Fees and Expenses Letter. Any amount due to the Joint Bookrunners under this sub-clause may be deducted from the Issue Price.

### 7.4 **Taxes**

All payments made by the Issuer under this Agreement shall be made free and clear of withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands, Singapore, Hong Kong or Macau or any other relevant jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, unless required by law. In the event that such deduction or withholding is required by law, the Issuer shall pay such additional amounts as will result in receipt by the Joint Bookrunners after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required; *provided* that the Issuer shall not be required to pay such additional amounts for taxes, duties, assessments or governmental charges that would not have been imposed but for the applicable Joint Bookrunner being resident or otherwise subject to tax in the applicable jurisdiction (other than where the Joint Bookrunner is resident or otherwise subject to tax in such jurisdiction solely from the transactions undertaken pursuant to this Agreement).

### 7.5 **Stamp duties**

The Issuer shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the creation and issue of the Bonds and the execution of this Agreement and the Issue Documents, and the Issuer shall indemnify the Joint Bookrunners against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## 8. **CLOSING**

### 8.1 **CMU accounts**

Each Joint Bookrunner shall, on or before the second business day preceding the Closing Date, notify the Billing and Delivery Agent of the CMU Main Account to which the Bonds to be subscribed by such Joint Bookrunner should be credited.

### 8.2 **Global Bond and net issue proceeds**

Subject to Clause 8.4 (*Conditions precedent*), the closing of the issue of the Bonds shall take place on the Closing Date. The Issuer shall, by 10:00 a.m. (Hong Kong time) (or such other time as may be agreed between the Joint Bookrunners and the Issuer) on the business day prior to the Closing Date, procure the delivery of the Global Bond, duly executed on behalf of the Issuer in the manner contemplated by, and authenticated in accordance with, the Agency Agreement to the CMU Lodging Agent.

### 8.2.1 Lodgement of Global Bond

Against payment of the net issue proceeds, as set out in Clause 8.2.2 (*Payment of net issue proceeds*), the CMU Lodging Agent shall lodge the Global Bond with the sub-custodian of the CMU.

### 8.2.2 Payment of net issue proceeds

Deutsche Bank, on behalf of the Joint Bookrunners, will pay or cause to be paid to the Issuer the net subscription moneys for the Bond (being the aggregate amount payable for the Bonds subscribed under this Agreement calculated at the Issue Price of the Bonds less the commission payable to the Joint Bookrunners as referred to in Clause 7.1 (*Commission*) and any fees, costs and expenses incurred by the Joint Bookrunners referred to in Clause 7.2 (*Issuer's costs and expenses*) and 7.3 (*Joint Bookrunners' expenses*) for which the Joint Bookrunners are entitled to be reimbursed hereunder) into the account notified by the Issuer (not less than three business days prior to the Closing Date) by 3:00 p.m. (Hong Kong time) on the Closing Date, or such other time and/or date as the Issuer and the Joint Bookrunners may agree.

### 8.3 Postponed closing

The Issuer and the Joint Bookrunners may agree to postpone the Closing Date to another date not later than May 16, 2011, whereupon all references herein to the Closing Date shall be construed as being to that later date.

### 8.4 Conditions precedent

The Joint Bookrunners shall only be under obligation to subscribe and pay for the Bonds if:

8.4.1 *Closing Documents*: The Joint Bookrunners receive on (or, in the case of the evidence referred to in sub-paragraph 8.4.4 and 8.4.5, on or before) the Closing Date:

- (a) *Legal opinions*: legal opinions dated the Closing Date and addressed to the Joint Bookrunners from (A) Debevoise & Plimpton LLP, legal advisers to the Issuer as to the laws of England, (B) Manuela António Law Office, legal advisers to the Issuer as to the laws of Macau, (C) Walkers, legal advisers to the Issuer as to the laws of the Cayman Islands, and (D) Skadden, Arps, Slate, Meagher & Flom (UK) LLP, legal advisers to the Joint Bookrunners as to the laws of England, in each case in a form acceptable to the Joint Bookrunners;

- (b) *Closing certificate*: a closing certificate dated the Closing Date, addressed to the Joint Bookrunners and signed by one director or duly authorised signatory on behalf of the Issuer, substantially in the form set out in Schedule 4 (*Issuer's Closing Certificate*);
  - (c) *Comfort letters*: comfort letters dated the date of this Agreement and the Closing Date and addressed to the Joint Bookrunners from Deloitte Touch Tohmatsu, certified public accountants, in a form acceptable to the Joint Bookrunners;
  - (d) *Authorisation*: a copy, certified by a duly authorised signatory of the Issuer of:
    - (i) the memorandum and articles of association of the Issuer; and
    - (ii) the resolution(s) of the board of directors of the Issuer authorising the execution of this Agreement and the Issue Documents, the issue of the Bonds and the entry into and performance of the transactions contemplated hereby and thereby;
  - (e) *CMU authorisation*: an authorisation from the Issuer to the CMU Lodging Agent to lodge the Global Bond with a sub-custodian of the CMU on its behalf;
  - (f) *Process Agent acceptance*: a copy of the Process Agent's written acceptance of its appointment as set out in Clause 13.5 of this Agreement; and
  - (g) *Other Documents*: the execution and delivery (as the case may be) of any other certificates or documents as the Joint Bookrunners may reasonably request as a result of circumstances arising after the date of this Agreement in form and substance satisfactory to the Joint Bookrunners;
- 8.4.2 *Issue documentation*: the Issue Documents are executed on or before the Closing Date by or on behalf of all parties thereto;
- 8.4.3 *No material adverse change*: since the date of this Agreement up to and including the Closing Date, (i) in the opinion of the Joint Bookrunners, there shall not have occurred any event or development, and no information shall have become known, that individually or in the aggregate would have a Material Adverse Effect, and (ii) there shall not have occurred any downgrading, nor shall any notice have been of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Issuer of any of its Subsidiaries by any "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436 under the Securities Act;

- 8.4.4 *Accuracy of representations*: the representations and warranties by the Issuer in this Agreement are true and correct on the date of this Agreement, and on the Closing Date with reference to the facts and circumstances then subsisting;
- 8.4.5 *Performance of obligations*: the Issuer has performed all of its obligations under this Agreement to be performed on or before the Closing Date; and
- 8.4.6 *Listing*: the Joint Bookrunners receive confirmation on or before the Closing Date that the Bonds have been approved in principle for listing on the SGX-ST.

The Joint Bookrunners may in their sole discretion and by notice to the Issuer waive satisfaction of any of the conditions set out in this Clause 8.4 or of any part of them.

## 9. TERMINATION

### 9.1 Joint Bookrunners' right to terminate

Notwithstanding anything contained in this Agreement, the Joint Bookrunners may by notice to the Issuer terminate this Agreement at any time before the time on the Closing Date when payment would otherwise be due under this Agreement to the Issuer in respect of the Bonds if, in the opinion of the Joint Bookrunners:

#### 9.1.1 Failure of condition precedent

Any of the conditions in Clause 8.4 (*Conditions precedent*) is not satisfied or waived by the Joint Bookrunners on the Closing Date;

#### 9.1.2 Force majeure

Since the date of this Agreement there has been such a change or any development involving prospective changes, whether or not foreseeable at the date of this Agreement, in national or international financial, political or economic conditions or currency exchange rates or exchange controls, including but not limited to any non-transferability, inconvertibility or illiquidity with respect to the RMB, as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

#### 9.1.3 Moratorium on banking activities

If there shall have occurred a general moratorium on, or disruption in, commercial banking activities, securities settlement or clearance services in the United Kingdom, the United States, Hong Kong, Macau, the PRC, Singapore or any member of the European Union or by any United Kingdom, United States, Hong Kong, Macau, PRC or Singapore authorities or any authorities of a member of the European Union which would be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

#### 9.1.4 **Suspension of trading**

Trading in any securities of the Issuer has been suspended or materially limited by an exchange on which such securities are listed or admitted to trading (for reasons other than the announcement of the Bonds) or on any other exchange or over-the-counter market, or trading generally on the New York Stock Exchange, the NASDAQ, the London Stock Exchange, the SGX-ST or The Stock Exchange of Hong Kong Limited shall have been suspended or limited or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required by any of said exchanges or by such system or by order of any governmental authority, or a material disruption has occurred in the securities settlement or clearance services on any such exchange;

#### 9.1.5 **Exchange Rate**

There is a material change in the exchange rate between the U.S. dollar and the RMB on or after the date of this Agreement;

#### 9.1.6 **Creditor Demands**

Any creditor of the Issuer or any of its Subsidiaries makes a demand for repayment or payment of any indebtedness of the Issuer or any of its Subsidiaries in respect of which the Issuer or the relevant Subsidiary is liable prior to its stated maturity, which demand has or reasonably could be expected to have a Material Adverse Effect; or

#### 9.1.7 **Hostilities; Acts of God**

Since the date of this Agreement, there shall have occurred any event or series of events (including, but not limited to, the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would likely prejudice materially the success of the offering or distribution of the Bonds.

### 9.2 **Consequences**

Upon the giving of a termination notice under Clause 9.1 (*Joint Bookrunners' right to terminate*) and subject to Clause 9.3 (*Saving*), this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that the parties shall remain liable for the payment of certain costs and expenses as specified in the Fees and Expenses Letter and the respective obligations of the parties under Clauses 6 (*Indemnity*), 9.2 (*Consequences*), 10 (*Survival*), 12 (*Notices*), 13 (*Law and Jurisdiction*) and 14 (*Contract (Rights of Third Parties) Act 1999*) which would have continued had the arrangements for the issue of the Bonds been completed shall continue.

9.3 **Saving**

A discharge pursuant to Clause 9.2 (*Consequences*) shall not affect the other obligations of the parties to this Agreement and shall be without prejudice to accrued liabilities.

10. **SURVIVAL**

The representations, warranties, agreements, undertakings and indemnities herein shall continue in full force and effect notwithstanding completion of the arrangements for the subscription and issue of the Bonds, any investigation made by or on behalf of the Joint Bookrunners' or any controlling person or any of its representatives, directors, officers, agents or employees or any of them or the termination of this Agreement pursuant to Clause 9.

11. **TIME**

Any date or period specified herein may be postponed or extended by mutual agreement among the parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

12. **NOTICES**

12.1 **Addresses for notices**

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

12.1.1 **Issuer**

If to the Issuer, to it at:

36<sup>th</sup> Floor  
The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Fax: +852 2230 9438  
Attention: Chief Legal Officer

with a copy to:

Debevoise & Plimpton LLP  
13/F Entertainment Building  
30 Queen's Road Central  
Hong Kong  
Fax: +852 2810 9828  
Attention: Thomas M. Britt, III

### 12.1.2 Joint Bookrunners

If to Deutsche Bank, to it at:

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong  
Fax: +852 2203 7273  
Attention: DCM/G3

If to Citi, to it at:

Citicorp International Limited  
50/F Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central, Hong Kong  
Fax: +852 2501 2844  
Attention: Debt Capital Markets, Hong Kong

If to BofAML, to it at:

Merrill Lynch International  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom  
Fax: +44 (0) 20 7995 2968  
Attention: Syndicate Desk

with simultaneous copy to:

Merrill Lynch Far East Limited  
15/F, Citibank Tower  
3 Garden Road  
Hong Kong  
Fax: +852 2536 3619  
Attention: Transaction Management Group

If to RBS, to it at:

The Royal Bank of Scotland plc  
38/F Cheung Kong Centre  
2 Queen's Road Central  
Hong Kong  
Fax: +852 3961 3149  
Attention: Desk Capital Markets

with a copy to:

Skadden, Arps, Slate, Meagher & Flom  
42/F Floor, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong  
Fax: +852 3740 4727  
Attention: Jonathan B. Stone

12.2 **Effectiveness**

Every notice or other communication sent in accordance with Clause 12.1 (*Addresses for notices*) shall be effective upon receipt by the addressee; *provided, however*, that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13. **LAW AND JURISDICTION**

13.1 **Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of England.

13.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or the consequences of its nullity.

13.3 **Appropriate forum**

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

13.4 **Rights of the Joint Bookrunners to take proceedings outside England**

Clause 13.2 (*English courts*) is for the benefit of the Joint Bookrunners only. As a result, nothing in this Clause 13 (*Law and Jurisdiction*) prevents the Joint Bookrunners from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Joint Bookrunners may take concurrent Proceedings in any number of jurisdictions.



13.5 **Process Agent**

The Issuer hereby appoints Law Debenture Corporate Services Limited (the “**Process Agent**”) at its registered office for the time being in England, to accept service of any Proceedings on its behalf. Service upon the Process Agent shall be deemed valid service upon the Issuer whether or not the process is forwarded to or received by the Issuer. The Issuer shall inform the Joint Bookrunners in writing of any change in the Process Agent’s address, as set out in its acceptance of appointment, within 20 days of such change. If for any reason the Process Agent shall cease to be able to act as agent for service of process or to have an address in England, the Issuer shall forthwith appoint a new agent for service of process in England and deliver to the Joint Bookrunners a copy of the new agent’s written acceptance of that appointment within 30 days. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

13.6 **Immunity**

The Issuer hereby irrevocably and unconditionally waives with respect to this Agreement any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

14. **CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999**

Save as provided in Clause 6.4 above, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

15. **ENTIRE AGREEMENT**

This Agreement (including the Fees and Expenses Letter which is deemed to form a part of this Agreement) constitutes the whole and only agreement between the parties relating to the subscription of the Bonds; *provided, however*, nothing herein shall affect any party’s liability for fraudulent misrepresentation.

16. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

**AS WITNESS** the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

**SCHEDULE 1**  
**Representations and Warranties by the Issuer**

The Issuer represents and warrants to, and agrees with, the Joint Bookrunners that:

- (1) Preliminary Offering Circular and Final Offering Circular. (i) Each of the Preliminary Offering Circular (at the date of its publication) and the Final Offering Circular contains all material information with respect to the Issuer, the Group and the Bonds which an investor would reasonably require to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Group and of the rights attaching to the Bonds, (ii) the Preliminary Offering Circular, at the date of its publication did not, the Final Offering Circular, at the date of this Agreement, does not and, if amended or supplemented, at the date of any such amendment or supplement, and the Marketing and Roadshow Materials, as of the date of its distribution or circulation did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) the statements of fact contained in (A) the Final Offering Circular relating to the Issuer, the Group and the Bonds are, (B) the Preliminary Offering Circular, at the date of its publication were, (C) any supplement to the Offering Circulars, at the date of its publication will be, and (D) any other material used with the consent of the Issuer in connection with the offering and sale of the Bonds, including the Marketing and Roadshow Materials, at the date of publication of such material, were in every material respect true and accurate and not misleading and there are no other facts in relation to the Issuer, the Group and the Bonds the omission of which would in the context of the issue of the Bonds make any statement in the Final Offering Circular and/or the Preliminary Offering Circular misleading in any material respect, (iv) the statements of intention, opinion, belief or expectation contained in (A) the Final Offering Circular are, (B) the Preliminary Offering Circular, at the date of its publication were, and, (C) any supplement to the Offering Circulars, at the date of its publication will be, honestly and reasonably made and truly held and (v) all reasonable enquiries have been and will be made to ascertain such facts and to verify the accuracy of all such statements;
- (2) Existence. The Issuer is an exempted company with limited liability and duly incorporated and existing and in good standing under the laws of the Cayman Islands, with power and authority (corporate and other) to own its properties and conduct its business as described in each of the Offering Circulars and to enter into, execute and perform its obligations under this Agreement, the Issue Documents and the Bonds and is duly qualified to do business as a foreign corporation (where such concept is applicable) in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, and is and will be subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

- (3) Subsidiaries. The Issuer has no “significant subsidiary” (as defined under Rule 405 of the Securities Act) other than those listed on Exhibit 8.1 to the Issuer’s annual report on Form 20-F for the year ended 31 December 2010. Each Subsidiary of the Issuer has been duly incorporated and is existing and (where such concept is applicable) in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in each of Offering Circulars; and each Subsidiary of the Issuer is duly qualified to do business as a foreign corporation (where such concept is applicable) in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, or is and will be subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; all of the issued and outstanding capital stock of each Subsidiary of the Issuer has been duly authorised and validly issued and is fully paid and non-assessable; and the capital stock of each Subsidiary owned by the Issuer, directly or through Subsidiaries, is owned free from liens, encumbrances and defects (other than such liens as have been granted pursuant to the Senior Secured Term Loan and Revolving Credit Facilities Agreement). The statements and the diagrams set forth in each of the Offering Circulars under the section “Corporate Structure and Certain Financing Arrangements,” insofar as they purport to describe the ownership interests of the Issuer and its Subsidiaries are accurate and fair in all material respects.
- (4) Share Capital. The authorised, issued and outstanding capitalisation of the Issuer is as set forth in each of the Offering Circulars in the column entitled “Actual” under the caption “Capitalisation”; all outstanding shares of capital stock of the Issuer have been duly authorised; and the stockholders of the Issuer have no preemptive rights with respect to the capital stock of the Issuer (other than with respect to the capital stock of the Issuer held by Melco Leisure and Entertainment Company Limited and Crown Asia Investments Pty. Ltd.);
- (5) Authorisation of this Agreement. The Issuer has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorised, executed and delivered by the Issuer and (assuming the due authorisation, execution and delivery by the other parties hereto) constitutes a valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganisation, moratorium and similar laws affecting creditors’ rights generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law);
- (6) Bond Obligations. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application;

- (7) Authorisation of the Bonds. The Bonds have been duly authorised and, at the Closing Date, will have been duly executed by the Issuer and, when authenticated, issued and delivered in the manner provided for in the Trust Deed and delivered against payment of the Issue Price therefor as provided in this Agreement, will constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganisation, moratorium and similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law), and will be in the form contemplated by, and entitled to the benefits of, the Issue Documents, will be consistent with the information in each of Offering Circulars and conform to the description thereof contained in each of the Offering Circulars;
- (8) Authorisation of the Issue Documents. Each of the Issue Documents has been duly authorised by the Issuer, and, when executed and delivered by the Issuer (assuming the due authorisation, execution and delivery by the other parties thereto), will constitute a valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganisation, moratorium and similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law);
- (9) Absence of Defaults and Conflicts Resulting from Transaction. The execution, delivery and performance of this Agreement, the Issue Documents and the Bonds and the consummation of the transactions contemplated herein and therein, the issuance and sale of the Bonds and the application of the proceeds from the sale of the Bonds, as described in each of the Offering Circulars under the caption "Use of Proceeds", and compliance by the Issuer with its obligations hereunder, do not and will not result in (A) a violation of the respective constitutional documents of the Issuer or any other member of the Group, (B) a violation of any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Issuer or any other member of the Group or any of their properties, or (C) a breach or violation of any of the terms and provisions of, or constitute a default or a Debt Repayment Triggering Event (as defined below) under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Issuer or any other member of the Group pursuant to, the constitutional documents of the Issuer or any other member of the Group, any statute, rule, regulation or order of any governmental agency or body or any court, arbitrator or other authority, domestic or foreign, having jurisdiction over the Issuer or any other member of the Group or any of their properties, or any agreement or instrument to which the Issuer or any other member of the Group is a party or by which the Issuer or any other member of the Group is bound or to which any of the properties of the Issuer or any other member of the Group is subject; except in the case of (C) above, where any such violation, contravention or default would not, individually or in the aggregate, have a Material Adverse Effect. A "**Debt Repayment Triggering Event**" means any event or condition that gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture, or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Issuer or any other member of the Group, or that would prevent the satisfaction of, or defeat any condition to drawdown or other requirement under any Material Contract related to indebtedness or otherwise adversely affect the availability to the Issuer or any other member of the Group of financing contemplated thereby;

- (10) Absence of Further Requirements. No consent, approval, or order of, clearance by, or filing or registration with, any person (including any governmental agency or body or any court or any stock exchange) is required to be obtained or made by the Issuer or any of its Subsidiaries for the consummation by the Issuer of the transactions contemplated by this Agreement, the Issue Documents, the Bonds, and the Offering Circulars except (A) such as may be required under the blue sky or similar laws of any jurisdiction in connection with the purchase and distribution of the Bonds by the Joint Bookrunners in the manner contemplated in this Agreement, the Issue Documents, the Bonds, and the Offering Circulars and (B) such as may be required by the SGX-ST in connection with its granting approval in-principle for the listing and quotation of the Bonds when such approval is obtained. No governmental authorisation is required to effect payments of principal, premium, if any, and interest on the Bonds;
- (11) Compliance. Neither the Issuer nor any of its Subsidiaries is (A) in violation of its respective constitutional documents, (B) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed or trust, loan or credit agreement, note, license, lease or other agreement or instrument, including, without limitation, each Material Contract to which the Issuer or any of its Subsidiaries is a party or by which it may be bound, or to which any of the properties or assets of the Issuer or any of its Subsidiaries may be subject (and no event has occurred which, with the giving of notices or lapse of time or both, would constitute such default) or (C) in violation of any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Issuer or such Subsidiary or any of its properties, as applicable, except, in the case of (B) and (C) only, any defaults or violations which, individually and collectively, would not have a Material Adverse Effect;
- (12) Title to Property. Except as disclosed in each of the Offering Circulars, the Issuer and its Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them as are necessary to the conduct of their business in the manner described in each of the Offering Circulars, in each case free from liens, charges, encumbrances and defects that would materially affect the value thereof (other than such liens, charges and encumbrances as have been granted pursuant to the Senior Secured Term Loan and Revolving Credit Facilities Agreement) or materially interfere with the use made or to be made thereof by them and the Issuer and the other members of the Group 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, encumbrances, charges, defects, claims, options or restrictions which, individually or in the aggregate, would not have a Material Adverse Effect;
- (13) Authorisation of Material Contracts. There are no contracts that are material to the operation of its business other than the Material Contracts, and each Material Contract has been duly authorised, executed and delivered by the Issuer or any of its Subsidiaries and assuming due authorisation, execution and delivery by the other parties thereto and constitutes a legal, valid and binding agreement of such parties, enforceable against the Issuer and its Subsidiaries, as the case may be, in accordance with its terms, in each case, except as enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity;

- (14) Absence of Other Material Contracts or Documents. There is no franchise, contract or other document of a character required to be described in the Offering Circulars which is not described as required (and the Preliminary Offering Circular contains in all material respects the same description of the foregoing matters contained in the Final Offering Memorandum);
- (15) Licenses. The Issuer and its Subsidiaries possess, and are in compliance with the terms of, all adequate licenses, certificates, authorisations, franchises and permits (collectively, “**Licenses**”) issued by appropriate governmental agencies or bodies necessary or material to the conduct of the business now operated by them or proposed in each of the Offering Circulars to be conducted by them and have not received any notice of proceedings relating to the revocation or modification of any License that, if determined adversely to the Issuer or any of its Subsidiaries would, individually or in the aggregate, have a Material Adverse Effect. Without limiting the foregoing, MC Gaming holds a valid and subsisting Gaming License which is and remains in full force and effect and which validly authorises MC Gaming to carry on the gaming business as is and is proposed to be conducted by it and on the terms and conditions, in each case as described in each of the Offering Circulars, and no notice of any proceeding or claim or action for the invalidation, revocation, cancellation or imposition of any further condition or requirement of or in connection with the Gaming License has occurred or is threatened;
- (16) Absence of Labour Dispute. No labour dispute with the employees of the Issuer or any other member of the Group exists or, to the knowledge of the Issuer or any of its Subsidiaries is imminent, and neither the Issuer nor any other member of the Group is aware of any existing or imminent labour disturbance by the employees of any of its or its Subsidiaries’ principal suppliers, contractors or customers, that, in any such case, would have a Material Adverse Effect;
- (17) Possession of Intellectual Property. Except as disclosed in each of the Offering Circulars, the Issuer and its Subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, “**intellectual property rights**”) necessary to conduct the business now operated or proposed to be operated by them or presently employed or proposed to be employed by them, and if such business is described in the Offering Circulars, as described in the Offering Circulars. Neither the Issuer nor any of its Subsidiaries have received any notice or communication of infringement of or conflict with asserted rights of others with respect to any intellectual property rights of others that, if determined adversely to the Issuer or any of its Subsidiaries would, individually or in the aggregate, have a Material Adverse Effect;
- (18) Environmental Laws. Neither the Issuer nor any other member of the Group is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances or relating to the safety of employees in the workplace (collectively, “**environmental laws**”), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would, individually or in the aggregate, have a Material Adverse Effect; and neither the Issuer nor any other member of the Group is aware of any pending investigation which might lead to such a claim;

- (19) **Insurance.** The Issuer and its Subsidiaries maintain insurance in such amounts and covering such risks as the Issuer reasonably considers adequate for the conduct of its business and as is customary for companies engaged in similar businesses in similar industries and in similar locations, all of which insurance is in full force and effect. There are no material claims by the Issuer or any other member of the Group under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause. The Issuer has no reason to believe that it will not be able to renew its existing insurance as and when such coverage expires or will not be able to obtain replacement insurance adequate for the conduct of the business and the value of its properties at a cost that would not have a Material Adverse Effect;
- (20) **Offering Circulars.** The statements set forth in each of the Offering Circulars (i) under the sections headed “Summary,” “Use of Proceeds,” “Capitalisation,” “Terms and Conditions of the Bonds,” “Description of Material Indebtedness,” and “Principal Shareholders,” insofar as they purport to constitute a summary of the terms of the Bonds, and (ii) under the sections headed “Management,” “Risk Factors,” “Business,” “Plan of Distribution,” “Summary,” “Capitalization,” “Regulation,” “Taxation” and “Enforcement of Civil Liabilities,” insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate and fair in all material respects. The Issue Documents will conform in all material respects to the respective statements relating thereto contained in the Offering Circulars;
- (21) **Statistical and Market-Related Data.** Any third-party statistical and market-related data included in the Offering Circulars are based on or derived from sources that the Issuer believes to be reliable and accurate;
- (22) **Internal Controls and Compliance with the Sarbanes-Oxley Act.** Except as set forth in each of the Offering Circulars, the Issuer, its Subsidiaries and the Issuer’s board of directors (the “**Board**”) are in compliance with applicable requirements of Sarbanes- Oxley. The Issuer maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls (collectively, “**Internal Controls**”) that comply with the applicable requirements of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations of the SEC thereunder (“**Sarbanes-Oxley**”), the Securities Act and the rules and regulations promulgated by the SEC thereunder, and the Exchange Act, and the rules and regulations promulgated by the SEC thereunder (together, the “**Securities Laws**”) and are sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management’s general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles applied on a consistent basis in the United States of America (“**U.S. GAAP**”) and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management’s general or specific authorisation, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Internal Controls are overseen by the Audit Committee (the “**Audit Committee**”) of the Board in accordance with the rules of the NASDAQ Global Select Market (“**NASDAQ**”). The Issuer has not publicly disclosed or reported to the Audit Committee or the Board, and within the next 135 days from the date hereof the Issuer does not reasonably expect to publicly disclose or report to the Audit Committee or the Board, a significant deficiency, material weakness, material adverse change in Internal Controls or fraud involving management or other employees who have a significant role in Internal Controls (each, an “**Internal Control Event**”), any violation of, or failure to comply with, the Securities Laws, or any like matter which, if determined adversely, would have a Material Adverse Effect;

- (23) Absence of Accounting Issues. A member of the Board has confirmed to the Chief Executive Officer, Chief Financial Officer or Chief Legal Officer of the Issuer that the Board is not reviewing or investigating, and neither the Issuer's independent auditors nor its internal auditors have recommended that the Board review or investigate, (i) adding to, deleting, changing the application of, or changing the Issuer's disclosure with respect to any of the Issuer's material accounting policies; (ii) any matter which could result in a restatement of the Issuer's financial statements for any annual or interim period during the current or prior three fiscal years; or (iii) any Internal Control Event;
- (24) Auditors. Deloitte Touche Tohmatsu, who certified the financial statements and the supporting schedules included in the Offering Circulars, are independent public accountants;
- (25) Financial Statements. The consolidated financial statements of the Group, together with the applicable related notes, included in each of the Offering Circulars present fairly the consolidated financial position of the Group at the dates indicated and their consolidated statement of operations, stockholders' equity and cash flows for the periods specified. Such consolidated financial statements of the Group have been prepared in conformity with U.S. GAAP throughout the periods involved. The selected financial data and the summary financial information included in each of the Offering Circulars present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Offering Circulars and the other financial information included in the Offering Circulars has been derived from the accounting records of the Group and presents fairly the information shown thereby;



- (26) No Material Adverse Change in Business. Except as disclosed in each of the Offering Circulars, since the date of the period covered by the latest audited financial statements included in the Offering Circulars, neither the Issuer nor any of its Subsidiaries has (i) incurred, assumed or acquired any material liability (including contingent liability) or other obligation, (ii) received notice of any cancellation, termination, breach, violation or revocation of, or imposition or inclusion of additional conditions or requirements with respect to, MC Gaming's Gaming License, or received notice of any cancellation, termination, breach, violation or revocation of any Material Contract, or of any Debt Repayment Triggering Event, (iii) acquired or disposed of or agreed to acquire or dispose of any business or any other asset material to the Group taken as a whole, (iv) entered into a letter of intent or memorandum of understanding (or announced an intention to do so) relating to any matter identified in clauses (i) through (iii) above, or (v) sustained any material loss or interference with its business from fire, explosion or other calamity, whether or not covered by insurance, or from any labour dispute or court or governmental action, order or decree, and since the respective dates as of which information is given in each of the Offering Circulars, there has been no change, nor any development or event that would have a Material Adverse Effect. Except as disclosed in or contemplated by each of the Offering Circulars, there has been no dividend or distribution of any kind declared, paid or made by the Issuer on any class of its capital stock and there has been no material adverse change in the capital stock, short-term indebtedness, long-term indebtedness, net current assets or net assets of the Issuer and its Subsidiaries;
- (27) Management's Discussion and Analysis of Financial Condition and Results of Operations. The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" in each of the Offering Circulars accurately and fully describes (A) accounting policies which the Issuer believes are the most important in the portrayal of the financial condition and results of operations of the Issuer and its consolidated Subsidiaries and which require management's most difficult, subjective or complex judgments ("**critical accounting policies**"); (B) judgments and uncertainties affecting the application of critical accounting policies; and (C) explanation of the likelihood that materially different amounts would be reported under different conditions or using different assumptions. The Issuer's Board and senior management have reviewed and agreed with the selection, application and disclosure of critical accounting policies. The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in each of the Offering Circulars accurately and fully describes (A) all material trends, demands, commitments, events, uncertainties and risks that the Issuer believes would materially affect liquidity and are reasonably likely to occur; and (B) all off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources of the Group. Except as otherwise disclosed in the Preliminary Offering Circular, there are no outstanding guarantees or other contingent obligations of the Issuer or any Subsidiary that would have a Material Adverse Effect;
- (28) Forward-Looking Statements. Each "forward-looking statement" (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in the Offering Circulars has been made or reaffirmed by the Issuer with a reasonable basis, in good faith and based on sound and reasonable assumptions;

- (29) Accounting Controls. The Group maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorisation, and (iv) and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (30) Undisclosed Liabilities. There are (i) no liabilities of the Issuer or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and (ii) no existing situations or set of circumstances that would reasonably be expected to result in such a liability, other than (x) liabilities set forth in each of the Offering Circulars, or (y) other undisclosed liabilities which would not, individually or in the aggregate, have a Material Adverse Effect;
- (31) Filing of Tax Returns. Each of the Issuer and its Subsidiaries has filed on a timely basis all necessary tax returns, reports and filings (except in any case in which the failure to file on a timely basis would not have a Material Adverse Effect), and all such returns, reports or filings are true, correct and complete in all material aspects, and are not the subject of any disputes with revenue or other authorities and to the Issuer's knowledge there are no circumstances giving rise to, or which could give rise to, such disputes. None of the Issuer or its Subsidiaries is delinquent in the payment of any taxes due thereunder or has any knowledge of any tax deficiency which might be assessed against any of them, which delinquency or assessment would have a Material Adverse Effect;
- (32) Litigation. Except as described in each of the Offering Circulars, there are no pending actions, suits or proceedings (including any arbitral proceedings and any inquiries or investigations by any court or governmental agency or body, domestic or foreign) against or affecting the Issuer, any other member of the Group or any of their respective properties that, if determined adversely to the Issuer or any other member of the Group, would individually or in the aggregate have a Material Adverse Effect, or would materially or adversely affect the ability of the Issuer to perform its obligations under this Agreement, the Issue Documents or the Bonds, or which are otherwise material in the context of the sale of the Bonds; and to the Issuer's and each other member of the Group's best knowledge, no such actions, suits or proceedings (including any arbitral proceedings and any inquiries or investigations by any court or governmental agency or body, domestic or foreign) are threatened or contemplated;
- (33) No Prohibition on Subsidiaries from Paying Dividends or Making Other Distributions. Except as described in each of the Offering Circulars, no Subsidiary of the Issuer is currently prohibited, directly or indirectly, (i) from paying any dividends to the Issuer, (ii) from making any other distribution on such Subsidiary's capital stock, (iii) from repaying to the Issuer any loans or advances to such Subsidiary from the Issuer or (iv) from transferring any of such Subsidiary's property or assets to the Issuer or any other Subsidiary of the Issuer; *provided that* in the case of clause (iv) only, it is acknowledged that the transfer of gaming assets by MC Gaming and of casinos and/or gaming areas will be subject to the compliance of the Gaming License and related requirements under Macau law;

- (34) No Undisclosed Relationships. No relationship, direct or indirect, exists between or among the Issuer or any of its Subsidiaries, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Issuer or any of its Subsidiaries, on the other hand, that is required to be described in the Offering Circulars that is not so described;
- (35) Solvency. Immediately after the Closing, the Issuer and each member of the Group will be Solvent. No proceedings have been commenced nor have resolutions been passed or petitions presented for purposes of, and no judgment has been rendered for, the liquidation, bankruptcy, winding-up, administration or analogous event of the Issuer or any other member of the Group;
- (36) Compliance with Certain Laws and Regulations. None of the Issuer, any of its Subsidiaries or any director, officer, agent, employee or other person 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 Issuer, its Subsidiaries, its affiliates and any of their respective officers, directors, supervisors, managers, agents, or employees, has not violated, and will not violate and the Issuer operates and will continue to operate its business in compliance with all applicable: (a) anti-bribery laws, including but not limited to, the U.S. Foreign Corrupt Practices Act of 1977 or any other law, rule or regulation of similar purpose and scope, (b) anti-money laundering laws, including but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, Title 18 U.S. Code sections 1956 and 1957, the Patriot Act, the Bank Secrecy Act, and international anti-money laundering principals or procedures by an intergovernmental group or organisation, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organisation continues to concur, all as amended, and any Executive Order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder or (c) Sanctions;
- (37) Sanctions. None of the issue and sale of the Bonds, the execution, delivery and performance of this Agreement or the Issue Documents, the use of proceeds from the offering, or the consummation of any other transaction contemplated hereby or the fulfilment of the terms hereof, or the provision of services to or facilitation of any of the foregoing will result in a violation by the Issuer or any other member of the Group of any Sanctions;
- (38) Choice of Law. The agreement of the Issuer to the choice of law provisions set forth in Clause 13 of this Agreement will be recognised by the courts of the Cayman Islands and Macau and are legal, valid and binding; the Issuer can sue and be sued in its own name under the laws of the Cayman Islands and Macau; the irrevocable submission by the Issuer to the jurisdiction of the courts of England and the appointment of Law Debenture Corporate Services Limited, as its authorised agent for the purpose described in Clause 13 of this Agreement is legal, valid and binding; service of process effected in the manner set forth in Clause 13 of this Agreement will be effective to confer valid personal jurisdiction over the Issuer; and, except as disclosed in each of the Offering Circulars, a judgment obtained in an English court arising out of or in relation to the obligations of the Issuer under this Agreement would be enforceable against the Issuer in the courts of the Cayman Islands and Macau, in each case, without further review of the merits;

- (39) Sovereign Immunity. None of the Issuer or any of its Subsidiaries or any of their respective properties has any sovereign immunity from jurisdiction or suit of any court or from set-off or from any legal process or remedy (whether through service, notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of Macau;
- (40) Taxes. No taxes, imposts or duties of any nature (including, without limitation, stamp or other issuance or transfer taxes or duties and capital gains, income, withholding or other taxes) are payable by or on behalf of the Joint Bookrunners to the governments of the Cayman Islands or Macau or, in each case, any political subdivision or taxing authority thereof or therein in connection with (A) the execution and delivery of this Agreement, the Issue Documents or the Bonds, (B) the creation, issue or delivery of the Bonds pursuant hereto, (C) the consummation of the transactions contemplated by this Agreement or (D) except as disclosed in each of the Offering Circulars under the heading "Taxation," the resale and delivery of such Bonds by the Joint Bookrunners in the manner contemplated in the Offering Circulars;
- (41) Payments without Withholding. Except as described in each of the Offering Circulars, all payments on the Bonds will be made by the Issuer without withholding or deduction for or on account of any and all taxes, duties or other charges or whatsoever nature (including, without limitation, income taxes) imposed by the Cayman Islands or Macau, or, in each case, any political subdivision or taxing authority thereof or therein;
- (42) Listing of the Bonds. As of the Closing Date, the Issuer has obtained approval for the Bonds to be listed on the SGX-ST;
- (43) No Registration Required. Subject to compliance by the Joint Bookrunners with the representations and warranties and procedures set forth in Schedule 3 (*Selling Restrictions*), it is not necessary in connection with the offer, sale and delivery of the Bonds to the Joint Bookrunners and to any subsequent purchaser of the Bonds from the Joint Bookrunners in the manner contemplated by this Agreement and the Offering Circulars to register the Bonds under the Securities Act;
- (44) Similar Offerings. None of the Issuer, any of its Subsidiaries or any of their respective Affiliates or any other person acting on their behalf, has, directly or indirectly, solicited any offer to buy, sold or offered to sell or otherwise negotiated in respect of, or will solicit any offer to buy, sell or offer to sell or otherwise negotiate in respect of, in the United States or to any U.S. person (as defined in Regulation S), any security which is or would be integrated with the sale of the Bonds in a manner that would require the Bonds to be registered under the Securities Act;

- (45) No Directed Selling Efforts. None of the Issuer or any other member of the Group, their respective Affiliates or any person acting on its or their behalf (other than the Joint Bookrunners, as to whom neither the Issuer nor any other member of the Group makes any representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S, and each of the Issuer, the other members of the Group and their respective Affiliates and any person acting on its or their behalf (other than the Joint Bookrunners, as to whom neither the Issuer nor any other member of the Group makes any representation) has complied with and will comply with the offering restrictions requirement of Regulation S. The sale of the Bonds pursuant to Regulation S is not part of a plan or scheme to evade the registration provisions of the Securities Act;
- (46) Distribution of Offering Materials. None of the Issuer or any other members of the Group or any person acting on its or their behalf (other than the Joint Bookrunners, as to which no representation is made) has distributed and, prior to the later to occur of (i) the Closing Date and (ii) completion of the distribution of the Bonds, none of them will distribute any offering material in connection with the offering and sale of the Bonds other than the Offering Circular or other materials, if any, permitted by the Securities Act and approved by the Joint Bookrunners;
- (47) Foreign Issuer. The Issuer is a “foreign issuer” within the meaning of Regulation S. The Issuer reasonably believes there is no “substantial U.S. market interest” in the “debt securities” of the Issuer as such terms are defined in Rule 902 of Regulation S;
- (48) Stabilisation Activities. None of the Issuer or any other member of the Group or the subsidiaries, their respective affiliates or any person acting on its or their behalf, has taken or will take, directly or indirectly, any action for the purpose of stabilising or manipulating the price of any security to facilitate the sale or resale of the Bonds in violation of applicable law, *provided, however*, that this provision shall not apply to any trading or stabilisation activities conducted by the Joint Bookrunners;
- (49) Public Announcements Relating to Stabilisation Actions. None of the Issuer or its Subsidiaries shall issue, without the prior consent of the Stabilising Manager, any press release or other public announcement referring to the proposed issue of Bonds unless the announcement adequately discloses the fact that stabilising action may take place in relation to the Bonds to be issued and the Issuer and its Subsidiaries authorise the Joint Bookrunners to make adequate public disclosure of the information required by the Market Abuse Directive (Directive 2003/6/EC) instead of the Issuer or such Subsidiary;

- (50) **ERISA Compliance.** (A) The Issuer, its Subsidiaries and “ERISA Affiliates” (as defined below) and any “employee benefit plan” (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, “ERISA”), excluding any Foreign Plans (as defined below)) established or maintained by the Issuer, its Subsidiaries or any ERISA Affiliate are in compliance with all applicable laws, including ERISA and the Code (as defined below) except as would not have a Material Adverse Effect. “ERISA Affiliate” means, with respect to the Issuer or its Subsidiaries, any member of any group of organisations described in Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the “Code”) of which the Issuer or such Subsidiary is a member. No “reportable event” (as defined under Section 4043 of ERISA) has occurred or is reasonably expected to occur with respect to any “employee benefit plan” subject to Title IV of ERISA established or maintained by the Issuer, its Subsidiaries or any ERISA Affiliate, except as would not, individually or in the aggregate have a Material Adverse Effect. No “employee benefit plan” subject to Title IV of ERISA established or maintained by the Issuer, its Subsidiaries or any ERISA Affiliate, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under Section 4001(a)(18) of ERISA), except as would not, individually or in the aggregate, have a Material Adverse Effect. None of the Issuer, its Subsidiaries or any ERISA Affiliate has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (ii) Sections 412, 4975 or 4980B of the Code, except as would not, individually or in the aggregate, have a Material Adverse Effect. Except as would not, individually or in the aggregate, have a Material Adverse Effect, each “employee benefit plan” established or maintained by the Issuer or its Subsidiaries that is intended to be qualified under Section 401 of the Code is so qualified and nothing has occurred, whether by action or failure to act, that would reasonably be expected to cause the loss of such qualification;
- (B) With respect to each employee benefit plan, program, or other arrangement providing compensation or benefits to any current or former employee, director, officer or consultant (or any dependent or beneficiary thereof) of the Issuer or its Subsidiaries that is subject to the laws of any jurisdiction outside of the United States (the “Foreign Plans”): (i) such Foreign Plan has been maintained in all material respects in accordance with all applicable requirements and all applicable laws, (ii) except as would not reasonably be expected to result in a material liability to the Issuer or any of its Subsidiaries, if intended to qualify for special tax treatment, such Foreign Plan meets all requirements for such treatment, (iii) except as would not reasonably be expected to result in a material liability to the Issuer or any of its Subsidiaries, if intended or required to be funded and/or book-reserved, such Foreign Plan is fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions, and (iv) no material liability exists or reasonably could be expected to be imposed upon the assets of the Issuer or any of its Subsidiaries by reason of such Foreign Plan;
- (51) **Investment Company Act.** The Issuer is not, and after application of the proceeds received by the Issuer from its sale of the Bonds will not be, an “investment company” or “promoter” or “principal underwriter” for an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended, and the rules and regulations thereunder; and
- (52) **Sale Proceeds.** None of the transactions contemplated by this Agreement (including without limitation, the use of the proceeds from the sale of the Bonds), will violate or result in a violation of Section 7 of the Exchange Act, or any regulation promulgated thereunder, including, without limitation, Regulations T, U, and X of the Board of Governors of the Federal Reserve System.

**SCHEDULE 2**  
**Subscription Amounts**

**The Bonds**

	<u>Principal Amount</u>	<u>Commission as a percentage of the aggregate principal amount of the Bonds</u>	<u>Proportion of Subscription</u>
DEUTSCHE BANK AG, HONG KONG BRANCH	RMB805,000,000	0.525%	35%
MERRILL LYNCH INTERNATIONAL	RMB805,000,000	0.525%	35%
CITICORP INTERNATIONAL LIMITED	RMB345,000,000	0.225%	15%
THE ROYAL BANK OF SCOTLAND PLC	RMB345,000,000	0.225%	15%
Total	RMB2,300,000,000	1.5%	100%

**SCHEDULE 3**  
**Selling Restrictions**

**1. General**

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Bookrunners that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of the Offering Circulars, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither the Offering Circulars nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Joint Bookrunners, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Bookrunners. Each Joint Bookrunner undertakes to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or has in its possession or distributes such offering material, in all cases at its own expense.

**2. United States**

**2.1 No registration under Securities Act**

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**2.2 Joint Bookrunners' compliance with United States securities laws**

Each Joint Bookrunner represents, warrants and undertakes to the Issuer that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of such Joint Bookrunner or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Bonds.

**2.3 Compliance with United States Treasury regulations**

Under United States Treasury Regulation §1.163 -5(c)(2)(i)(C) (the "**C Rules**"), Bonds in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance by an issuer that (directly or indirectly through its agents) does not significantly engage in interstate commerce with respect to the issuance and, accordingly, each of the Issuer, on the one hand, and the Joint Bookrunners, on the other hand, represents, warrants and undertakes to the other that:



- (a) it and its affiliates have not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Bonds in bearer form within the United States or its possessions in connection with their original issuance;
- (b) it and its affiliates have not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if any of them is within the United States or its possessions;
- (c) neither it nor any of its affiliates will otherwise involve its U.S. office (or other personnel in the United States) in the offer and sale of Bonds in bearer form; and
- (d) in the case of a Joint Bookrunner, it has not and will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than its Affiliates or another Joint Bookrunner) has offered or sold, or will offer or sell, any Bonds, except where, pursuant to the contract, the Joint Bookrunner has obtained or will obtain from that party, for the benefit of the Issuer and the other Joint Bookrunners, the representations, warranties and undertakings contained in this selling restriction.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the C Rules.

### 3. **European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Joint Bookrunner has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering to the public in that Relevant Member State other than:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 (or 150 if the Relevant Member State has implemented the Amendment Directive (Directive 2010/73/EU)) natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Bookrunners; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided that* no such offer of Bonds shall require the Issuer or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Bonds to the public*” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression “*Prospectus Directive*” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### 4. **United Kingdom**

Each Joint Bookrunner represents, warrants and undertakes that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

#### 5. **Hong Kong**

Each Joint Bookrunner represents, warrants and undertakes that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

#### 6. **The People’s Republic of China**

Each Joint Bookrunner represents, warrants and undertakes that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China, except as permitted by the securities laws of the People’s Republic of China.

7. **Singapore**

Each Joint Bookrunner has acknowledged that the Final Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner represents, warrants and undertakes that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Final Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA, except:

- (1) to an institutional investor or to a relevant person defined in Section 275 (2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

8. **Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”) and, accordingly, each of the Joint Bookrunners represents, warrants and undertakes that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

9. **Macau**

The Bonds may not be offered or sold or delivered to members of the public in Macau.

**SCHEDULE 4**  
**Issuer's Closing Certificate**

*[Letterhead of the Issuer]*

Deutsche Bank AG, HONG KONG BRANCH  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

Citicorp International Limited  
50/F Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central, Hong Kong

Merrill Lynch International  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

The Royal Bank of Scotland plc  
38/F Cheung Kong Centre  
2 Queen's Road Central  
Hong Kong

May 9, 2011

Dear Sirs

**Melco Crown Entertainment Limited**  
**RMB2,300,000,000 3.75% Bonds due 2013 (the "Bonds")**

I, the undersigned, being a duly authorised officer of Melco Crown Entertainment Limited (the "**Issuer**"), refer to the subscription agreement dated April 29, 2011 (the "**Subscription Agreement**") in respect of the Bonds. Expressions which are given defined meanings in the Subscription Agreement have the same meanings herein.

As required by Clause 8.4 (*Conditions precedent*) of the Subscription Agreement, I hereby certify that:

- (a) there has, since the date of the Subscription Agreement up to and including the Closing Date, been no Material Adverse Effect;

- (b) the representations and warranties by the Issuer in the Subscription Agreement are true and correct on the date of this Certificate with reference to the facts and circumstances then subsisting; and
- (c) the Issuer has performed all of its obligations under the Subscription Agreement to be performed on or before the date hereof.

I also certify that as at May 9, 2011, the Issuer is in compliance with the Consolidated Tangible Net Worth requirement and the Maximum Leverage Ratio as set out in Condition 3(b) of the Conditions.

Yours faithfully

---

*duly authorised*

for and on behalf of

**MELCO CROWN  
ENTERTAINMENT LIMITED**

**SIGNATURES**

*The Issuer*

**MELCO CROWN ENTERTAINMENT LIMITED**

By: /s/ Geoffrey Stuart Davis  
Name: Geoffrey Stuart Davis  
Title: Chief Financial Officer

[Signature page to Subscription Agreement]

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: /s/ Jocelyn Court  
Name: Jocelyn Court  
Title: Managing Director

By: /s/ Patrick O. Tsang  
Name: Patrick O. Tsang  
Title: Managing Director

**CITICORP INTERNATIONAL LIMITED**

By: /s/ Elizabeth Luk  
Name: Elizabeth Luk  
Title: Director

**MERRILL LYNCH INTERNATIONAL**

By: /s/ John C. Lee  
Name: John C. Lee  
Title: Managing Director

**THE ROYAL BANK OF SCOTLAND PLC**

By: /s/ Roland Hinterkoerner  
Name: Roland Hinterkoerner  
Title: Managing Director

[Signature page to Subscription Agreement]



**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITICORP INTERNATIONAL LIMITED**

By: /s/ Elizabeth Luk  
Name: Elizabeth Luk  
Title: Director

**MERRILL LYNCH INTERNATIONAL**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE ROYAL BANK OF SCOTLAND PLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature page to Subscription Agreement]

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITICORP INTERNATIONAL LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MERRILL LYNCH INTERNATIONAL**

By: /s/ John C. Lee  
Name: John C. Lee  
Title: Managing Director

**THE ROYAL BANK OF SCOTLAND PLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature page to Subscription Agreement]

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: \_\_\_\_\_  
Name:  
Title:

**CITICORP INTERNATIONAL LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

**MERRILL LYNCH INTERNATIONAL**

By: \_\_\_\_\_  
Name:  
Title:

**THE ROYAL BANK OF SCOTLAND PLC**

By: /s/ Roland Hinterkoerner  
Name: Roland Hinterkoerner  
Title: Managing Director

[Signature page to Subscription Agreement]

**MELCO CROWN ENTERTAINMENT LIMITED**

**and**

**DB TRUSTEES (HONG KONG) LIMITED**

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TRUST DEED

RELATING TO  
RMB 2,300,000,000 3.75%  
BONDS DUE 2013

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**BETWEEN:**

- (1) **MELCO CROWN ENTERTAINMENT LIMITED** (the “**Issuer**”); and
- (2) **DB TRUSTEES (HONG KONG) LIMITED** (the “**Trustee**”, which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

**WHEREAS**

- (A) The Issuer, an exempted company with limited liability incorporated under the laws of the Cayman Islands, has authorised the creation and issue of RMB2,300,000,000 3.75% bonds due 2013 (the “**Bonds**”).
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED** as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Trust Deed the following expressions have the following meanings:

“**Affiliate**” of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, “control,” as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“**Agents**” means the Paying Agents and the CMU Lodging Agent;

“**Appointee**” means any delegate, agent, nominee or custodian appointed pursuant to the provisions of this Trust Deed;

“**Auditors**” means the auditors for the time being of the Issuer and, if there are joint auditors, means all or any one of such joint auditors or, in the event of any of them being unable or unwilling to carry out any action requested of them pursuant to this Trust Deed, means such other firm of chartered accountants in Hong Kong as may be nominated in writing by the Trustee for the purpose;

“**Authorised Signatory**” means any director or any other person or persons notified to the Trustee in writing by any director as being an Authorised Signatory pursuant to Clause 5.15 (*Authorised Signatories*);

“**Bondholder**” means an Original Bondholder or holder of Further Bonds;

**“Bonds”** means the Original Bonds and any Further Bonds save that in Schedules 1 and 2 **“Bonds”** means the Original Bonds and any Further Bonds forming a single issue therewith and the words **“Coupons”**, **“Bondholders”** and **“Couponholders”** where used therein shall be construed accordingly;

**“CMU”** means the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority;

**“CMU Instrument Position Report”** shall have the meaning specified in the CMU Rules;

**“CMU Lodging Agent”** means, in relation to the Bonds of any series, the institution at its Specified Office initially appointed as lodging agent in relation to such Bonds pursuant to the relative Paying Agency Agreement or, if applicable, any Successor lodging agent in relation to such Bonds at its Specified Office;

**“CMU Manual”** means the reference manual relating to the operation of the CMU issued by the Hong Kong Monetary Authority to CMU Members, as amended from time to time;

**“CMU Member”** means any member of the CMU;

**“CMU Rules”** means all requirements of the CMU for the time being applicable to a CMU Member and includes:

- (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Manual;
- (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and
- (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual;

**“Conditions”** means, in relation to the Original Bonds, the terms and conditions to be endorsed on the Original Bonds, in the form or substantially in the form set out in Part B of Schedule 1, and, in relation to any Further Bonds, the terms and conditions endorsed on the Bonds in accordance with the supplemental deed relating thereto or substantially in the form set out or referred to in the supplemental deed relating thereto, as any of the same may from time to time be modified in accordance with this Trust Deed and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Original Bonds accordingly and any reference in this Trust Deed to a particular numbered Condition in relation to any Further Bonds shall be construed as a reference to the provision (if any) in the Conditions of such Further Bonds which corresponds to the particular numbered Condition of the Original Bonds;

**“Couponholder”** means the holder of a Coupon;

**“Coupons”** means the bearer interest coupons in the form or substantially in the form set out in Part B of Schedule 2 (*Form of Coupon*) appertaining to the Bonds or, as the context may require, a specific number thereof and includes any replacement Coupons issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*);

“**Event of Default**” means any one of the circumstances described in Condition 8 (*Events of Default*);

“**Extraordinary Resolution**” has the meaning set out in Schedule 3;

“**Further Bonds**” means any bonds or notes of the Issuer constituted in relation to a deed supplemental to this Principal Trust Deed pursuant to Clause 2.3 (*Further Issues*) and for the time being outstanding or, as the context may require, a specific number thereof and includes any global bond, note or evidence of indebtedness which has not for the time being been exchanged for such bonds or notes and any replacement bonds or notes issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*);

“**Global Bond**” means the Original Global Bond and any other global bonds representing the Further Bonds or any of them;

“**Liabilities**” means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

“**Material Subsidiary**” has the meaning given to it in Condition 8 (*Events of Default*);

“**Original Bondholder**” and (in relation to a Bond) “**holder**” means the bearer of an Original Bond;

“**Original Bonds**” means the bearer bonds in the denomination of RMB250,000 and integral multiples of RMB10,000 in excess thereof comprising the RMB2,300,000,000 3.75% Bonds due 2013 constituted in relation to this Trust Deed, in or substantially in the form set out in Schedules 1 and 2, and for the time being outstanding or, as the case may be, a specific number thereof and includes any replacement Original Bonds issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*) and (except for the purposes of Clauses 3.1 (*Global Bond*) and 3.3 (*Signature*)) the Original Permanent Global Bond for so long as it has not been exchanged in accordance with the terms thereof;

“**Original Couponholder**” and (in relation to a Coupon) “**holder**” means the bearer of an Original Coupon;

“**Original Coupons**” means the bearer interest coupons in or substantially in the form set out in Part B of Schedule 2 appertaining to the Original Bonds and for the time being outstanding or as the context may require a specific number thereof and includes any replacement Original Coupons issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*);



“**Original Permanent Global Bond**” means the Original Permanent Global Bond to be issued pursuant to Clause 3.1 (*Global Bond*) in the form or substantially in the form set out in Schedule 1;

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than:

- (a) those which have been redeemed in accordance with this Trust Deed;
- (b) those in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the relative Bondholders in accordance with Condition 5 (*Redemption and Purchase*)) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in Condition 5 (*Redemption and Purchase*) and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under Condition 9 (*Prescription*);
- (e) those mutilated or defaced Bonds which have been surrendered or cancelled and in respect of which replacement Bonds have been issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*); and
- (f) (for the purpose only of ascertaining the amount of the Bonds outstanding and without prejudice to the status for any other purpose of the relevant Bonds) those Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 10 (*Replacement of Bonds and Coupons*);

*provided that* for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Bondholders;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of Clauses 7.1 (*Legal Proceedings*) and 6.1 (*Waiver*), Conditions 5 (*Redemption and Purchase*) and 9 (*Prescription*) and Schedule 3; and
- (iii) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Bondholders or any of them;

those Bonds (if any) which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary or Affiliate of the Issuer) for the benefit of the Issuer or any Subsidiary or Affiliate of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**“Paying Agency Agreement”** means, in relation to the Bonds of any relevant series, the agreement appointing the initial Paying Agents and the CMU Lodging Agent in relation to such Bonds and any other agreement for the time being in force appointing Successor paying agents and lodging agents in relation to such Bonds, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements in relation to such Bonds;

**“Paying Agents”** means, in relation to the Bonds of any relevant series, the several institutions (including, where the context permits, the Principal Paying Agent) at their respective Specified Offices initially appointed pursuant to the relative Paying Agency Agreement and/or, if applicable, any Successor paying agents, in relation to such Bonds at their respective Specified Offices;

**“Permanent Global Bond”** means the Original Permanent Global Bond and any other permanent global bonds representing the Further Bonds or any of them;

**“Potential Event of Default”** means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 8 (*Events of Default*) become an Event of Default;

**“Principal Paying Agent”** means, in relation to the Bonds of any series, the institution at its Specified Office initially appointed as principal paying agent in relation to such Bonds pursuant to the relative Paying Agency Agreement or, if applicable, any Successor principal paying agent in relation to such Bonds at its Specified Office;

**“Principal Trust Deed”** means the Trust Deed constituting the Original Bonds;

**“repay”** shall include **“redeem”** and vice versa and **“repaid”**, **“repayable”**, **“repayment”**, **“redeemed”**, **“redeemable”** and **“redemption”** shall be construed accordingly;

**“Specified Office”** means, in relation to any Paying Agent, either the office identified with its name in the Conditions of the Bonds of the relevant series or any other office notified to any relevant parties pursuant to the Paying Agency Agreement;

**“Subsidiary”** means as to any person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such person;

**“Successor”** means, in relation to the Paying Agents and the CMU Lodging Agent, such other or further person, as may from time to time be appointed pursuant to the Paying Agency Agreement as a Paying Agent or the CMU Lodging Agent;

“**this Trust Deed**” means this Principal Trust Deed and the Schedules (as from time to time modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

“**trust corporation**” means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

“**Written Resolution**” a resolution in writing signed by or on behalf of holders holding not less than 90% of the aggregate principal amount of the outstanding Bonds, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Bonds.

1.2

### **Principles of interpretation**

In this Trust Deed references to:

- 1.2.1 *Statutory modification*: a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- 1.2.2 *Additional amounts*: principal and/or interest in respect of the Bonds shall be deemed also to include references to any additional amounts which may be payable under Condition 5 (*Redemption and Purchase*);
- 1.2.3 *Tax*: costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof;
- 1.2.4 *Currency abbreviation*: “**RMB**” denotes the lawful currency for the time being of the People’s Republic of China;
- 1.2.5 *Enforcement of rights*: an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdictions as shall most nearly approximate thereto;
- 1.2.6 *Clauses and Schedules*: a Schedule or a Clause or sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto, a clause or sub-clause, paragraph or sub-paragraph hereof respectively;
- 1.2.7 *Principal*: principal shall, when applicable, include premium;
- 1.2.8 *Clearing systems*: CMU shall, wherever the context so admits, be deemed to include references to any additional or alternative clearing system approved by the Issuer and the Trustee; and
- 1.2.9 *Gender*: words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships and words importing the singular number only shall include the plural and in each case *vice versa*.

1.3 **The Conditions**

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

1.4 **Headings**

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

1.5 **The Schedules**

The schedules are part of this Trust Deed and shall have effect accordingly.

2. **COVENANT TO REPAY**

2.1 **Covenant to Repay**

The Issuer covenants with the Trustee that it will, as and when the Original Bonds or any of them become due to be redeemed or any principal on the Original Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in RMB in Hong Kong in immediately available freely transferable funds the principal amount of the Original Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Original Bonds or any of them outstanding from time to time as set out in the Conditions *provided that*:

2.1.1 subject to the provision in Clause 2.2 (*Following an Event of Default*), every payment of principal or interest in respect of the Original Bonds or any of them made to the Principal Paying Agent in the manner provided in the Paying Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is failure in the subsequent payment thereof to the relevant Original Bondholders or Original Couponholders (as the case may be) in accordance with the Conditions;

2.1.2 if any payment of principal or interest in respect of the Original Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Original Bondholders or, if earlier, the seventh day after notice has been given to the Original Bondholders or Original Couponholders (as the case may be) in accordance with the Conditions that the full amount has been received by the Principal Paying Agent or the Trustee except, in the case of payment to the Principal Paying Agent, to the extent that there is failure in the subsequent payment to the relevant Original Bondholders or Original Couponholders (as the case may be) under the Conditions; and

2.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Original Bond is improperly withheld or refused upon due presentation (if so provided for in the Conditions) of the Original Bond, interest shall accrue on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Original Bondholders or, if earlier, the seventh day after which notice is given to the Original Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Original Bondholders provided that on further due presentation thereof (if so provided for in the Conditions) such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenant in Clause 4 (*Covenant to comply with Trust Deed and Schedules*) on trust for the Original Bondholders and Original Couponholders.

## 2.2 **Following an Event of Default**

At any time after any Event of Default or Potential Event of Default shall have occurred, the Trustee may:

- 2.2.1 by notice in writing to the Issuer, the Principal Paying Agent and the other Paying Agents require the Principal Paying Agent and the other Paying Agents or any of them, until otherwise instructed by the Trustee:
- (a) to act thereafter as Paying Agents of the Trustee under the provisions of this Trust Deed on the terms provided in the Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents shall be limited to amounts for the time being held by the Trustee on the trusts of this Trust Deed in relation to the Bonds on the terms of this Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Bonds and Coupons and all sums, documents and records held by them in respect of Bonds and Coupons on behalf of the Trustee; and/or
  - (b) to deliver up all Bonds and Coupons and all sums, documents and records held by them in respect of Bonds and Coupons to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any document or record which the relevant Paying Agent is obliged not to release by any law or regulation; and
- 2.2.2 by notice in writing to the Issuer require the Issuer to make all subsequent payments in respect of Bonds and Coupons to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, proviso 2.1.1 to Clause 2.1 (*Covenant to Repay*) and (so far as it concerns payments by the Issuer) Clause 8.5 (*Payment to Bondholders and Couponholders*) shall cease to have effect.

## 2.3 Further Issues

- 2.3.1 The Issuer shall be at liberty from time to time (but subject always to the provisions of this Trust Deed) without the consent of the Bondholders or the Couponholders to create and issue further bonds or debt securities howsoever designated either ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so as to form a single series with the Original Bonds. The Issuer shall be at liberty from time to time, with the consent of the Trustee, to create and issue other series of bonds.
- 2.3.2 Any further bonds or debt securities howsoever designated created and issued pursuant to the provisions of sub-clause 2.3.1 shall, if they are to form a single series with the Original Bonds be constituted in relation to a deed supplemental to this Principal Trust Deed and in any other case, if the Trustee so agrees, may be so constituted. In any such case the Issuer shall prior to the issue of any such further notes or bonds, execute and deliver to the Trustee a deed supplemental to this Principal Trust Deed (if applicable, duly stamped or denoted) and containing a covenant by the Issuer in the form *mutatis mutandis* of Clause 2.1 (*Covenant to repay*) of this Principal Trust Deed in relation to the principal and interest in respect of such further bonds or debt securities howsoever designated and such other provisions (corresponding to any of the provisions contained in this Trust Deed) as the Trustee shall require.
- 2.3.3 A memorandum of every such supplemental deed shall be endorsed by the Trustee on this Principal Trust Deed and by the Issuer on the duplicate of this Principal Trust Deed.
- 2.3.4 Any Further Bonds not forming a single series with the Original Bonds or any other series of Bonds shall form a separate series and accordingly, unless for any purpose the Trustee at its absolute discretion shall otherwise determine, all the provisions of this Trust Deed (other than Clauses 2.1 (*Covenant to Repay*) and 3.1 to 3.3 inclusive (*The Bonds*) and Schedules 1 and 2) shall apply separately to each series of the Bonds, and in this Trust Deed (other than such Clauses and Schedules) the expression “Bonds” and “Bondholders”, “Coupons” and “Couponholders” shall be construed accordingly.

## 3. THE BONDS

### 3.1 Global Bond

The Original Bonds will initially be represented by the Original Permanent Global Bond in the principal amount of RMB2,300,000,000. Interests in the Permanent Global Bond shall be exchangeable in accordance with its terms for Original Bonds in definitive form. The Permanent Global Bond will be lodged with a sub-custodian for the CMU. The Permanent Global Bond need not be security printed. The Bonds evidenced by the Permanent Global Bond shall be subject to their terms in all respects and entitled to the same benefits under this Trust Deed as Bonds evidenced by individual definitive certificates.

3.2 **The definitive Bonds**

The definitive Original Bonds and the Original Coupons will be security printed in accordance with applicable legal and stock exchange requirements substantially in the forms set out in Schedule 2. The Original Bonds will be endorsed with the Conditions.

3.3 **Signature**

The Original Permanent Global Bond, the Original Bonds and the Original Coupons will be signed manually or in facsimile by a duly authorised person designated by the Issuer and, in the case of the Original Permanent Global Bond and the Original Bonds, will be authenticated manually by or on behalf of the Principal Paying Agent. The Issuer may use the facsimile signature of a person who at the date of this Trust Deed is such a duly authorised person even if at the time of issue of any Original Bonds and/or Original Coupons he no longer holds that office. Original Bonds and Original Coupons so executed and authenticated will be binding and valid obligations of the Issuer.

3.4 **Deemed absolute owner**

Except as ordered by a court of competent jurisdiction or as required by law, the Trustee, the Agents and the Issuer (whether or not such Bond or Coupon is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof or trust or other interest therein or any other notice to the contrary) may (i) for the purpose of making payment thereon or on account thereof deem and treat the bearer of any Bond or Coupon, as the absolute owner thereof and of all rights thereunder free from all encumbrances, and shall not be required to obtain proof of such ownership or as to the identity of the bearer of any Bond or Coupon, and (ii) for all other purposes deem and treat:

3.4.1 the bearer of any definitive Bond or Coupon; and

3.4.2 each person for the time being shown in the records of the CMU as holder of Bonds (represented by a particular principal amount of any Global Bond credited to his securities account),

as the absolute owner thereof free from all encumbrances and shall not be required to obtain proof of such ownership (other than, in the case of any person for the time being so shown in the records of the CMU, a certificate or other document issued by the CMU as to the principal amount of such Bonds credited to the account of the relevant person) or as to the identity of the bearer of any Bond or Coupon.

4. **COVENANT TO COMPLY WITH TRUST DEED AND SCHEDULES**

The Issuer covenants with the Trustee to comply with those provisions of this Trust Deed and the Conditions which are expressed to be binding on it and to perform and observe the same. The Bonds and the Coupons are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer, the Bondholders and the Couponholders and all persons claiming through or under them respectively.

5. **COVENANTS BY THE ISSUER**

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

5.1 **Books of account**

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow the Trustee and any person appointed by it free access to the same and to discuss the same with responsible officers of the Issuer; *provided that* the Trustee shall treat any confidential financial or other information obtained from their review of such books of account in accordance with Clause 9.2.11 (*Confidential Information*);

5.2 **Notice of Event of Default**

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustee to take any further action;

5.3 **Certificate of Compliance**

Provide to the Trustee (i) within 10 days of any request by the Trustee, (ii) at the time of the despatch to the Trustee of its annual balance sheet and profit and loss account, and in any event not later than 120 days after the end of its financial year and (iii) at the time of the despatch to the Trustee of its semi-annual balance sheet and profit and loss account, and in any event not later than 60 days after the end of the first half of its financial year, a certificate in the English language in the form set out in Schedule 4, signed by an authorised signatory of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the “**Certified Date**”) the Issuer has complied with its obligations under this Trust Deed (or, if such is not the case, giving details of the circumstances of such non-compliance) and that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer, as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Trust Deed) any Event of Default or Potential Event of Default or other matter which would affect the Issuer’s ability to perform its obligations under this Trust Deed or (if such is not the case) specifying the same;

5.4 **Accounts in relation to Material Subsidiaries**

Ensure that such accounts are prepared as may be necessary to determine which subsidiaries are Material Subsidiaries and procure that the Issuer prepares and delivers to the Trustee at the time of issue of every audited consolidated balance sheet of the Issuer and at any other time upon the request of the Trustee a certificate or report specifying the Material Subsidiaries at the date of such balance sheet or request;



**5.5 Certificate relating to Material Subsidiaries**

Give to the Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Material Subsidiary or after any transfer is made to any Subsidiary which thereby becomes a Material Subsidiary, a certificate by the Issuer to such effect;

**5.6 Financial statements**

Send to the Trustee (if the same are produced) as soon as practicable after their date of publication and (i) in the case of annual financial statements in any event not more than 120 days after the end of each financial year and (ii) in the case of semi-annual balance sheet and profit and loss account in any event not more than 60 days after the end of the first half of each financial year, two copies in the English language of the Issuer's annual or interim (as applicable) balance sheet and profit and loss account and of every balance sheet, profit and loss account, report or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to the members or holders of debentures or creditors (or any class of them) of the Issuer in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof;

**5.7 Information**

So far as permitted by applicable law, regulations and applicable listing rules, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require (including, without limitation, the certificates called for by the Trustee pursuant to Clause 5.3 (*Certificate of Compliance*)) for the performance of its functions;

**5.8 Bonds held by Issuer**

Send to the Trustee as soon as practicable after being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total number of Bonds of each series which at the date of such certificate are held by or for the benefit of the Issuer or any Subsidiary or any Affiliate of the Issuer;

**5.9 Execution of further Documents**

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

**5.10 Notices to Bondholders**

Send or procure to be sent to the Trustee not less than seven days prior to the date of publication or, in the case of notices required to be released sooner pursuant to applicable listing rules, as soon as reasonably practicable, for the Trustee's approval (such approval not to be unreasonably withheld or delayed), one copy of each notice to be given to the Bondholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice;

**5.11 Notification of late payment**

In the event of the unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Bonds or any of them or any of the Coupons being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

**5.12 Notification of redemption or repayment**

If the Issuer intends to redeem or repay all or part of the Bonds under, and in compliance with the provisions set forth in, Conditions 5(b), 5(c), 5(e) or 5(f) before their stated maturity, it shall, at least seven Business Days (or such lesser period as may be agreed by the Trustee) before the latest date for the publication of the relevant notice of redemption or repayment required to be given to the Bondholders, give notice of its intention to the Principal Paying Agent and the Trustee, stating the amount and the date on which such Bonds are to be redeemed or repaid and duly proceed to redeem or repay such Bonds accordingly;

**5.13 Obligations under the Paying Agency Agreement**

Observe and comply with its obligations under the Paying Agency Agreement and notify the Trustee immediately when it becomes aware of any breach of such obligations in relation to the Bonds or Coupons;

**5.14 Listing**

At all times use all best endeavours to maintain the listing of the Original Bonds on the Singapore Exchange Securities Trading Limited or, if it is unable to do so having used such endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly burdensome or impractical, use reasonable endeavours to obtain and maintain a listing of the Original Bonds on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the approval of the Trustee) decide and give notice of the identity of such other stock exchange or exchanges or securities market or markets to the Bondholders;

**5.15 Authorised Signatories**

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee (with a copy to the Principal Paying Agent) a list of the authorised signatories of the Issuer, together with certified specimen signatures of the same; and

**5.16 Payments**

Pay moneys payable by the Issuer to the Trustee hereunder (excluding, for the avoidance of doubt, any payments of moneys by the Issuer pursuant to the Conditions, which payments shall be governed by the Conditions and not this Clause 5.16), without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

## 6. AMENDMENTS AND SUBSTITUTION

### 6.1 Waiver

The Trustee may, without any consent or sanction of the Bondholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or possible breach of any of the covenants or provisions contained in this Trust Deed or the Bonds or Coupons or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Bondholders, the Couponholders and, if, but only if, the Trustee shall so require, the Issuer shall cause such authorisation, waiver or determination to be notified to the Bondholders as soon as practicable thereafter in accordance with the Condition relating thereto; *provided that* the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or possible breach relating to any of the matters the subject of the Reserved Matters as specified and defined in Schedule 3.

### 6.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Bondholders or Couponholders concur with the Issuer in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified and defined in Schedule 3 or any provision of this Trust Deed referred to in that specification) or the Bonds which in the opinion of the Trustee is not materially prejudicial to the interests of the Bondholders or (b) any modification to this Trust Deed or the Bonds if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Any such modification shall be binding on the Bondholders and the Couponholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Bondholders as soon as practicable thereafter in accordance with the Conditions.

## 7. ENFORCEMENT

### 7.1 Legal Proceedings

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Bonds which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-tenth in principal amount of the outstanding Bonds and (b) it shall have been indemnified and/or prefunded and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and provided that the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Bondholders or Couponholders.

7.2 **Only Trustee may enforce**

Only the Trustee may enforce the provisions of this Trust Deed, the Bonds and Coupons in respect of the Bonds. No Bondholder or Couponholder shall be entitled to proceed directly against the Issuer to enforce the performance of any provisions of this Trust Deed or any of the Bonds or Coupons unless the Trustee, having become bound as aforesaid to take proceedings, fails to do so within a reasonable period and such failure shall be continuing.

7.3 **Evidence of Default**

If the Trustee (or any Bondholder or Couponholder where entitled under this Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding-up or insolvency of the Issuer under this Trust Deed or under the Bonds, proof therein that:

7.3.1 as regards any specified Bond the Issuer has made default in paying any principal due in respect of such Bond shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Bonds in respect of which a corresponding payment is then due; and

7.3.2 as regards any specified Coupon the Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Coupons in respect of which a corresponding payment is then due;

and for the purposes of Clause 7.2 (*Only Trustee may enforce*) and sub-clauses 7.3.1 and 7.3.2 above a payment shall be a “corresponding” payment notwithstanding that it is due in respect of a Bond of a different denomination from that in respect of the above specified Bond or specified Coupon.

8. **APPLICATION OF MONEYS**

8.1 **Application of Moneys**

All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will (a) despite any appropriation of all or part of them by the Issuer and (b) unless and to the extent attributable in the opinion of the Trustee to a particular series of Bonds, be apportioned *pari passu* and rateably between each series of the Bonds, and all moneys received by the Trustee under this Trust Deed to the extent attributable in the opinion of the Trustee to a particular series of the Bonds or which are apportioned to such series as aforesaid (including any moneys which represent principal or interest in respect of Bonds or Coupons which have become void under the Conditions) be held by the Trustee on trust to apply them (subject to Clause 8.3 (*Investment of Moneys*)):

- 8.1.1 first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee) and by the Agents in the preparation and execution of the Paying Agency Agreement and the performance of their duties thereunder;
- 8.1.2 secondly, in or towards payment *pari passu* and rateably of all arrears of interest remaining unpaid in respect of the Bonds of that series and all principal moneys due on or in respect of the Bonds of that series; and
- 8.1.3 thirdly, the balance (if any) in payment to the Issuer.

## 8.2 **Return of moneys in respect of void Bonds**

If the Trustee shall hold any moneys which represent principal or interest in respect of Bonds or Coupons which have become void under Condition 9 (*Prescription*) or pursuant to the terms of the Global Bond prior to the exchange of the whole thereof for definitive Bonds, the Trustee shall promptly and from time to time pay such moneys to the Issuer provided there are no outstanding claims in respect of Bonds or Coupons and subject to payment or provision for the payment or satisfaction of the said costs, charges, expenses and liabilities and the remuneration of the Trustee.

## 8.3 **Investment of Moneys**

If the amount of the moneys at any time available for payment of principal and interest in respect of the Bonds under Clause 8.1 (*Application of Moneys*) shall be less than a sum sufficient to pay at least one-tenth of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys in deposits maintained with itself and need only account for an amount of interest equal to the amount of interest which would, at then current rates, be payable by it on such a deposit to an independent customer; and such investment with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay at least one-tenth of the principal amount of the Bonds then outstanding and such accumulation and funds (after deduction of any taxes and any other deductibles applicable thereto) shall then be applied in the manner aforesaid.

## 8.4 **Authorised Investments**

Any moneys which under this Trust Deed may be invested by the Trustee may be invested in the name or under the control of the Trustee in any of the investments for the time being authorised by English law for the investment by trustees of trust moneys or in any other investments, whether similar to those aforesaid or not, which may be selected by the Trustee or by placing the same on deposit in the name or under the control of the Trustee with such bank or other financial institution as the Trustee may think fit and in such currency as the Trustee in its absolute discretion may determine and the Trustee may at any time vary or transfer any of such investments for or into other such investments or convert any moneys so deposited into any other currency and shall not be responsible for any liability occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise.

**8.5 Payment to Bondholders and Couponholders**

The Trustee shall give notice to the Bondholders in accordance with the Conditions of the date fixed for any payment under Clause 8.1 (*Application of Moneys*). Any payment to be made in respect of the Bonds or the Coupons by the Issuer or the Trustee may be made in the manner provided in the Conditions, the Paying Agency Agreement and this Trust Deed and any payment so made shall be a good discharge to the extent of such payment, by the Issuer or the Trustee, as the case may be. Any payment in full of interest made in respect of a Coupon in the manner aforesaid shall extinguish any claim of a Bondholder or Couponholder which may arise directly or indirectly in respect of such interest.

**8.6 Production of Bonds and Coupons**

Upon any payment under Clause 8.5 (*Payment to Bondholders and Couponholders*) of principal or interest, the Bond or Coupon in respect of which such payment is made shall, if the Trustee so requires, be produced to the Trustee or the Paying Agent by or through whom such payment is made and the Trustee shall, in the case of part payment, enface or cause such Paying Agent to enface a memorandum of the amount and date of payment thereon or, in the case of payment in full, shall cause such Bond or Coupon to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation.

**8.7 Bondholders to be treated as holding all Coupons**

Wherever in this Trust Deed the Trustee is required or entitled to exercise a power, trust, authority or discretion under this Trust Deed, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Bondholder is the holder of all Coupons appertaining to each Bond of which he is the holder.

**9. TERMS OF APPOINTMENT**

By way of supplement to the United Kingdom Trustee Act 1925 and the United Kingdom Trustee Act 2000, it is expressly declared as follows:

**9.1 Reliance on Information**

9.1.1 *Advice*: The Trustee may in relation to this Trust Deed engage and consult, at the expense of the Issuer, and act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, any Subsidiary or any Agent) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any liability occasioned by so acting whether or not addressed to the Trustee and whether or not liability in relation thereto is limited by reference to a monetary cap, methodology or otherwise; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram, electronic communication or facsimile transmission and the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;

- 9.1.2 *Certificate of directors or Authorised Signatories:* the Trustee may call for and shall be at liberty to accept a certificate signed by two directors and/or two Authorised Signatories of the Issuer or other person duly authorised on its behalf as to any fact or matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by its failing so to do;
- 9.1.3 *Certificate of Auditors:* any certificate or report of the Auditors or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of this Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself. A certificate of the Auditors that in their opinion a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and all Bondholders;
- 9.1.4 *Resolution or direction of Bondholders:* the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders and Couponholders;
- 9.1.5 *Reliance on certification of clearing system:* the Trustee may call for any certificate or other document issued by the CMU or any other relevant clearing system in relation to any matter to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in the relevant clearing systems records as having a particular principal or nominal amount of Bonds credited to his securities account. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system in accordance with its usual procedures and in which the holder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by CMU or any other relevant clearing system and subsequently found to be forged or not authentic;

- 9.1.6 *Bondholders as a class*: whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders, it shall have regard to the interests of the Bondholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Bondholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory;
- 9.1.7 *Trustee not responsible for investigations*: the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 9.1.8 *No obligation to monitor*: the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Bonds or Coupons or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- 9.1.9 *Bonds held by the Issuer*: in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under Clause 5.8 (*Bonds held by Issuer*)), that no Bonds are for the time being held by or for the benefit of the Issuer, its Subsidiaries or Affiliates;
- 9.1.10 *Forged Bonds*: the Trustee shall not be liable to the Issuer or any Bondholder or Couponholder by reason of having accepted as valid or not having rejected any Bond or Coupon as such and subsequently found to be forged or not authentic;
- 9.1.11 *Events of Default*: the Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Event of Default or Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default or Potential Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and Coupons and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable;



- 9.1.12 *Interests of accountholders or participants:* so long as any Bond is held by or on behalf of CMU, in considering the interests of Bondholders, the Trustee may consider the interests (either individual or by category) of its accountholders or participants with entitlements to any such Bond as if such accountholders or participants were the holder(s) thereof;
- 9.1.13 *Right to Deduct or Withhold:* notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed;
- 9.1.14 *Indemnification:* nothing contained in this Trust Deed shall require the Trustee to declare the Bonds due and payable, take any steps to enforce the performance of any provision of this Trust Deed or expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder unless and until it shall be indemnified and/or prefunded and/or secured to its satisfaction against all proceedings, claims and demands to which it may be or become liable and all costs, charges, expenses and liabilities which may be incurred by it in connection therewith;
- 9.1.15 *Expert advice:* the Trustee shall engage and consult, at the expense of the Issuer with any legal adviser and professional adviser selected by it in connection with the performance of its duties hereunder and rely upon any advice so obtained and each of its respective directors, officers, employees and duly appointed agents shall be protected and shall not be liable in respect of any action taken, or omitted to be done or suffered to be taken, in accordance with such advice; and
- 9.1.16 *Special damages and consequential loss:* Notwithstanding any other term or provision of this Trust Deed to the contrary, each Trustee shall not in any event be liable under any circumstances for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if such Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract, for breach of trust, breach of fiduciary obligation or otherwise. The provisions of this Clause shall survive the resignation or removal of any Trustee or the termination of this Trust Deed.

9.2 **Trustee's powers and duties**

- 9.2.1 *Trustee's determination:* The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds or Coupons is capable of remedy and/or not materially prejudicial to the interests of the Bondholders;
- 9.2.2 *Determination of questions:* the Trustee as between itself and the Bondholders and the Couponholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Bondholders and the Couponholders;
- 9.2.3 *Consolidation and amalgamation:* the Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto or the consequences thereof to any Bondholder or Couponholder;
- 9.2.4 *Trustee's discretion:* the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or prefunded and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;
- 9.2.5 *Trustee's consent:* any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 9.2.6 *Conversion of currency:* where it is necessary or desirable for any purpose in connection with this Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders and the Couponholders;

- 9.2.7 *Application of proceeds*: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the exchange of the Permanent Global Bond for definitive Bonds or the delivery of any Bond or Coupon to the persons entitled to them;
- 9.2.8 *Agents*: the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and, provided that the Trustee uses reasonable care in selecting any such agent, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;
- 9.2.9 *Delegation*: the Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided that the Trustee uses reasonable care in selecting any such delegate or sub-delegate, the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- 9.2.10 *Custodians and nominees*: the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided that the Trustee uses reasonable care in selecting any such custodian or nominee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer;
- 9.2.11 *Confidential information*: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder or Couponholder confidential financial or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information; and

9.2.12 *Force Majeure*: Notwithstanding anything to the contrary in this Trust Deed, the Trustee shall not in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any reason which is beyond the control of the Trustee.

### 9.3 **Financial matters**

9.3.1 *Professional charges*: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and any properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

9.3.2 *Illegality or Expenditure by the Trustee*: nothing contained in this Trust Deed shall require the Trustee to (i) do anything which may be illegal or contrary to applicable law or regulation; or (ii) cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it; and

9.3.3 *Trustee may enter into financial transactions with the Issuer*: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

9.4 **Trustee Liability**

Notwithstanding anything to the contrary in this Trust Deed, the Bonds or the Paying Agency Agreement, the Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed, the Bonds or the Paying Agency Agreement save in relation to its own gross negligence, wilful default or fraud.

10. **COSTS AND EXPENSES**

10.1 **Remuneration**

10.1.1 *Normal Remuneration:* The Issuer shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall be payable in advance on the anniversary of the date hereof in each year and the first payment shall be made on the date hereof. Upon the issue of any Further Bonds the rate of remuneration in force immediately prior thereto shall be increased by such amount as shall be agreed between the Issuer and the Trustee, such increased remuneration to be calculated from such date as shall be agreed as aforesaid. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Bondholders and Couponholders) up to and including the date when, all the Bonds having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Trustee, *provided that* if upon due presentation (if required pursuant to the Conditions) of any Bond or Coupon or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue;

10.1.2 *Extra Remuneration:* In the event of the occurrence of an Event of Default or a Potential Event of Default, the Issuer shall pay to the Trustee such additional remuneration calculated in accordance with time cost spent by the Trustee in undertaking duties in an Event of Default or a Potential Event of Default and in any case, at the Trustee's standard charge-out rate or in the event the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them;

10.1.3 *Value added tax:* The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Trust Deed;

10.1.4 *Failure to agree:* In the event of the Trustee and the Issuer failing to agree:

- (a) (in a case to which sub-clause 10.1.1 (*Normal Remuneration*) applies) upon the amount of the remuneration; or

- (b) (in a case to which sub-clause 10.1.2 (*Extra Remuneration*) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, or upon such additional remuneration;

such matters shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such person being payable by the Issuer) and the determination of any such person shall be final and binding upon the Trustee and the Issuer;

- 10.1.5 *Expenses:* The Issuer shall also pay or discharge all costs, charges and expenses properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed;
- 10.1.6 *Indemnity:* The Issuer shall unconditionally and irrevocably covenant and undertake that it will, on demand by the Trustee indemnify it, its directors, officers, employees and agents (each an “**indemnified party**”) in full at all times in respect of all liabilities and expenses properly incurred by it or by anyone appointed by it or to whom any of its functions may be delegated by it in the carrying out of its functions and against any loss, liability, cost, claim, action, proceeding, penalty, damages, expense, disbursement (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending or investigating any claim or liability with respect to any of the foregoing), and other liabilities whatsoever (the “**Losses**”), which any of them may incur or which may be made against any of them arising out of or in relation to or in connection with, (a) its appointment or involvement hereunder or the exercise of its powers, functions or duties hereunder or the taking of any acts in accordance with the terms of this Trust Deed or its usual practice; (b) this Trust Deed and the Paying Agency Agreement; or (c) any instruction or other direction upon which the Trustee may rely under this Trust Deed, as well as the costs and expenses incurred by an indemnified party or defending itself against or investigating any claim or liability with respect to the foregoing provided that this indemnity shall not apply in respect of an indemnified party to the extent that any such Losses incurred or suffered by or brought against such indemnified party arises directly from the fraud, wilful misconduct or gross negligence of such indemnified party. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of any Trustee or the termination of this Trust Deed. Each indemnified party (other than the Trustee) shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce its rights against the Issuer under this Clause 10.1.6. Save as provided in this Clause 10.1.6, an indemnified party (other than the Trustee) will not be entitled directly to enforce its rights against the Issuer under this Trust Deed, under the Contracts (Rights of Third Parties) Act 1999 or otherwise. The Trustee and the Issuer may agree to terminate this Trust Deed or vary any of its terms without the consent of any such indemnified party;

- 10.1.7 *Payment of amounts due:* All amounts due and payable pursuant to sub clauses 10.1.5 (*Expenses*) and 10.1.6 (*Indemnity*) shall be payable by the Issuer on the date specified in a demand, which shall provide the Issuer with no less than 7 business days' notice, by the Trustee; the rate of interest applicable to such payments shall be 1% per annum above the base rate from time to time of DB Trustees (Hong Kong) Limited and interest shall accrue:
- (a) in the case of payments made by the Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand; and
  - (b) in the case of payments made by the Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.
- All remuneration payable to the Trustee shall carry interest at the rate specified in this Clause 10.1.7 (*Payment of amounts due*) from the due date thereof;
- 10.1.8 *Apportionment:* The Trustee shall be entitled in its absolute discretion to determine in respect of which series of Bonds any costs, charges, expenses or liabilities incurred under this Trust Deed have been incurred or to allocate any such costs, charges, expenses or liabilities between two or more series of Bonds;
- 10.1.9 *Discharges:* Unless otherwise specifically stated in any discharge of this Trust Deed the provisions of this Clause 10.1 (*Remuneration*) shall continue in full force and effect notwithstanding such discharge.

## 10.2 **Stamp duties**

The Issuer will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (a) the constitution and issue of the Bonds and Coupons, (b) the initial delivery of the Bonds (c) any action taken by the Trustee (or any Bondholder or Couponholder where permitted or required under this Trust Deed so to do) to enforce the provisions of the Bonds or this Trust Deed and (d) the execution of this Trust Deed. If the Trustee (or any Bondholder or Couponholder where permitted under this Trust Deed so to do) shall take any proceedings against the Issuer in any other jurisdiction and if for the purpose of any such proceedings this Trust Deed or any Bonds are taken into any such jurisdiction and any stamp duties or other duties or similar taxes become payable thereon in any such jurisdiction, the Issuer will pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

### 10.3 **Exchange rate indemnity**

- 10.3.1 *Currency of Account and Payment*: RMB or, in relation to Clause 10.1 (*Remuneration*), United States dollars (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed and the Bonds and the Coupons, including damages;
- 10.3.2 *Extent of Discharge*: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise), by the Trustee or any Bondholder or Couponholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and
- 10.3.3 *Indemnity*: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds or the Coupons, the Issuer will indemnify it against any liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

### 10.4 **Indemnities separate**

The indemnities in this Trust Deed constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder or Couponholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or the Bonds and/or the Coupons or any other judgment or order. Any such liability as referred to in sub-clause 10.3.3 (*Indemnity*) shall be deemed to constitute a liability suffered by the Trustee, the Bondholders and Couponholders and no proof or evidence of any actual liability shall be required by the Issuer or its liquidator or liquidators.

## 11. **APPOINTMENT AND RETIREMENT**

### 11.1 **Appointment of Trustees**

The power of appointing new trustees of this Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof one at least of which shall be a trust corporation. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Paying Agents and to the Bondholders. The Bondholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof.



The removal of any trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such removal.

## 11.2 **Co-trustees**

Notwithstanding the provisions of Clause 11.1 (*Appointment of Trustees*), the Trustee may, upon giving prior notice to the Issuer but without the consent of the Issuer or the Bondholders, appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- 11.2.1 if the Trustee considers such appointment to be in the interests of the Bondholders; or
- 11.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or
- 11.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of this Trust Deed.

## 11.3 **Attorneys**

The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by this Trust Deed) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee.

## 11.4 **Retirement of Trustees**

Any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than 45 days notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Issuer hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause 11.4, it shall use its best endeavours to procure a new trustee, being a trust corporation, to be appointed and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice referred to in this Clause 11.4, the Trustee shall be entitled to procure forthwith a new trustee.

11.5 **Competence of a majority of Trustees**

Whenever there shall be more than two trustees hereof the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Trust Deed in the Trustee generally.

11.6 **Powers additional**

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Bonds or Coupons.

11.7 **Merger**

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any papers or any further act on the part of any of the parties hereto.

12. **NOTICES**

12.1 **Addresses for notices**

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

12.1.1 Issuer: If to the Issuer, to it at:

Melco Crown Entertainment Limited  
36<sup>th</sup> Floor, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Fax: +852 2230 9438  
Attention: Chief Legal Officer

12.1.2 *Trustee*: if to the Trustee, to it at:

DB Trustees (Hong Kong) Limited  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

Fax: +852 2203 7320  
Attention: The Managing Director

12.2 **Effectiveness**

Every notice or other communication sent in accordance with Clause 12.1 (*Addresses for notices*) shall be effective if sent by letter, it shall be deemed to have been delivered 14 days after the time of despatch and if sent by fax it shall be deemed to have been delivered at the time of despatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

12.3 **No Notice to Couponholders**

Neither the Trustee nor the Issuer shall be required to give any notice to the Couponholders for any purpose under this Trust Deed and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with Condition 5 (*Redemption and Purchase*).

13. **LAW AND JURISDICTION**

13.1 **Governing law**

This Trust Deed and the Bonds and all non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

13.2 **English courts**

Subject to Clause 13.3 (*Rights of the Trustee and Bondholders to take proceedings outside England*), the courts of England are to have exclusive jurisdiction to settle any dispute (a “**Dispute**”) which may arise out of or in connection with this Trust Deed or the Bonds (including any dispute relating to any non-contractual obligations arising out of or in connection with these with this Trust Deed or the Bonds) and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed or the Bonds (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with these with this Trust Deed or the Bonds) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

13.3 **Rights of the Trustee and Bondholders to take proceedings outside England**

Clause 13.2 (*English courts*) is for the benefit of the Trustee and the Bondholders only. As a result, nothing in this Clause 13 (*Law and Jurisdiction*) prevents the Trustee or any of the Bondholders from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Bondholders may take concurrent Proceedings in any number of jurisdictions.

13.4 **Process agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited, to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England the Issuer irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

13.5 **Waiver of immunity**

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

13.6 **Contracts (Rights of Third Parties) Act 1999**

Save as provided for under Clause 10.1.6 above, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

14. **SEVERABILITY**

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

15. **COUNTERPARTS**

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF** this Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

SCHEDULE 1

FORM OF ORIGINAL PERMANENT GLOBAL BOND

THE BONDS EVIDENCED HEREBY HAVE NOT BEEN REGISTERED, AND WILL NOT BE REGISTERED, UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO THE ISSUER, OR (2) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT (IF AVAILABLE) AND (4) IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ALL APPLICABLE JURISDICTIONS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

CMU Instrument Number: DBANFN11009

Common Code: 062150866

**Melco Crown Entertainment Limited**  
*(incorporated with limited liability under the laws of the Cayman Islands)*  
**RMB2,300,000,000 3.75% bonds due 2013**

**PERMANENT GLOBAL BOND**

1. **INTRODUCTION**

This Global Bond is issued in respect of the RMB2,300,000,000 3.75% bonds due 2013 (the "**Bonds**") of Melco Crown Entertainment Limited (the "**Issuer**"). The Bonds are subject to, and have the benefit of, a trust deed dated May 9, 2011 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and DB Trustees (Hong Kong) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being appointed trustee or trustees under the Trust Deed) and are the subject of a paying agency agreement dated May 9, 2011 (as amended or supplemented from time to time, the "**Agency Agreement**") and made between the Issuer, Deutsche Bank AG, Hong Kong Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and as lodging agent (the "**CMU Lodging Agent**") and the Trustee.

## 2. REFERENCES TO CONDITIONS

Any reference herein to the “**Conditions**” is to the terms and conditions of the Bonds set out in Part B (*Terms and Conditions of the Bonds*) hereto and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Bond.

## 3. PROMISE TO PAY

### 3.1 Pay to Bearer

The Issuer, for value received, promises to pay to the bearer of this Global Bond the principal sum of the Bonds represented by this Global Bond on May 9, 2013 (being the maturity date) or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrears on the dates and at the rates specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

### 3.2 Principal Amount

The principal amount of Bonds represented by this Global Bond shall be the amount stated in paragraph 3.1 (*Pay to Bearer*) above or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Part A (*Payments, Delivery of Definitive Bonds and Cancellation of Bonds*) hereto.

## 4. NEGOTIABILITY

This Global Bond is negotiable and, accordingly, title to this Global Bond shall pass by delivery.

## 5. EXCHANGE

This Global Bond will be exchanged, in whole but not in part only, for Bonds in definitive form (“**Definitive Bonds**”) in substantially the form set out in Schedule 2 (*Form of Definitive Bond*) to the Trust Deed if either of the following events (each, an “**Exchange Event**”) occurs:

- (a) Hong Kong Monetary Authority as operator of the Central Moneymarkets Unit Service (“**CMU**”) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

## 6. DELIVERY OF DEFINITIVE BONDS

Whenever this Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery of such Definitive Bonds, duly authenticated and with interest coupons (“**Coupons**”) attached, in an aggregate principal amount equal to the principal amount of this Global Bond to the bearer of this Global Bond against the surrender of this Global Bond to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

7. **WRITING DOWN**

On each occasion on which:

- (a) a payment of principal is made in respect of this Global Bond;
- (b) Definitive Bonds are delivered; or
- (c) Bonds represented by this Global Bond are to be cancelled in accordance with Condition 5(i) (*Redemption and Purchase - Cancellation*),

the Issuer shall procure that (i) the amount of such payment and the aggregate principal amount of such Bonds and (ii) the remaining principal amount of Bonds represented by this Global Bond (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (i)) are noted by the Principal Paying Agent in Part A (*Payments, Delivery of Definitive Bonds and Cancellation of Bonds*) hereto, whereupon the principal amount of Bonds represented by this Global Bond shall for all purposes be as most recently so entered.

8. **PAYMENTS**

8.1 **Recording of Payments**

Upon any payment being made in respect of the Bonds represented by this Global Bond, the Issuer shall procure that the Principal Paying Agent shall enter details of such payment in Part A (*Payments, Delivery of Definitive Bonds and Cancellation of Bonds*) hereto and, in the case of any payment of principal, the principal amount of the Bonds represented by this Global Bond shall be reduced by the principal amount so paid.

8.2 **Discharge of Issuer's obligations**

Payments due in respect of Bonds for the time being represented by this Global Bond shall be made to the bearer of this Global Bond and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

8.3 **Payments in accordance with CMU notifications**

For so long as this Global Bond is held by or on behalf of the CMU, payments of principal and interest in respect of Bonds represented by this Global Bond will be made to the person(s) for whose account(s) interests in the relevant Global Bond are credited as being held through the CMU in accordance with the CMU Rules as notified to the Principal Paying Agent by the CMU in a relevant CMU Instrument Position Report or any other relevant notification by the CMU and, save in the case of final payment thereunder, no presentation of such Global Bond shall be required. For these purposes, a notification from the CMU shall be conclusive evidence of the records of the CMU (save in the case of manifest error).

9. **CONDITIONS APPLY**

Until this Global Bond has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Global Bond shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Bonds (and the related and Coupons) in the denomination of RMB250,000 and integral multiples of RMB10,000 in excess thereof and in an aggregate principal amount equal to the principal amount of Bonds represented by this Global Bond.

10. **EXERCISE OF PUT OPTION**

In order to exercise the option contained in Condition 5(d) (*Redemption for Change of Control*) (the “**Put Option**”), the bearer of this Global Bond must, within the period specified in the Conditions for the deposit of the relevant Bond Certificate and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Bonds in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

11. **NOTICES**

Notwithstanding Condition 15 (*Notices*), while all the Bonds are represented by this Global Bond and this Global Bond is deposited with a sub-custodian of the CMU for CMU, notices to Bondholders may be given by delivery of the relevant notice to persons shown in a CMU Instrument Position Report (as defined in the Trust Deed) issued by the Hong Kong Monetary Authority on the business day prior to the date of despatch of such notice. Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to the persons shown in the relevant CMU Instrument Position Report.

12. **AUTHENTICATION**

This Global Bond shall not be valid for any purpose until it has been authenticated for and on behalf of Deutsche Bank AG, Hong Kong Branch as Paying Agent.



13. **GOVERNING LAW**

This Global Bond and all non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the signature of a duly authorised person on behalf of the Issuer.

**MELCO CROWN ENTERTAINMENT LIMITED**

By: \_\_\_\_\_

*(duly authorised)*

Sch. 1 - 5

ISSUED on May 9, 2011

AUTHENTICATED for and on behalf of

**Deutsche Bank AG, Hong Kong Branch**

as Paying Agent without recourse, warranty or liability

By: \_\_\_\_\_  
(duly authorised)

Sch. 1 - 6



**PART B**  
**TERMS AND CONDITIONS OF THE BONDS**

**1. Form, Denomination and Title**

The Bonds are in bearer form in the denomination of RMB250,000 and integral multiples of RMB10,000 in excess thereof. Title to the Bonds and the Coupons will pass by delivery. The holder of any Bond or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

**2. Status**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

**3. Covenants**

*(a) Negative Pledge*

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its 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 Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

In this Condition:

“*Guarantee*” means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness including (without limitation):

- (a) any obligation to purchase such indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such indebtedness; and
- (d) any other agreement to be responsible for such indebtedness;

“*Relevant Indebtedness*” means any indebtedness which is in the form of or represented or evidenced by any bond, note, debenture, debenture stock, loan stock, certificates of deposit or other instrument, certificate or securities which (a) is offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash, (b) listed, quoted, dealt in or traded, or capable of so being listed, quoted, dealt in or traded, on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and (c) has a maturity of more than one year; and

“*Security Interest*” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

(b) *Financial Covenants*

For so long as any Bond remains outstanding, the Issuer shall not directly or indirectly, permit:

- (i) Consolidated Tangible Net Worth as at the end of any Relevant Period to be less than US\$1.0 billion; and
- (ii) the Maximum Leverage Ratio as at the end of any Relevant Period to exceed 2.50:1.00.

The financial covenants set out in this Condition shall be calculated in accordance with GAAP and tested by reference to the audited (or, as the case may be, unaudited) consolidated balance sheet of the Issuer as at the end of the Relevant Period.

The Trust Deed does not oblige the Trustee to monitor compliance by the Issuer with the Conditions but it does oblige the Issuer to furnish the Trustee with a Certificate of Compliance, on which the Trustee may, in the absence of manifest error, rely as to such compliance.

In these Conditions:

“*Capital Stock*” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all classes of partnership interests in a partnership, any and all membership interests in a limited liability company, any and all other equivalent ownership interests in a Person and any and all warrants, rights or options to purchase any of the foregoing;

“*Consolidated Total Borrowings*” means the aggregate principal amount of all Financial Indebtedness of the Group at such date other than Financial Indebtedness between members of the Group;

“*Consolidated Tangible Net Worth*” means, at any time, the aggregate US\$ equivalent of the amounts paid up or credited as paid up on the issued ordinary share capital of the Issuer and the amount standing to the credit of the reserves of the Group, including any amount credited to the share premium account, any capital redemption reserve fund and any balance standing to the credit of the consolidated profit and loss account of the Group,

but deducting the US\$ equivalent of:

- (a) any accumulated losses on the consolidated balance sheet of the Group;
- (b) (to the extent included) any amount shown in respect of goodwill (including goodwill arising only on consolidation) or other intangible assets of the Group (including the Subconcession);
- (c) (to the extent included) any amount in respect of minority interests;
- (d) (to the extent not deducted from the reserves) any amount accrued or set aside (as applicable) for taxation, deferred taxation or bad debts;
- (e) (to the extent included) any amounts arising from any upward revaluation of assets made at any time after the date of December 31, 2010; and
- (f) any amount in respect of any dividend or distribution declared, recommended or made by any member of the Group to the extent payable to a person who is not a member of the Group and to the extent such distribution is not deducted from the reserves,

plus the US\$ equivalent of (to the extent deducted) amounts arising from any downward revaluation of assets made at any time after December 31, 2010, and so that no amount shall be included or excluded more than once;

“*Financial Indebtedness*” means, in relation to any Person at any date, without duplication:

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person for the purchase price of property or services to the extent the payment of such obligations is deferred for a period in excess of 120 days (other than trade payables and, if applicable, payables in respect of unredeemed chips incurred in the ordinary course of such Person’s business and Retainage Amounts) and refundable deposits held as borrowings;
- (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;
- (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (unless the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);
- (e) all Finance Lease Obligations of such Person (to the extent treated as finance lease obligations in accordance with GAAP);
- (f) all Synthetic Lease Obligations of such Person;

- (g) any indebtedness of such Person for or in respect of receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis or on a basis where recourse is limited solely to warranty claims relating to title or objective characteristics of the relevant receivables);
- (h) any indebtedness of such Person for any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (i) all indebtedness of such Person, contingent or otherwise, as an account party under acceptance, letter of credit, completion guaranties, performance bonds or similar facilities;
- (j) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person prior to the Maturity Date; and
- (k) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in paragraphs (a) to (j) above;  
*provided that* indebtedness owing by one Loan Obligor to another Loan Obligor shall not be taken into account;

“*Finance Lease Obligations*” means, as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property which are required to be classified and accounted for as capitalized lease obligations under GAAP, and, for the purposes of these Conditions, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with GAAP;

“*GAAP*” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board of the United States, as in effect from time to time;

“*Governmental Authority*” means, as to any Person, the government of the Macau, any other national, state, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, in each case having jurisdiction over such Person, or any arbitrator with authority to bind such Person at law;

“*Group*” means the Issuer and its Subsidiaries;

“*Guarantee Obligation*” means any guarantee, indemnity, letter of credit or other legally binding assurance against financial loss granted by one Person in respect of any Financial Indebtedness of another Person, or any agreement to assume any Financial Indebtedness of any other Person or to supply funds or to invest in any manner whatsoever in such other Person by reason of Financial Indebtedness of such Person; other than endorsements of instruments for deposit or collection in the ordinary course of trade. The amount of any Guarantee Obligation of any guaranteeing Person shall be deemed to be the lower of (1) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (2) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation (unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing Person’s maximum anticipated liability in respect thereof determined in good faith);

“*Hong Kong*” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“*Loan Obligors*” means (i) Melco Crown Gaming (Macau) Limited (formerly Melco PBL Gaming (Macau) Limited), (ii) MCE Finance Limited, (iii) MPEL International Limited, (iv) the Issuer, and (v) each of the guarantors as set out in that certain US\$1,750,000,000 Senior Secured Term Loan and Revolving Credit Facilities Agreement dated September 5, 2007 between Melco Crown Gaming (Macau) Limited, the lenders named therein and Deutsche Bank AG, Hong Kong Branch as agent, as amended;

“*Macau*” means the Macau Special Administrative Region of the People’s Republic of China;

“*Maximum Leverage Ratio*” means, as of each date of determination, the ratio of (a) Consolidated Total Borrowings on such date to (b) Consolidated Tangible Net Worth on such date;

“*Person*” means any natural person, company, trust, corporation, partnership, firm, association, Governmental Authority or any other entity whether acting in an individual, fiduciary or other capacity;

“*Relevant Period*” means each period of twelve months ending on the last day of the Issuer’s financial year and each period of twelve months ending on the last day of the first half of the Issuer’s financial year;

“*Retainage Amounts*” means, at any given time, amounts which have accrued and are owing to a contractor under the terms of a construction document for work or services already provided but which at such time (and in accordance with the terms of such construction document) are being withheld from payment to the contractor, until certain subsequent events (e.g. completion benchmarks) have been achieved under the construction document;

“*Subconcession*” means the contract for the operation of games of chance and other casino games in Macau dated 8 September 2006 and entered into by Wynn Resorts (Macau), Limited and Melco Crown Gaming (Macau) Limited;



“*Subsidiary*” means as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person;

“*Synthetic Lease Obligations*” means all monetary obligations of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations which do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterised as the Financial Indebtedness of such Person (other than pursuant to clause (f) of the definition thereof and without regard to accounting treatment); and

“*US\$*” denotes the lawful currency of the United States of America.

#### **4. Interest**

The Bonds bear interest from May 9, 2011 (the “*Issue Date*”) at the rate of 3.75% per annum (the “*Rate of Interest*”), payable in arrears on May 9 and November 9 of each year (each, an “*Interest Payment Date*”); *provided that* if any Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is three days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such third day (except to the extent that there is any subsequent default in payment).

The amount of interest payable in respect of any Bond for each Interest Period (or on any other date) shall be the product of (i) 3.75%, (ii) the principal amount of such Bond, and (iii) the actual number of days in the Interest Period (or such other period) divided by 365, and rounding the resulting figure to the nearest RMB0.01 (RMB0.005 being rounded upwards).

In these Conditions:

“*business day*” means any day (other than a Sunday or a Saturday) on which (i) if the Bonds are lodged with the CMU, the CMU is operating and (ii) commercial banks in Hong Kong settle Renminbi payments; and

“*Interest Period*” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (and excluding) the next Interest Payment Date.

**5. Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to May 9, 2013, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption at the option of the Issuer:* The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time after May 9, 2012, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, together with accrued interest to, but excluding, the date fixed for redemption.
- (c) *Redemption for tax reasons:* The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to, but excluding the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
  - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations which change or amendment becomes effective on or after May 9, 2011; and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that for the avoidance of doubt, changing the jurisdiction of incorporation of the Issuer is not a reasonable measure for purposes of this Condition 5(c);

*provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two of any persons who act as director, chief executive officer, chief financial officer or chief legal officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event shall be conclusive and binding on the Bondholders. Such certificate shall be made available for inspection by the Bondholders.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(c).

- (d) *Redemption for Change of Control*: At any time following the occurrence of a Change of Control, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not only a part, of that holder's Bonds on the Put Settlement Date at 101% of their principal amount, together with accrued interest to, but excluding, such Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "Put Exercise Notice") and, to the extent that the Bonds held by such holder are represented by Definitive Bonds, the holder must concurrently deposit at the Specified Office of such Paying Agent such Definitive Bonds evidencing the Bonds together with all unmatured Coupons relating thereto to be redeemed, by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 15 (Notices). The "Put Settlement Date" shall be the 20th day after the expiry of the 30 days following a Change of Control, or, if later, the 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 15 (Notices).

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds subject to the Put Exercise Notice delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice to Bondholders and the Trustee in accordance with Condition 15 (Notices) by no later than 10 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 5(d) (*Redemption for Change of Control*).

In these Conditions:

a "Change of Control" means the occurrence of any of the following:

- (i) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the United States Securities Exchange Act of 1934, as amended) (other than a Controlling Shareholder);
- (ii) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or

(iii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended) other than a Controlling Shareholder is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the United States Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding Capital Stock of Melco Crown Gaming (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).

“*Controlling Shareholder*” means any of (1) Melco International Development Limited, (2) Crown Limited, (3) any controlling stockholder or 80% (or more) owned Subsidiary of (1) or (2) above, or (4) 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 of (1) or (2) above and/or such other Persons referred to in (3) above.

(e) *Redemption for Gaming licence reasons*: At any time following the occurrence of a Gaming Trigger, the Bonds of a relevant Bondholder may be redeemed, at the option of the Issuer, in whole, but not in part by the Issuer giving not less than 30 days’ notice to the relevant Bondholder (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds held by such relevant Bondholder) on the Gaming Settlement Date at 100% of their principal amount, together with accrued interest to, but excluding, the Gaming Settlement Date.

The Issuer shall give notice to the relevant Bondholder, the other Bondholders and the Trustee in accordance with Condition 15 (*Notices*) by not later than 10 days following the first day on which it becomes aware of the occurrence of a Gaming Trigger. The notice given to the relevant Bondholder and the Trustee shall specify the procedure for exercise of redemption of the Bonds pursuant to this Condition 5(e) (*Redemption for Gaming licence reasons*). The Issuer shall not be responsible for any costs or expenses incurred by a Bondholder in connection with its application for a licence, qualification or assessment of suitability.

In these Conditions:

a “*Gaming Trigger*” occurs if the gaming authority of any jurisdiction in which the Issuer or any of its Subsidiaries conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Bonds (the “relevant Bondholder”) be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or become licensed or qualified within the required time period or is found unsuitable; and

“*Gaming Settlement Date*” shall be the twentieth day after the expiry of such period of 30 days from the date which notice thereof is given to a relevant Bondholder by the Issuer in accordance with Condition 15 (*Notices*).

- (f) *Clean-up call*: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, together with (x) accrued interest to, but excluding the date fixed for redemption and (y) in the case where the period from the date fixed for redemption to the Maturity Date is less than six months, an amount equal to the amount of interest which would be payable on the Bonds on the next Interest Payment Date, and in all other cases, an amount equal to the amount of interest which would be payable on the Bonds on the next successive two Interest Payment Dates, if immediately before giving such notice, at least 90% in principal amount of the Bonds originally issued (including any further bonds issued pursuant to Condition 14 (*Further issues*)) has already been previously redeemed or purchased and cancelled.
- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in Conditions 5(a) (*Scheduled redemption*) to (f) (*Clean-up call*) above.
- (h) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (i) *Cancellation*: All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 6. Payments

- (a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bonds at the Specified Office of any Paying Agent by transfer to a RMB account maintained by the payee with a bank in Hong Kong.
- (b) *Interest*: Payments of interest shall, subject to Condition 6(e) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent on or after an Interest Payment Date in the manner described in Condition 6(a) (*Principal*).
- (c) *Payments subject to fiscal laws*: All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment (in the case of payment under the Permanent Global Bond, in Hong Kong) but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of all payments in respect of the Bonds.
- (d) *Deduction for unmatured Coupons*: If a Bond is presented without all unmatured Coupons relating thereto, then:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “*Relevant Coupons*”) being equal to the amount of principal due for payment; *provided, however*, that where this Condition 6(d) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety and the Relevant Coupons amount shall be adjusted accordingly; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted from the amount of principal due for payment will be (I) if the gross amount available is less than or equal to the amount of Relevant Coupons, the amount of principal due for payment; and (II) otherwise, the difference between the amount of principal due for payment and the excess of such gross amount available over the amount of Relevant Coupons.

Each sum of principal so deducted shall be paid in the manner provided in Condition 6(a) (*Principal*) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (e) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the Specified Office of any Paying Agent.
- (f) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## 7. **Taxation**

All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“*Taxes*”) imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or any political subdivision thereof or any authority therein or thereof having power to tax (the “*Relevant Jurisdiction*”), unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall make such withholding or deduction and pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such payments after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon:

(a) for or on account of:

(1) any Taxes that would not have been imposed but for:

(A) the existence of any present or former connection between the holder or beneficial owner of such Bond or Coupon, as the case may be, and the Relevant Jurisdiction, including without limitation, such holder or beneficial owner being or having been a citizen or resident of the Relevant Jurisdiction, being or having been treated as a resident of the Relevant Jurisdiction, being or having been present or engaged in a trade or business in the Relevant Jurisdiction or having or having had a permanent establishment in the Relevant Jurisdiction, other than merely holding such Bond or Coupon or the receipt of payments thereunder;

(B) the presentation of such Bond or Coupon (where presentation is required) more than 30 days after the later of the date on which the payment of the principal of, or interest on, such Bond or Coupon, as applicable, became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such additional amounts if it had presented such Bond or Coupon for payment on any date within such 30-day period;

(C) the failure of the holder or beneficial owner of such Bond or Coupon to comply with a timely request of the Issuer addressed to such holder or beneficial owner to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Jurisdiction; or

(D) the presentation of such Bond or Coupon (where presentation is required) for payment in the Relevant Jurisdiction, unless such Bond or Coupon could not have been presented for payment elsewhere;

(2) any estate, inheritance, gift, sale, transfer, excise, personal property, net income or similar Tax;

(3) any withholding or deduction where such withholding or deduction is imposed or levied on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (or any amendment thereof) or any other Directive (or any amendment thereof) implementing the conclusions of the ECOFIN Council meeting of November 26–27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives or amendments;

(4) any Taxes that are payable other than by withholding or deduction from payments of principal of, or interest on, the Bonds or Coupons;

or

(5) any combination of Taxes referred to in the preceding clauses (1), (2), (3) and (4); or

(b) with respect to any payment of the principal of, or interest on, such Bond or Coupon to or for the account of a fiduciary, partnership or other fiscally transparent entity or any other person (other than the sole beneficial owner of such payment) to the extent that a beneficiary or settlor with respect to that fiduciary, or a partner or member of that partnership or fiscally transparent entity or a beneficial owner with respect to such other person, as the case may be, would not have been entitled to such additional amounts had such beneficiary, settlor, partner, member or beneficial owner held directly the Bond or Coupon with respect to which such payment was made.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Cayman Islands giving rise to an obligation on the part of the Issuer to withhold or deduct any Taxes in respect of any principal or interest in respect of the Bonds or the Coupons, then references in these Conditions to the Relevant Jurisdiction shall be construed as references to the Cayman Islands and/or such other jurisdiction.

## **8. Events of Default**

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least 25% of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Bonds on the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds within seven days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default is, in the opinion of the Trustee, (i) incapable of remedy or (ii) capable of remedy but remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer; or
- (c) *Cross-default of Issuer or Material Subsidiary*:
  - (i) any present or future Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or within its applicable grace period (as the case may be);



- (ii) any present or future Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and payable prior to its stated maturity other than at the option of the Issuer or the relevant Material Subsidiary (as the case may be) (*provided that* no event of default, howsoever described, has occurred); or
- (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

*provided that* the amount of present or future Indebtedness referred to in Condition 8(c)(i) and/or Condition 8(c)(ii) and/or the amount payable under any Guarantee referred to in Condition 8(c)(iii) individually or in the aggregate exceeds US\$10.0 million (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an amount in excess of US\$10.0 million (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed over, in each case for a continuous period of 60 days or more, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or
- (f) *Insolvency, etc.*: (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay, for a continuous period of 60 days or more, its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made and has not been discharged or stayed within a period of 60 days or more), (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of all or a substantial part of its debts or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its debts or any Guarantee of any indebtedness for borrowed monies given by it or (iv) the Issuer or any of its Material Subsidiaries ceases to carry on all or substantially all of its business, except (a) in the case of any Material Subsidiary, where the cessation is for the purpose of and followed by a solvent winding up, dissolution, reconstruction, merger or consolidation whereby the business, undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer and/or another Subsidiary, (b) in the case of any Material Subsidiary, as a result of a disposal on arm's length terms or with respect to a part of such Material Subsidiary's business or operations which has not contributed to the consolidated operating profit of the Issuer and its Subsidiaries for at least three consecutive years immediately prior to the day on which this paragraph operates or (c) in each case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, each on terms approved by an Extraordinary Resolution of the Bondholders; or

- (g) *Winding up, etc.*: a final order from which no further appeal or judicial review is permissible under applicable law is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries except (i) in the case of any Material Subsidiary, for a voluntary solvent winding up, liquidation or dissolution in connection with the transfer of all business, undertaking and assets of such Material Subsidiary to the Issuer or another Subsidiary or (ii) in each case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, each on terms approved by an Extraordinary Resolution of the Bondholders; or
- (h) *Analogous event*: any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in Condition 8(d) (*Unsatisfied judgment*) to Condition 8(g) (*Winding up, etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Bonds, the Coupons and the Trust Deed admissible in evidence in the courts of England, in any such case is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed; or
- (k) *Revocation of Gaming Licences*: any Gaming Licence of the Issuer or a Material Subsidiary is revoked, terminated, suspended or otherwise ceases to be effective such that gaming operations of the Group are ceased or suspended for a period of more than 90 consecutive days; or
- (l) *Government intervention*: (i) all or substantially all (in the opinion of the Trustee) of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer or any of its Material Subsidiaries is prevented by any such person from exercising normal control over all or substantially all (in the opinion of the Trustee) of its undertaking, assets and revenues.

In these Conditions,

“*Currency Agreement*” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against the fluctuations in foreign exchange rates.

“*Fair Market Value*” means the price that would be paid in arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the board of directors, whose determination will be conclusive if evidenced by a board resolution.

“*Gaming Licence*” means any licence, permit, franchise or other authorisation required to own, lease, operate or otherwise conduct or manage gaming pursuant to the Subconcession, and the regulations or laws promulgated in connection therewith.

“*Hedging Agreement*” means any Currency Agreement or Interest Rate Agreement.

“*Indebtedness*” means, with respect to any Person at any date of determination (without duplication):

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit (other than trade letters of credit entered into in the ordinary course of business), bankers’ acceptances or other similar instruments;
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except trade payables arising in the ordinary course of business;
- (e) all Finance Lease Obligations;
- (f) all indebtedness of other Persons secured by a lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; provided that the amount of such indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such indebtedness;
- (g) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;
- (h) all non-contingent reimbursement obligations of such Person in respect of trade letters of credit entered into in the ordinary course of business; and
- (i) to the extent not otherwise included in this definition, hedging obligations pursuant to any Hedging Agreement.

Notwithstanding the above, “Indebtedness” shall not be construed to include advances or deposits in the ordinary course of business from VIP promoters.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date 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 obligations; provided

- (A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP,

- (B) that money borrowed and set aside at the time of the incurrence of the Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest, and
- (C) that the amount of Indebtedness with respect to any Hedging Agreement will be equal to the net amount payable if such Hedging Agreement terminated at that time due to default by such Person.

“*Interest Rate Agreement*” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates, convert a fixed rate of interest into a floating rate of interest, convert a floating rate of interest into a different floating rate of interest, or lower interest currently paid on Indebtedness of any Person.

“*Material Subsidiary*” means, at any time, each Subsidiary of the Issuer:

- (a) whose income before income tax and exceptional items (“*pre-tax income*”) or (in the case of a Subsidiary of the Issuer which itself has Subsidiaries and which customarily prepares consolidated accounts) consolidated pre-tax income, attributable to the Issuer, as shown by its latest audited statement of operations, are at least 15% of the consolidated pre-tax income as shown by the latest published audited consolidated statement of operations of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated companies and after adjustments for minority interests; or
- (b) whose gross assets or (in the case of a Subsidiary of the Issuer which has Subsidiaries and which customarily prepares consolidated accounts) gross consolidated assets attributable to the Issuer as shown by its latest balance sheet are at least 15% of the sum of (x) the gross consolidated assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries and without double counting, (y) the Issuer and its consolidated Subsidiaries’ share of the gross assets (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries and which customarily prepares consolidated accounts) (as shown by its latest balance sheet (consolidated, if available)) of each Subsidiary of the Issuer whose accounts are not consolidated with the accounts of the Issuer and after adjustment for minority interests,

*provided that*, in relation to (a) and (b) above:

- (i) in the case of a corporation or other business entity becoming a Subsidiary of the Issuer after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary of the Issuer are published, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest accounts (consolidated in the case of a Subsidiary of the Issuer which itself has Subsidiaries and which customarily prepares consolidated accounts) of such Subsidiary in such accounts;

- (ii) if the accounts of any Subsidiary of the Issuer (not being a Subsidiary of the Issuer referred to in proviso (i) above) are not consolidated with those of the Issuer (or with respect to the calculation under (a) are not consolidated for the full accounting period), then the determination of whether or not such subsidiary is a Material Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if available) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer assuming such Subsidiary's accounts were consolidated from the beginning of the relevant accounting period; and
  - (iii) in relation to any Subsidiary of the Issuer, each reference in (a), (b), (i) or (ii) above to all or any of the accounts (consolidated or otherwise) of such Subsidiary shall be deemed to be a reference to the relevant audited accounts of such Subsidiary if it customarily prepares accounts which are audited and, if not, to the relevant unaudited accounts of such Subsidiary which shall be certified by any two directors of such Subsidiary as having been properly prepared in accordance with generally accepted accounting principles applicable to such Subsidiary; or
- (c) to which is transferred all or substantially all of the assets of another Subsidiary of the Issuer which, immediately prior to such transfer, was a Material Subsidiary, *provided that* the Material Subsidiary which so transfers its assets shall upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall become or remain, as applicable, a Material Subsidiary until the date on which the first published audited consolidated accounts of the Issuer prepared as of a date later than such transfer are issued (unless such Subsidiary would continue to be a Material Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a) or (b) above).

"*Subconcession*" means the contract for the operation of games of chance and other casino games in Macau dated 8 September 2006 and entered into by Wynn Resorts (Macau), Limited and Melco Crown Gaming (Macau) Limited.

## 9. Prescription

Claims for principal shall become void unless the relevant Bonds are presented for payment within ten years of the date on which the payment in question first becomes due. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the date on which the payment in question first becomes due.

## 10. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## 11. Trustee and Paying Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Bondholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual holders of Bonds or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Bonds and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a paying agent in Hong Kong.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Bondholders.

## 12. Meetings of Bondholders; Modification and Waiver

- (a) *Meetings of Bondholders:* The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; *provided, however,* that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to change the currency of payments under the Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “*Reserved Matter*”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one-fifth of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of holders holding not less than 90% of the aggregate principal amount of the outstanding Bonds who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Bondholders or Couponholders agree to any modification of these Conditions, the Bonds or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Bondholders and to any modification of these Conditions, the Bonds or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Bondholders or Couponholders authorise or waive any proposed breach or breach of these Conditions, the Bonds or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Bondholders as soon as practicable thereafter.

### **13. Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the then outstanding Bonds or has been so directed by an Extraordinary Resolution; and

- (b) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

**14. Further Issues**

The Issuer may from time to time, without the consent of the Bondholders or the Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of bonds having the benefit of the Trust Deed.

**15. Notices**

Any notice to the holder of any Definitive Bond shall be validly given if published (i) in the South China Morning Post in Hong Kong or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another English language newspaper with general circulation in Hong Kong; and (ii) in the Hong Kong Economic Journal in Hong Kong or, if that newspaper shall cease to be published or timely publication therein shall not be practicable, in another Chinese language newspaper with general circulation in Hong Kong or, in either case, in such other manner as the Issuer shall determine. Any such notice shall be deemed to have been given on the date of first publication in an English or Chinese language newspaper. Couponholders (if any) will be deemed for all purposes to have notice of the contents of any notice given to the holders of Definitive Bonds in accordance with this Condition 15.

**16. Governing Law and Jurisdiction**

- (a) *Governing law:* The Bonds, the Coupons and the Trust Deed are, and all non-contractual obligations arising out of and in connection with such agreements, shall be governed by and construed in accordance with the laws of England.
- (b) *Jurisdiction:* The Issuer has in the Trust Deed (i) agreed for the benefit of the Trustee and the Bondholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “*Dispute*”) arising out of or in connection with the Bonds and the Coupons; (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient to accept service of any process on its behalf. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Bondholders from taking proceedings relating to a Dispute (“*Proceedings*”) in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Bondholders may take concurrent Proceedings in any number of jurisdictions.



**17. Exchange Rate Indemnity**

- (a) RMB (the “*Contractual Currency*”) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Bonds and the Coupons, including damages.
- (b) An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise), by the Trustee or any Bondholder or Couponholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- (c) If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under the Bonds or the Coupons, the Issuer will indemnify the Bondholders or the Couponholders, as the case may be, against any liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

**18. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

SCHEDULE 2

FORM OF DEFINITIVE BOND

[On the face of the Bond:]

**Melco Crown Entertainment Limited**

(incorporated with limited liability under the laws of the Cayman Islands)

**RMB2,300,000,000 3.75% bonds due 2013**

**PERMANENT GLOBAL BOND**

This Bond is one of a series of bonds (the “**Bonds**”) in the denominations of RMB250,000 and integral multiples of RMB10,000 in excess thereof, and in the aggregate principal amount of RMB2,300,000,000 issued by Melco Crown Entertainment Limited (the “**Issuer**”). The Bonds are subject to, and have the benefit of, a trust deed dated May 9, 2011 between the Issuer and DB Trustees (Hong Kong) Limited as trustee for the holders of the Bonds from time to time.

The Issuer, for value received, promises to pay to the bearer the principal sum of

**RMB[—]**

**(AMOUNT AND CURRENCY IN WORDS)**

on May 9, 2013 (being the maturity date), or on such earlier date or dates as the same may become payable in accordance with the conditions endorsed hereon (the “**Conditions**”), and to pay interest on such principal sum in arrears on the dates and at the rates specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

Interest is payable on the [above principal sum/unpaid balance of the above principal sum] at the rate of 3.75% per annum, payable six-monthly in arrears on May 9 and November 9 in each year, all subject to and in accordance with the Conditions.

This Bond and the interest coupons relating hereto shall not be valid for any purpose until this Bond has been authenticated for and on behalf of Deutsche Bank AG, Hong Kong Branch as Paying Agent.

This Bond and all non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the facsimile signature of a duly authorised person on behalf of the Issuer.

**MELCO CROWN ENTERTAINMENT LIMITED**

By

(duly authorised)

ISSUED on [—]

AUTHENTICATED for and on behalf of

**Deutsche Bank AG, Hong Kong Branch**

as Paying Agent without recourse, warranty or liability

By: \_\_\_\_\_

*(duly authorised)*

Sch. 2 - 2

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**PART A**  
**TERMS AND CONDITIONS OF THE BONDS**

Sch. 2 - 3

**PART B**  
**FORM OF COUPON**

*[On the face of the Coupon:]*

**MELCO CROWN ENTERTAINMENT LIMITED**

**RMB2,300,000,000 3.75% bonds due 2013**

Coupon for RMB [—] due on [—].

Such amount is payable, subject to the terms and conditions (the “**Conditions**”) endorsed on the Bond to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Bond), against presentation and surrender of this Coupon at the Specified Office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

Sch. 2 - 4

**SCHEDULE 3**  
**PROVISIONS FOR MEETINGS OF BONDHOLDERS**

1. **Definitions**

In this Trust Deed and the Conditions, the following expressions have the following meanings:

**“Block Voting Instruction”** means, in relation to any Meeting, a document in the English language issued by a Paying Agent:

- (a) certifying that certain specified Bonds (each a **“Deposited Bond”**) have been deposited with such Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) the conclusion of the Meeting; and
  - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Bonds and notification thereof by such Paying Agent to the Issuer and the Trustee; and
- (b) certifying that the depositor of each Deposited Bond or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such Deposited Bond are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (c) listing the total number and (if in definitive form) the certificate numbers of the Deposited Bonds, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (d) authorising a named individual or individuals to vote in respect of the Deposited Bonds in accordance with such instructions;

**“Chairman”** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 7 (*Chairman*);

**“Extraordinary Resolution”** means a resolution passed by a majority of not less than three-fourths of the votes cast at a Meeting duly convened and held in accordance with this Schedule;

**“Meeting”** means a meeting of Bondholders (whether originally convened or resumed following an adjournment);

**“Proxy”** means, in relation to any Meeting, a person (such person not necessarily to be a holder of the Bonds) appointed to vote under a Block Voting Instruction other than:

- (a) any such person whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

**“Relevant Fraction”** means:

- (a) for all business other than voting on an Extraordinary Resolution, one-tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, two-thirds;

*provided, however, that*, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Bonds represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one-fifth;

**“Reserved Matter”** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment;
- (b) to change the currency of payments under the Bonds;
- (c) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (d) to amend this definition;

**“Voter”** means, in relation to any Meeting, the bearer of a Voting Certificate, a Proxy or the bearer of a definitive Bond who produces such definitive Bond at the Meeting;

**“Voting Certificate”** means, in relation to any Meeting, a certificate in the English language issued by a Paying Agent and dated in which it is stated:

- (a) that certain specified Bonds (the **“Deposited Bonds”**) have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
  - (i) the conclusion of the Meeting; and
  - (ii) the surrender of such certificate to such Paying Agent; and
- (b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Deposited Bonds;

**“Written Resolution”** means a resolution in writing signed by or on behalf of holders holding not less than 90% of the aggregate principal amount of the outstanding Bonds who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Bonds;

**“24 hours”** means a period of 24 hours including all or part of a day (disregarding for this purpose the day upon which such Meeting is to be held) upon which banks are open for business in both the place where the relevant Meeting is to be held and in each of the places where the Paying Agents have their Specified Offices and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

**“48 hours”** means 2 consecutive periods of 24 hours.

## 2. **Issue of Voting Certificates and Block Voting Instructions**

The holder of a Bond may obtain a Voting Certificate from any Paying Agent or require any Paying Agent to issue a Block Voting Instruction by depositing such Bond with such Paying Agent or arranging for such Bond to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. A Voting Certificate or Block Voting Instruction shall be valid until the release of the deposited Bonds to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Bonds to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Bond.

## 3. **References to deposit/release of Bonds**

Where Bonds are within CMU or any other clearing system, references to the deposit, or release, of Bonds shall be construed in accordance with the usual practices (including blocking the relevant account) of CMU or such other clearing system.



4. **Validity of Block Voting Instructions**

Block Voting Instruction shall be valid only if deposited at the Specified Office of the relevant Paying Agent or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

5. **Convening of Meeting**

The Issuer or the Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so subject to its being indemnified and/or secured to its satisfaction upon the request in writing of Bondholders holding not less than one tenth of the aggregate principal amount of the outstanding Bonds. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

6. **Notice**

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Bondholders and the Paying Agents (with a copy to the Issuer) where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer, the Trustee. The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that the Bonds may be deposited with, or to the order of, any Paying Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

7. **Chairman**

An individual (who may, but need not, be a Bondholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

8. **Quorum**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Bonds; *provided, however, that*, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Bonds is represented by the Permanent Global Bond, a single Voter appointed in relation thereto or being the holder of the Bonds represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

9. **Adjournment for want of quorum**

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Bondholders, it shall be dissolved; and
- (b) in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); *provided, however, that:*
  - (i) the Meeting shall be dissolved if the Issuer and the Trustee together so decide; and
  - (ii) no Meeting may be adjourned more than once for want of a quorum.

10. **Adjourned Meeting**

The Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

11. **Notice following adjournment**

Paragraph 6 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

12. **Participation**

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Trustee;
- (c) the financial advisers of the Issuer and the Trustee;
- (d) the legal counsel to the Issuer and the Trustee and such advisers; and
- (e) any other person approved by the Meeting or the Trustee.

13. **Show of hands**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

14. **Poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Trustee or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Bonds. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

15. **Votes**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each RMB10,000 in aggregate face amount of the outstanding Bond(s) represented or held by him.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way. In the case of a voting tie the Chairman shall have a casting vote.

16. **Validity of Votes by Proxies**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that neither the Issuer, the Trustee nor the Chairman has been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however, that* no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction to vote at the Meeting when it is resumed.

17. **Powers**

A Meeting shall have power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of this Trust Deed or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Bonds;
- (c) to waive any breach or authorise any possible breach by the Issuer of its obligations under or in respect of this Trust Deed or the Bonds or any act or omission which might otherwise constitute an Event of Default under the Bonds;
- (d) to remove any Trustee;
- (e) to approve the appointment of a new Trustee;
- (f) to authorise the Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (g) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds;
- (h) to give any other authorisation or approval which under this Trust Deed or the Bonds is required to be given by Extraordinary Resolution; and
- (i) to appoint any persons as a committee to represent the interests of the Bondholders and to confer upon such committee any powers which the Bondholders could themselves exercise by Extraordinary Resolution.

18. **Extraordinary Resolution binds all holders**

An Extraordinary Resolution shall be binding upon all Bondholders and Couponholders, whether or not present at such Meeting, and each of the Bondholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Bondholders and the Paying Agents (with a copy to the Issuer and the Trustee) within 14 days of the conclusion of the Meeting.

19. **Minutes**

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

20. **Written Resolution**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

21. **Further regulations**

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer or the Bondholders prescribe such further regulations regarding the holding of Meetings of Bondholders and attendance and voting at them as the Trustee may in its sole discretion determine.

22. **Several series**

The following provisions shall apply where outstanding Bonds belong to more than one series:

- (a) Business which in the opinion of the Trustee affects the Bonds of only one series shall be transacted at a separate Meeting of the holders of the Bonds of that series.
- (b) Business which in the opinion of the Trustee affects the Bonds of more than one series but does not give rise to an actual or potential conflict of interest between the holder of Bonds or one such series and the holders of Bonds of any other such series shall be transacted either at separate Meetings of the holders of the Bonds of each such series or at a single Meeting of the holders of the Bonds of all such Series, as the Trustee shall in its absolute discretion determine.
- (c) Business which in the opinion of the Trustee affects the Bonds of more than one series and gives rise to an actual or potential conflict of interest between the holders of Bonds of one such series and the holders of Bonds of any other such series shall be transacted at separate Meetings of the holders of the Bonds of each such series.
- (d) The preceding paragraphs of this Schedule shall be applied as if references to the Bonds and Bondholders were to the Bonds of the relevant series and to the holders of such Bonds.
- (e) In this paragraph, “**business**” includes (without limitation) the passing or rejection of any resolution.

**SCHEDULE 4  
FORM OF CERTIFICATE OF COMPLIANCE**

To: DB Trustees (Hong Kong) Limited

From: Melco Crown Entertainment Limited

Date: [—]

**Melco Crown Entertainment Limited**  
*(incorporated with limited liability under the laws of the Cayman Islands)*  
**RMB2,300,000,000 3.75% bonds due 2013**

Dear Sirs

I, the undersigned, being a duly authorised officer of Melco Crown Entertainment Limited (the “**Issuer**”), refer to the trust deed dated May 9, 2011 (the “**Trust Deed**”) in respect of the Bonds. Expressions which are given defined meanings in the Trust Deed have the same meanings herein.

I certify that as at the end of [31 December [—] / [30 June [—]], [the Issuer has complied with the Consolidated Tangible Net Worth requirement [and the Maximum Leverage Ratio] as set out in Condition 3(b) (*Financial Covenants*) of the Conditions / the Issuer has not complied with the Consolidated Tangible Net Worth requirement and/or the Maximum Leverage Ratio as set out in Condition 3(b) (*Financial Covenants*) of the Conditions, which I specify below details of non-compliance: [—]].

I also certify that the Issuer has [complied with its obligations under the Trust Deed / not complied with all of its obligations under the Trust Deed and I specify below our non-compliance: [—]] and that, having made all reasonable enquiries, to the best of my knowledge, information and belief, as of today and since [the date of the previous certificate of compliance / the date of the Trust Deed], [there does not exist nor had there existed any Event of Default or Potential Event of Default or other matter which would affect the Issuer’s ability to perform its obligations under the Trust Deed / I specify below the matter(s) which would affect the Issuer’s ability to perform our obligations under the Trust Deed: [—]].

Yours faithfully

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*duly authorised*

for and on behalf of

**MELCO CROWN ENTERTAINMENT  
LIMITED**

SIGNATURES

**The Issuer**  
**EXECUTED as a DEED and** )  
**THE COMMON SEAL of** )  
**MELCO CROWN ENTERTAINMENT LIMITED** )  
**was hereunto affixed in presence of:** )

**Name:** Stephanie Cheung  
(Witness)  
/s/ Stephanie Cheung \_\_\_\_\_

**Name:** Geoffrey Stuart Davis  
(Authorized Signatory)  
/s/ GSD \_\_\_\_\_

**The Trustee** )  
**Executed as a deed** )  
**by for and on behalf of** )  
**DB TRUSTEES (HONG KONG) LIMITED** )  
**acting by:**

**in the presence of:** /s/ Christina Nip \_\_\_\_\_  
Christina Nip  
Authorised Signatory

**Signature of witness:** /s/ Choi Siu Ling \_\_\_\_\_  
**Name of witness:** Choi Siu Ling  
Director

[Signature page to Trust Deed]

**MELCO CROWN ENTERTAINMENT LIMITED**

**AND**

**DB TRUSTEES (HONG KONG) LIMITED**

**AND**

**DEUTSCHE BANK AG, HONG KONG BRANCH**

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**PAYING AGENCY AGREEMENT**

**RMB2,300,000,000 3.75%  
BONDS DUE 2013**

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**BETWEEN**

- (1) **MELCO CROWN ENTERTAINMENT LIMITED** (the “**Issuer**”);
- (2) **DEUTSCHE BANK AG, HONG KONG BRANCH** as the lodging agent with the CMU (the “**CMU Lodging Agent**”);
- (3) **DEUTSCHE BANK AG, HONG KONG BRANCH** in its capacity as principal paying agent (the “**Principal Paying Agent**”); and
- (4) **DB TRUSTEES (HONG KONG) LIMITED** as trustee (the “**Trustee**”, which expression includes any other trustee for the time being of the Trust Deed referred to below).

**WHEREAS**

- (A) The Issuer, an exempted company with limited liability incorporated under the laws of the Cayman Islands, has authorised the creation and issue of RMB2,300,000,000 in aggregate principal amount of 3.75% bonds due 2013 (the “**Bonds**”).
- (B) The Bonds will be subject to, and have the benefit of, a trust deed dated May 9, 2011 (as amended or supplemented from time to time, the “**Trust Deed**”) and made between the Issuer and the Trustee.
- (C) The Bonds will be in bearer form and in the denomination of RMB250,000 and integral multiples of RMB10,000 in excess thereof. The Bonds will be in the form of a global bond as set out in Schedule 1 of the Trust Deed (the “**Permanent Global Bond**”), which will be exchangeable for bonds in definitive form (“**Definitive Bonds**”), in the circumstances specified in the Permanent Global Bond.
- (D) The Issuer, the Paying Agents, the CMU Lodging Agent and the Trustee wish to record certain arrangements which they have made in relation to the Bonds.

**IT IS AGREED** as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement the following expressions have the following meanings:

“**Accountholders**” means the holder of any account with CMU which has for the time being credited to its securities account with CMU a credit entry or entries in respect of the Permanent Global Bond;

“**Agents**” means the CMU Lodging Agent and the Paying Agents and “**Agent**” means any one of the Agents;

“**Bondholders**” means the holders of the Bonds for the time being;

“**CMU**” means the Central Moneymarkets Unit service operated by the Hong Kong Monetary Authority;

“**CMU Instrument Position Report**” shall have the meaning specified in the CMU Rules;

“**CMU Manual**” means the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time;

“**CMU Member**” means any member of the CMU;

“**CMU Rules**” means all requirements of the CMU for the time being applicable to a CMU Member and includes:

- (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Manual;
- (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and
- (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual;

“**Conditions**” means the Terms and Conditions of the Bonds (as scheduled to the Trust Deed and as modified from time to time in accordance with their terms), and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof;

“**HKMA**” means the Hong Kong Monetary Authority;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Issue Date**” means on or about May 9, 2011;

“**Local Banking Day**” means a day (other than a Saturday or a Sunday) on which (i) if the Bonds are lodged with the CMU, the CMU is operating and (ii) commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits such as settling RMB payments) in the city in which the Principal Paying Agent has its Specified Office;

“**Local Time**” means the time in the city in which the Principal Paying Agent has its Specified Office;

“**Paying Agents**” means the Principal Paying Agent and any additional or successor paying agent appointed in accordance with this agreement and

“**Paying Agent**” means any one of the Paying Agents;

“**PRC**” or “**China**” means the People’s Republic of China excluding Hong Kong, Macau and Taiwan;

“**Principal Paying Agent**” includes any successors thereto appointed from time to time in accordance with Clause 13 (*Changes in Agents*);

“**Put Exercise Notice**” means a notice of exercise relating to the put option contained in Condition 5(d) (*Redemption for Change of Control*), substantially in the form set out in Schedule 2 (*Form of Put Exercise Notice*) or such other form as may from time to time be agreed between the Issuer, the Principal Paying Agent and the Trustee and distributed to each Paying Agent;

“**Replacement Agent**” means the Principal Paying Agent and the Paying Agent having its Specified Office in Hong Kong;

“**Required Paying Agent**” means any Paying Agent (which may be the Principal Paying Agent) which is the sole remaining Paying Agent with its Specified Office in any city where a stock exchange on which the Bonds are listed requires there to be a Paying Agent;

“**RMB**” and “**Renminbi**” denote the lawful currency for the time being of the PRC;

“**RTGS System**” means the real time gross settlement system operated in Hong Kong by Hong Kong Interbank Clearing Limited; and

“**Specified Office**” means, in relation to any Agent:

(a) the office specified against its name in Schedule 1 (*Specified Offices of the Agents*); or

such other office as such Agent may specify in accordance with Clause 13.8 (*Changes in Specified Offices*).

## 1.2 **Clauses and Schedules**

Any reference in this Agreement to a Clause or a sub-clause or a Schedule is, unless otherwise stated, to a clause or a sub-clause hereof or a schedule hereto.

## 1.3 **Principal and interest**

In this Agreement, any reference to principal or interest includes any additional amounts payable in relation thereto under the Conditions.

## 1.4 **Terms defined in the Conditions and the Trust Deed**

Terms and expressions used but not defined herein have the respective meanings given to them in the Conditions and the Trust Deed.

## 1.5 **Statutes**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

1.6 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. **APPOINTMENT OF THE AGENTS**

2.1 **Appointment**

Each of the Issuer and, for the purposes of Clause 8 (*Agents to act for Trustee*) only, the Trustee appoints each Agent as its agent in relation to the Bonds for the purposes specified in this Agreement and in the Conditions.

2.2 **Acceptance of appointment**

Each Agent accepts its appointment as agent of the Issuer and, in respect of Clause 8 (*Agents to act for Trustee*) only, the Trustee in relation to the Bonds and agrees to comply with the provisions of this Agreement. The obligations of the Agents are several and not joint.

3. **THE BONDS**

3.1 **Permanent Global Bonds**

The Bonds will initially be represented by a Permanent Global Bond without Coupons. The Permanent Global Bond will be exchangeable for Definitive Bonds in the limited circumstances set out in the Permanent Global Bond. Immediately before issue, the Issuer shall deliver to the Principal Paying Agent, and the Principal Paying Agent (or its agent on its behalf) shall authenticate, the duly executed Permanent Global Bond. The Principal Paying Agent shall then, acting as the lodging agent of the Issuer, lodge the Permanent Global Bond to the order of the Issuer with a sub-custodian for the HKMA as operator of the CMU Service and shall arrange for interests in the Permanent Global Bond for the Bonds to be credited to accounts maintained by the initial purchasers of those interests in accordance with their instructions.

3.2 **Signature**

The Permanent Global Bond shall be executed manually or in facsimile by or on behalf of the Issuer. If the Permanent Global Bond is executed in facsimile by or on behalf of the Issuer, the Issuer shall deliver or procure the delivery of the original duly executed Permanent Global Bond to the CMU Lodging Agent not later than 11:00 a.m. (Local time) on the Local Banking Day prior to the Issue Date.

3.3 **The Definitive Bonds**

The Definitive Bonds and the Coupons will be security printed in accordance with applicable legal requirements substantially in the forms set out in Schedule 2 to the Trust Deed.

#### 3.4 **Availability**

If the Issuer is required to deliver Definitive Bonds pursuant to the terms of the Permanent Global Bond, the Issuer shall arrange for the delivery of Definitive Bonds in an aggregate principal amount equal to the outstanding principal amount of the Permanent Global Bond or such lesser interest in the Permanent Global Bond which is to be exchanged to or to the order of the Principal Paying Agent as soon as practicable and in any event not later than 30 days after the occurrence of the relevant Exchange Event as defined in the Permanent Global Bond. The Issuer shall also arrange for such unauthenticated Permanent Global Bond, Definitive Bonds and Coupons as are required to enable the Replacement Agent to perform its obligations under Clause 5 (*Replacement Bonds and Coupons*) to be made available to or to the order of the Replacement Agent from time to time.

#### 3.5 **Duties of Principal Paying Agent and Replacement Agent**

Each of the Principal Paying Agent and the Replacement Agent shall hold in safe custody the unauthenticated Permanent Global Bond and all unauthenticated Definitive Bonds delivered to it in accordance with Clause 3.4 (*Availability*) and shall ensure that they are authenticated (in the case of a Permanent Global Bond and Definitive Bonds) and delivered only in accordance with the terms hereof, of the Conditions and of the Permanent Global Bond.

#### 3.6 **Authority to authenticate**

Each of the Principal Paying Agent, the CMU Lodging Agent and the Replacement Agent is authorised by the Issuer to authenticate the Permanent Global Bond, any replacement therefor and each Definitive Bond by the signature of any of its officers or any other person duly authorised for the purpose by the CMU Lodging Agent, the Principal Paying Agent or (as the case may be) the Replacement Agent.

### 4. **DELIVERY OF DEFINITIVE BONDS**

#### 4.1 **Delivery of Definitive Bonds**

Subject to receipt by the Principal Paying Agent of Definitive Bonds in accordance with Clause 3.4 (*Availability*), the Principal Paying Agent shall, against presentation or (as the case may be) surrender to it or to its order of the Permanent Global Bond and in accordance with the terms thereof, authenticate and deliver Definitive Bonds in the required aggregate principal amount to the bearer of the Permanent Global Bond; *provided, however, that* each Definitive Bond shall at the time of its delivery have attached thereto only such Coupons as shall ensure that neither loss nor gain accrues to the bearer thereof.

#### 4.2 **Exchange of Permanent Global Bond for Definitive Bonds**

On each occasion on which Definitive Bonds are delivered in exchange for the Permanent Global Bond, the Principal Paying Agent shall procure that there is noted in the schedule to the Permanent Global Bond the aggregate principal amount of Definitive Bonds so delivered (the “**relevant principal amount**”) and the remaining principal amount of the Permanent Global Bond (which shall be the previous principal amount thereof less the relevant principal amount) and shall procure the signature of such notation on its behalf. The Principal Paying Agent shall cancel or procure the cancellation of the Permanent Global Bond when and if it has made full exchange thereof for Definitive Bonds.

5. **REPLACEMENT BONDS AND COUPONS**

5.1 **Delivery of Replacements**

Subject to receipt of sufficient replacement Permanent Global Bond, Definitive Bonds and Coupons in accordance with Clause 3.4 (*Availability*), the Replacement Agent shall, upon and in accordance with the instructions of the Issuer (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity), authenticate (if necessary) and deliver a Permanent Global Bond, Definitive Bond or Coupon as a replacement for any Permanent Global Bond, Definitive Bond or Coupon which has been mutilated or defaced or which is alleged to have been destroyed, stolen or lost; *provided, however, that* the Replacement Agent shall not deliver any Permanent Global Bond, Definitive Bond or Coupon as a replacement for any Permanent Global Bond, Definitive Bond or Coupon which has been mutilated or defaced otherwise than against surrender of the same and shall not issue any replacement Permanent Global Bond, Definitive Bond or Coupon until the applicant has furnished the Replacement Agent with such evidence and indemnity as the Issuer and/or the Replacement Agent may reasonably require and has paid such costs and expenses as may be incurred in connection with such replacement.

5.2 **Replacements to be numbered**

Each replacement Permanent Global Bond, Definitive Bond or Coupon delivered under this Agreement shall bear a unique certificate or (as the case may be) serial number.

5.3 **Cancellation of mutilated or defaced Bonds**

The Replacement Agent shall cancel each mutilated or defaced Permanent Global Bond, Definitive Bond or Coupon surrendered to it in respect of which a replacement has been delivered.

5.4 **Notification**

The Replacement Agent shall notify the Issuer, each other Paying Agent and the Trustee of the delivery by it of any replacement Permanent Global Bond, Definitive Bond or Coupon, specifying the certificate or serial number thereof and the certificate or serial number (if any and if known) of the Permanent Global Bond, Definitive Bond or Coupon which it replaces and confirming that the Permanent Global Bond, Definitive Bond or Coupon which it replaces has been cancelled and (if such is the case) destroyed in accordance with Clause 10.7 (*Destruction*).

5.5 **Presentation of replaced Bond or Coupon**

If a Bond or Coupon which has been replaced is presented to a Paying Agent for payment, that Paying Agent shall forthwith inform the Principal Paying Agent, which shall inform the Issuer.

6. **PAYMENTS TO THE PRINCIPAL PAYING AGENT**

6.1 **Issuer to pay Principal Paying Agent**

In order to provide for the payment of principal and interest in respect of the Bonds as the same becomes due and payable, the Issuer shall pay to the Principal Paying Agent, on the date on which such payment becomes due, an amount equal to the amount of principal and/or (as the case may be) interest falling due in respect of the Bonds on such date.

6.2 **Manner and time of payment**

Each amount payable under Clause 6.1 (*Issuer to pay Principal Paying Agent*) shall be paid unconditionally by credit transfer in Renminbi and in same day, freely transferable, cleared funds through the RTGS System not later than 2.00 p.m. (Local Time) one Local Banking Day prior to each payment day to such account with such bank in Hong Kong as the Principal Paying Agent may from time to time by notice to the Issuer (with a copy to the Trustee) specify for such purpose. The Issuer shall, before 10.00 a.m. (Local Time) on the second Local Banking Day before the due date of each payment by it under Clause 6.1 (*Issuer to pay Principal Paying Agent*), deliver by fax or e-mail its irrevocable confirmation (by authenticated SWIFT message) of its intention to make such payment to the Principal Paying Agent.

All payments made by the Issuer under this Agreement shall be made free of any withholding, except as may be required by law in which case, the Issuer shall where required by the Conditions gross up any such payment by the corresponding amount required.

6.3 In Clauses 6.1 and 6.2, the date on which a payment in respect of the Bonds becomes due means the first date on which the holder of the Bonds or Coupons could claim the relevant payment by transfer to an account under the Conditions, but disregarding the necessity for it to be a Business Day in any particular place of presentation.

6.4 **Payments on Permanent Global Bonds**

For so long as the Permanent Global Bond is lodged with the CMU:

6.4.1 the Paying Agents shall pay any amounts of principal and interest due on the Permanent Global Bond to the person(s) notified by the CMU to the Principal Paying Agent (and confirmed by the Principal Paying Agent to the Paying Agents) as being the person(s) in whose account(s) interest(s) in the Global Bond is credited and the Principal Paying Agent shall not endorse the Permanent Global Bond; and

6.4.2 the records of the CMU shall be conclusive evidence of the identity of the persons to whom accounts interests in the Global Bond are credited and the principal amount(s) of the interest(s) and of the Bonds represented by the Permanent Global Bond. Save in the case of manifest error, the Principal Paying Agent shall be entitled to rely on any CMU Instrument Position Report (as defined in the CMU Rules) or any other statement by the CMU of the identities and interests of persons credited with interests in the Permanent Global Bond.



If, and for so long as, the Permanent Global Bond is not lodged with CMU, the Principal Paying Agent and the other Paying Agents shall make all payments in respect of the Permanent Global Bond against presentation (and, in the case of its redemption in full, surrender) of the Permanent Global Bond and (unless the Permanent Global Bond is surrendered) shall on behalf of the Issuer endorse, or procure the endorsement of, a memorandum of each such payment in the relevant schedule to the Permanent Global Bond and return it, or cause it to be returned, to its bearer.

**6.5 Exclusion of liens and interest**

The Principal Paying Agent shall be entitled to deal with each amount paid to it under this Clause 6 (*Payments to the Principal Paying Agent*) in the same manner as other amounts paid to it as a banker by its customers; *provided, however, that:*

6.5.1 it shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof; and

6.5.2 it shall not be liable to any person for interest thereon.

**6.6 Application by Principal Paying Agent**

The Principal Paying Agent shall apply each amount paid to it hereunder in accordance with Clause 7 (*Payments to Bondholders*) and shall not be obliged to repay any such amount unless the claim for the relevant payment becomes void under Condition 9 (*Prescription*), in which event it shall forthwith refund to the Issuer such portion of such amount as relates to such payment by paying the same by credit transfer in Renminbi to such account with such bank in Hong Kong as the Issuer has by notice to the Principal Paying Agent specified for the purpose.

**6.7 Failure to receive payment**

If the Principal Paying Agent has not received payment under Clause 6.1 (*Issuer to pay Principal Paying Agent*), it shall forthwith notify the Issuer, the Trustee and the other Paying Agents. If the Principal Paying Agent subsequently receives such payment, it shall forthwith notify the Issuer, the Trustee and the other Paying Agents.

**6.8 Moneys held by Principal Paying Agent**

The Principal Paying Agent may deal with moneys paid to it under this Agreement in the same manner as other moneys paid to it as a banker by its customers except that (1) it may not exercise any lien, right of set-off or similar claim in respect of them and (2) it shall not be liable to anyone for interest on any sums held by it under this Agreement.

7. **PAYMENTS TO BONDHOLDERS**

7.1 **Payments by Paying Agents**

Each Paying Agent acting through its Specified Office shall make payments of principal and interest in respect of the Bonds in accordance with the Conditions (and, in the case of the Permanent Global Bond, the terms thereof); *provided, however, that:*

- 7.1.1 if any Definitive Bond or Coupon is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent shall forthwith notify the Issuer of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and has received the amount to be so paid;
- 7.1.2 a Paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Bonds, if:
- (a) in the case of the Principal Paying Agent, it has not received the full amount of any payment due to it under Clause 6.1 (*Issuer to pay Principal Paying Agent*); or
  - (b) in the case of any other Paying Agent:
    - (i) it has been notified in accordance with Clause 6.7 (*Failure to receive payment*) that the relevant payment has not been received, unless it is subsequently notified that such payment has been received; or
    - (ii) it is not able to establish that the Principal Paying Agent has received (whether or not at the due time) the full amount of any payment due to it under Clause 6.1 (*Issuer to pay Principal Paying Agent*);
- 7.1.3 each Paying Agent shall cancel each Definitive Bond or Coupon against surrender of which it has made full payment and shall, in the case of a Paying Agent other than the Principal Paying Agent, deliver each Definitive Bond or Coupon so cancelled by it to, or to the order of, the Principal Paying Agent;
- 7.1.4 in the case of payment of principal or interest against presentation of the Permanent Global Bond, the relevant Paying Agent shall procure that there is noted in the schedule to the Permanent Global Bond the amount of such payment and, in the case of payment of principal, the remaining principal amount of the Permanent Global Bond (which shall be the previous principal amount thereof less the amount of principal then paid) and shall procure the signature of such notation on its behalf; and
- 7.1.5 notwithstanding any other provision of this Agreement, each Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.

**7.2 Exclusion of liens and commissions**

No Paying Agent shall exercise any lien, right of set-off or similar claim against any person to whom it makes any payment under Clause 7.1 (*Payments by Paying Agents*) in respect thereof, nor shall any commission or expense be charged by it to any such person in respect thereof.

**7.3 Reimbursement by Principal Paying Agent**

If a Paying Agent other than the Principal Paying Agent makes any payment in accordance with Clause 7.1 (*Payments by Paying Agents*):

7.3.1 it shall notify the Principal Paying Agent of the amount so paid by it, the certificate or serial number (if any) of the Permanent Global Bond or Definitive Bond against presentation or surrender of which payment of principal was made, or of the Permanent Global Bond, Definitive Bond or Coupon against presentation or surrender of which payment of interest was made, and the number of Coupons by maturity against presentation or surrender of which payment of interest was made; and

7.3.2 subject to and to the extent of compliance by the Issuer with Clause 6.1 (*Issuer to pay Principal Paying Agent*) (whether or not at the due time), the Principal Paying Agent shall pay to such Paying Agent out of the funds received by it under Clause 6.1 (*Issuer to pay Principal Paying Agent*), by credit transfer in Renminbi and in same day, freely transferable, cleared funds to such account with such bank in Hong Kong as such Paying Agent has by notice to the Principal Paying Agent specified for the purpose, an amount equal to the amount so paid by such Paying Agent.

**7.4 Appropriation by Principal Paying Agent**

If the Principal Paying Agent makes any payment in accordance with Clause 7.1 (*Payments by Paying Agents*), it shall be entitled to appropriate for its own account out of the funds received by it under Clause 6.1 (*Issuer to pay Principal Paying Agent*) an amount equal to the amount so paid by it.

**7.5 Reimbursement by Issuer**

Subject to sub-clauses 7.1.1 and 7.1.2 of Clause 7.1 (*Payments by Paying Agents*), if a Paying Agent makes a payment in respect of Bonds on or after the due date for such payment under the Conditions at a time at which the Principal Paying Agent has not received the full amount of the relevant payment due to it under Clause 6.1 (*Issuer to pay Principal Paying Agent*) and the Principal Paying Agent is not able out of funds received by it under Clause 6.1 (*Issuer to pay Principal Paying Agent*) to reimburse such Paying Agent therefor (whether by payment under Clause 7.3 (*Reimbursement by Principal Paying Agent*) or appropriation under Clause 7.4 (*Appropriation by the Principal Paying Agent*), the Issuer shall from time to time on demand pay to the Principal Paying Agent for account of such Paying Agent:

7.5.1 the amount so paid out by such Paying Agent and not so reimbursed to it; and

7.5.2 interest on such amount from the date on which such Paying Agent made such payment until the date of reimbursement of such amount; *provided, however, that any payment made under sub-clause 7.5.1 above shall satisfy pro tanto the obligations of the Issuer under Clause 6.1 (Issuer to pay Principal Paying Agent).*

**7.6 Interest**

Interest shall accrue for the purpose of sub-clause 7.5.2 of Clause 7.5 (*Reimbursement by Issuer*) (as well after as before judgment) on the basis of a year of 360 days and the actual number of days elapsed and at the rate per annum which is the aggregate of 1% per annum and the rate per annum specified by the Principal Paying Agent as reflecting its cost of funds for the time being in relation to the unpaid amount.

**7.7 Partial payments**

If at any time and for any reason a Paying Agent makes a partial payment (except as a result of a deduction of tax permitted by the Conditions) in respect of the Permanent Global Bond or any Definitive Bond or Coupon presented for payment to it, such Paying Agent shall enface thereon a statement indicating the amount and date of such payment.

**8. AGENTS TO ACT FOR TRUSTEE**

If any Event of Default or Potential Event of Default occurs, the Agents shall, if so required by notice given by the Trustee to the Issuer and the Agents (or such of them as are specified by the Trustee), until otherwise instructed by the Trustee:

8.1.1 act thereafter as the agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the Trust Deed (save that the Trustee's liability for the indemnification of any of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Definitive Bonds and Coupons and all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or

8.1.2 deliver up all Definitive Bonds and Coupons and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; *provided, however, that such notice shall not be deemed to apply to any document or record which any Agent is obliged not to release by any law or regulation.*

**9. REDEMPTION**

**9.1 Notice of Redemption**

9.1.1 If the Issuer intends to redeem the Bonds under Condition 5(b) (*Redemption at the option of the Issuer*) or Condition 5(c) (*Redemption for tax reasons*) or notice is required to be given to the Bondholders under Condition 5(d) (*Redemption for Change of Control*) or Condition 5(e) (*Redemption for gaming licence reasons*), it shall, at least 14 days before the latest date for the publication of the notice of redemption required to be given to Bondholders in accordance with Condition 15 (*Notices*), give prompt notice in writing of its intention to the Principal Paying Agent and the Trustee stating the date on which such Bonds are to be redeemed and the redemption amount.

9.1.2 On behalf of and at the request and expense of the Issuer, the Principal Paying Agent shall publish the notice in accordance with Condition 15 (*Notices*), in the form approved by the Issuer, required in connection with such redemption. Such notice shall specify the date fixed for redemption, the redemption amount and the manner in which redemption will be effected. The Principal Paying Agent shall forthwith notify the other Paying Agents of the contents of such notice.

## 9.2 **Redemption for Change of Control**

9.2.1 The Issuer will from time to time provide each Paying Agent with sufficient copies of the Put Exercise Notice and each Paying Agent shall make the same available on demand to Bondholders.

9.2.2 The Paying Agent with which a Definitive Bond is deposited pursuant to Condition 5(d) (*Redemption for Change of Control*) shall hold such Definitive Bond on behalf of the depositing Bondholder (but shall not, save as provided below, release it) until the due date for redemption of the Bonds in respect of which it is issued pursuant to Condition 5(d) (*Redemption for Change of Control*). On that date, subject as provided below, the relevant Paying Agent shall surrender such Definitive Bonds to itself and treat it as if surrendered by the holder in accordance with the Conditions and (in the case of the Permanent Global Bond) endorse the schedule to such Permanent Global Bond with the principal amount of Bonds to be redeemed and the principal amount of Bonds remaining after such redemption.

9.2.3 If the Bond (or Bonds) represented by the deposited Definitive Bond (or Definitive Bonds) becomes (or become) immediately due and payable before that date, the Paying Agent concerned shall mail such Definitive Bond by uninsured post to, and at the risk of, the relevant Bondholder. At the end of the period for exercising the option in Condition 5(d) (*Redemption for Change of Control*), each Paying Agent shall promptly notify the Principal Paying Agent of the principal amount of Bonds in respect of which Put Exercise Notices have been deposited with it and will forward such Put Exercise Notices to the Principal Paying Agent.

9.2.4 The Principal Paying Agent shall promptly notify such details and details of the principal amount of Bonds represented by the Permanent Global Bond in respect of which the option in Condition 5(d) (*Redemption for Change of Control*), has been exercised to the Issuer and the Trustee.

### 9.3 **Effect of Notice of Redemption**

Once a notice of redemption pursuant to Condition 5(b) (*Redemption at the option of the Issuer*) or Condition 5(c) (*Redemption for tax reasons*) is provided to the Bondholders in accordance with Condition 15 (*Notices*), or a Put Exercise Notice is duly completed, signed and deposited with any Paying Agent in accordance with Condition 5(d) (*Redemption for Change of Control*) or Condition 5(e) (*Redemption for gaming licence reasons*), as the case may be, the Bonds which are the subject of such notice shall, subject to the Conditions, become due and payable on the date of redemption therefor pursuant to Condition 5(b) (*Redemption at the option of the Issuer*), Condition 5(c) (*Redemption for tax reasons*) and Condition 5(e) (*Redemption for gaming licence reasons*) respectively, and in respect of the Put Exercise Notice, on the Put Settlement Date at the redemption price stated in the notice. Upon surrender of any Definitive Bond in respect of such Bond for redemption in accordance with the said notice, such Bond shall be paid by the Issuer at the redemption price determined in accordance with the relevant Condition.

## 10. **MISCELLANEOUS DUTIES OF THE PAYING AGENTS**

### 10.1 **Records**

The Principal Paying Agent shall:

10.1.1 maintain a record of the Permanent Global Bond and all Definitive Bonds and Coupons delivered hereunder and of their redemption, payment, cancellation, mutilation, defacement, alleged destruction, theft, loss or replacement (and, in the case of the Permanent Global Bond, exchange thereof for Definitive Bonds); *provided, however, that* no record need be maintained of the serial numbers of Coupons, save for the serial numbers of Coupons for which replacements have been issued under Clause 5 (*Replacement Bonds and Coupons*) and unmatured Coupons missing at the time of redemption or other cancellation of the relevant Definitive Bonds and for any subsequent payments against such Coupons;

10.1.2 maintain a record of all confirmations received by it in accordance with Clause 10.3 (*Cancellation*); and

10.1.3 make such records available for inspection during normal business hours by the Issuer, the other Paying Agents and the Trustee.

### 10.2 **Information from Paying Agents**

The Paying Agents shall make available to the Principal Paying Agent such information as is reasonably required for the maintenance of the records referred to in Clause 10.1 (*Records*).

### 10.3 **Cancellation**

The Issuer may from time to time deliver to the Principal Paying Agent Definitive Bonds and unmatured Coupons relating thereto for cancellation, whereupon the Principal Paying Agent shall cancel such Definitive Bonds and Coupons. In addition, the Issuer may from time to time procure the delivery to the Principal Paying Agent of the Permanent Global Bond with instructions to cancel a specified aggregate principal amount of Bonds represented by it (which instructions shall be accompanied by confirmation from CMU that Bonds having such aggregate principal amount may be cancelled), whereupon the Principal Paying Agent shall procure that there is noted on the schedule to the Permanent Global Bond the aggregate principal amount of Bonds so cancelled and the remaining principal amount of the Permanent Global Bond (which shall be the previous principal amount thereof less the aggregate principal amount of the Bonds so cancelled) and shall procure the signature of such notation on its behalf.

**10.4 Definitive Bonds and Coupons in Issue**

Upon written request (and in any event within three months of such request) after each interest payment date in relation to the Bonds, after each date on which Bonds are cancelled in accordance with Clause 10.3 (*Cancellation*) and after each date on which the Bonds fall due for redemption in accordance with the Conditions, the Principal Paying Agent shall notify the Issuer, the other Paying Agents and the Trustee (on the basis of the information available to it) of the number of any Definitive Bonds or Coupons against surrender of which payment has been made and of the number of any Definitive Bonds or (as the case may be) Coupons which have not yet been surrendered for payment.

**10.5 Forwarding of Communications**

The Principal Paying Agent shall promptly forward to the Issuer a copy of any notice or communication addressed to the Issuer by any Bondholder which is received by the Principal Paying Agent.

**10.6 Publication of notices**

The Principal Paying Agent shall, upon and in accordance with instructions of the Issuer and/or the Trustee received at least 10 days before the proposed publication date, arrange for the publication of any notice which is to be given to the Bondholders and shall supply a copy thereof to each other Agent and the Trustee. Without prejudice to the foregoing and the Conditions, as long as any Bonds are represented by the Permanent Global Bond, the Principal Paying Agent shall, forthwith upon receipt of any notice to the holders from the Issuer, deliver the notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second Local Banking Day preceding the date of despatch of such notice as holding interests in the Permanent Global Bond.

**10.7 Destruction**

The Principal Paying Agent may destroy the Permanent Global Bond following its cancellation in accordance with Clause 4.2 (*Exchange of Permanent Global Bond for Definitive Bonds*) and the Permanent Global Bond and each Definitive Bond or Coupon delivered to or cancelled by it in accordance with sub-clause 7.1.3 of Clause 7.1 (*Payments by Paying Agents*) or cancelled by it in accordance with Clause 5.3 (*Cancellation of mutilated or defaced Bonds*) or Clause 10.3 (*Cancellation*), in which case it shall furnish the Issuer and the Trustee with a certificate of destruction specifying the certificate or serial numbers (if any) of the Permanent Global Bond or Definitive Bonds and the number of Coupons so destroyed.

## 10.8 Documents available for inspection

The Issuer shall provide to each Agent and the Trustee:

10.8.1 conformed copies of this Agreement and the Trust Deed;

10.8.2 if the provisions of Condition 5(c) (*Redemption for tax reasons*) become relevant in relation to the Bonds, the documents contemplated under Condition 5(c) (*Redemption for tax reasons*); and

10.8.3 such other documents as may from time to time be required by the Singapore Exchange Securities Trading Limited to be made available at the Specified Office of the Agent having its Specified Office in Hong Kong.

Each of the Agents shall make available for inspection during normal business hours at its Specified Office the documents referred to above and, upon reasonable request, will allow copies of such documents to be taken.

## 10.9 Voting Certificates and Block Voting Instructions

Each Paying Agent shall, at the request of any Bondholder, issue Voting Certificates and Block Voting Instructions in a form and manner which comply with the provisions of Schedule 3 to the Trust Deed (*Provisions for Meetings of the Bondholders*) (except that it shall not be required to issue the same less than 48 hours before the time fixed for any Meeting provided for therein). Each Paying Agent shall keep a full record of Voting Certificates and Block Voting Instructions issued by it and shall give to the Issuer and the Trustee, not less than 24 hours before the time appointed for any Meeting, full particulars of all Voting Certificates and Block Voting Instructions issued by it in respect of such Meeting.

## 11. FEES AND EXPENSES

### 11.1 Fees

The Issuer shall pay to the Principal Paying Agent for the account of the Agents such fees as have been agreed from time to time between the Issuer and the Principal Paying Agent in writing in respect of the services of the Agents hereunder (plus any applicable value added tax).

### 11.2 Expenses

The Issuer shall on demand reimburse the Principal Paying Agent for all expenses properly incurred by it in the negotiation, preparation and execution of this Agreement, and shall on demand reimburse each Agent for all expenses (including, without limitation, legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services hereunder (plus any applicable value added tax). The Agents shall have no obligation to act or perform any of their respective obligations hereunder if they believe they will incur costs for which they will not be reimbursed.



### 11.3 Taxes

The Issuer shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Agreement, and the Issuer shall indemnify each Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same. All payments by the Issuer under this Clause 11 or Clause 12.4 (*Indemnity in Favour of the Agents*) shall be made free and clear of withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Agent of such amounts as would have been received by it if no such withholding or deduction had been required.

## 12. TERMS OF APPOINTMENT

### 12.1 Rights and Powers

Each Agent may, in connection with its services hereunder:

- 12.1.1 except as ordered by a court of competent jurisdiction or otherwise required by law and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof, but subject to sub-clause 7.1.1 of Clause 7.1 (*Payments by Paying Agents*), treat the holder of any Permanent Global Bond, Definitive Bond or Coupon as its absolute owner for all purposes and make payments thereon accordingly;
- 12.1.2 assume that the terms of the Permanent Global Bond and each Definitive Bond and Coupon as issued are correct;
- 12.1.3 refer any question relating to the ownership of the Permanent Global Bond or any Definitive Bond or Coupon or the adequacy or sufficiency of any evidence supplied in connection with the replacement of the Permanent Global Bond or any Definitive Bond or Coupon to the Issuer for determination by the Issuer and rely upon any determination so made;
- 12.1.4 rely upon the terms of any notice, communication or other document believed by it to be genuine; and
- 12.1.5 engage and pay for the advice or services of any lawyers or other experts whose advice or services it considers necessary and rely upon any advice so obtained (and such Agent shall be protected and shall incur no liability as against the Issuer in respect of any action taken, or permitted to be taken, in accordance with such advice and in good faith).

## 12.2 **Extent of Duties**

Each Agent shall act solely as agents of the Issuer and the Trustee and each Agent shall only be obliged to perform the duties set out herein and under the Conditions and shall have no implied duties. No Agent shall:

12.2.1 be under any fiduciary duty or other obligation towards or have any relationship of agency or trust for or with any person other than the Issuer and the Trustee; or

12.2.2 be responsible for or liable in respect of the legality, validity or enforceability of the Permanent Global Bond or any Definitive Bond or Coupon or any act or omission of any other person (including, without limitation, any other Paying Agent).

## 12.3 **Freedom to Transact**

Each Paying Agent may purchase, hold and dispose of Bonds and Coupons and may enter into any transaction (including, without limitation, any depository, trust or agency transaction) with any holders of Bonds or Coupons or with any other person in the same manner as if it had not been appointed as the agent of the Issuer in relation to the Bonds.

## 12.4 **Indemnity in Favour of the Agents**

The Issuer shall unconditionally and irrevocably covenant and undertake that it will, on demand by each of the Agents, indemnify such party, its directors, officers, employees and agents (each an “**indemnified party**”) in full at all times against any loss, liability, cost, claim, action, proceeding, demand, penalty, damages or expense disbursement (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending or investigating any claim or liability with respect to any of the foregoing), and other liabilities whatsoever (the “**Losses**”) which any of them may incur or which may be made against it, as a result of or in connection with, (a) its appointment or involvement hereunder or the exercise of any of their powers or duties hereunder or the taking of any acts in accordance with the terms of this Agreement or its usual practice; (b) this Agreement; or (c) any instruction or other direction upon which such Agent may rely under this Agreement, as well as the costs and expenses incurred by an indemnified party of defending itself against or investigating any claim or liability with respect to the foregoing provided that this indemnity shall not apply in respect of an indemnified party to the extent but only to the extent that any such Losses incurred or suffered by or brought against such indemnified party arises directly from the fraud, wilful misconduct or gross negligence of such indemnified party. Each indemnified party (other than any Agent) shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce its rights against the Issuer under this Clause 12.4. Save as provided in this Clause 12.4, an indemnified party (other than the Trustee) will not be entitled directly to enforce their rights against the Issuer under this Agreement, under the Contracts (Rights of Third Parties) Act 1999 or otherwise. The Trustee, Agents and the Issuer may agree to terminate this Agreement or vary any of its terms without the consent of any such indemnified party. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of such Agent or the termination of this Agreement.

**12.5 Consequential Damages Disclaimer**

Notwithstanding any provision of this Agreement to the contrary, the Agents shall not in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even if the Agents are actually aware of or have been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract or otherwise. The provisions of this Clause 12.5 shall survive the termination or expiry of this Agreement or the resignation or removal of the Agents.

**12.6 No Implicit Duties**

The Agents shall be obliged to perform such duties and only such duties as are set out in this Agreement and the Conditions and no implied duties or obligations shall be read into this Agreement or the Conditions against any of the Agents.

**12.7 No Inquiry**

The Agents may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Agents shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

**12.8 Illegality**

In the event that the Agents shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from the Issuer, that in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action until it is directed in writing by a final order or judgment of a court of competent jurisdictions.

**12.9 Instruction in Writing**

Notwithstanding anything to the contrary contained in this Agreement, none of the Agents shall be obliged to act or omit to act in accordance with any instruction, direction or request delivered to them by the Issuer unless such instruction, direction or request is delivered to such Agents in writing. Each of the Agents may, in connection with its services hereunder, rely upon the terms of any notice, communication or other document believed by it to be genuine.

**12.10 Shortfall**

If the Principal Paying Agent shall make payment in respect of any of the Bonds before it has received or has been made available to its order the amount so paid, the Issuer shall from time to time on demand pay to the Principal Paying Agent, in addition to the amount which should have been paid hereunder, interest on such shortfall calculated on a 360 day year basis and the actual number of days elapsed and at the rate per annum which is the aggregate of 1% per annum and the rate per annum specified by the Principal Paying Agent as reflecting its cost of funds which shall not exceed its best lending rate for the time being in relation to the unpaid amount.

**12.11 No Liability for Interest**

The Agent shall not be under any liability for interest on any moneys at any time received by it pursuant to any of the provisions of this Agreement or of the Bonds and applied by it in accordance with the provisions hereof, except as otherwise provided hereunder or agreed in writing.

**12.12 Delegations**

The Agents may execute any of its powers and perform any of its duties hereunder directly or through delegates or attorneys and may consult with counsel, accountants and other skilled persons to be selected and retained by it. The Agents shall not be liable for the acts of such delegates or attorneys, or for anything done, suffered or omitted by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

**12.13 Expert Advice**

The Agent shall engage and consult, at the expense of the Issuer with any legal adviser and professional adviser selected by it in connection with the performance of its duties hereunder and rely upon any advice so obtained and each of the Agents and each of their respective directors, officers, employees and duly appointed agents shall be protected and shall not be liable in respect of any action taken, or omitted to be done or suffered to be taken, in accordance with such advice.

**12.14 Not Liable for Actions**

The Agents shall not be liable for any action taken or omitted by it except to the extent that a court of competent jurisdiction determines that the Agent's gross negligence or willful misconduct was the primary cause of any loss to the Issuer.

**12.15 Review**

At the request of the Agents, the parties to this Agreement may from time to time during the continuance of this Agreement review the commissions agreed initially with a view to determining whether the parties can mutually agree upon any changes to the commissions.

**12.16 Amendment / Modification**

This Agreement may be amended by all of the parties, without the consent of any Bondholder or Couponholder, either (1) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained in this Agreement or (2) in any manner which the parties may mutually deem necessary or desirable and which shall not be inconsistent with the Conditions and shall not be materially prejudicial to the interests of the Bondholders.

#### 12.17 **Anti-Money Laundering and Terrorism**

The Agent may take and instruct any delegate to take any action which it in its sole discretion considers appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority or any Deutsche Bank Group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include but is not limited to the interception and investigation of transactions on the depositor's accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of fund paid into or out of the depositor's accounts. In certain circumstances, such action may delay or prevent the processing of the depositor's instructions, the settlement of transactions over the depositor's accounts or the Agent's performance of its obligations under this Agreement. Where possible, the Agent will endeavour to notify the depositor of the existence of such circumstances. Neither the Agent nor any delegate will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by the Agent or any delegate pursuant to this Clause. For the purposes of this Clause, the "**Deutsche Bank Group**" means Deutsche Bank AG, its subsidiaries and associated companies.

#### 12.18 **Force Majeure**

Notwithstanding anything to the contrary in this Agreement, no Agent shall in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any circumstances beyond the control of such Agent, including without limitation, existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system.

### 13. **CHANGES IN AGENTS**

#### 13.1 **Resignation**

Any Agent may resign its appointment upon not less than 45 days' notice to the Issuer (with a copy to the Trustee and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); *provided, however, that:*

- 13.1.1 if such resignation would otherwise take effect less than 45 days before or after the maturity date or other date for redemption of the Bonds or any interest payment date in relation to the Bonds, it shall not take effect until the thirtieth day following such date; and
- 13.1.2 in the case of the Principal Paying Agent or a Required Paying Agent, such resignation shall not take effect until a successor has been duly appointed consistently with Clause 13.4 (*Additional and Successor Agents*) or Clause 13.5 (*Agents may Appoint Successors*) and notice of such appointment has been given to the Bondholders.

### 13.2 **Revocation**

The Issuer may (with the prior written approval of the Trustee) revoke its appointment of any Agent by not less than 30 days' notice to such Agent (with a copy, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent); *provided, however, that*, in the case of the Principal Paying Agent or any Required Paying Agent, such revocation shall not take effect until a successor has been duly appointed consistently with Clause 13.4 (*Additional and Successor Agents*) or Clause 13.5 (*Agents may Appoint Successors*) and previously approved in writing by the Trustee and notice of such appointment has been given to the Bondholders.

### 13.3 **Automatic Termination**

The appointment of any Agent shall terminate forthwith if (a) such Agent becomes incapable of acting, (b) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Agent, (c) such Agent admits in writing its insolvency or inability to pay its debts as they fall due, (d) an administrator or liquidator of such Agent or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made), (e) such Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness, (f) an order is made or an effective resolution is passed for the winding-up of such Agent or (g) any event occurs which has an analogous effect to any of the foregoing. If the appointment of the Principal Paying Agent or any Required Paying Agent is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with Clause 13.4 (*Additional and Successor Agents*).

### 13.4 **Additional and Successor Agents**

The Issuer may (with the prior written approval of the Trustee) appoint a successor principal paying agent and additional or successor paying agents and shall forthwith give notice of any such appointment to the continuing Agents, the Bondholders and the Trustee, whereupon the Issuer, the continuing Agents, the Trustee and the additional or successor principal paying agent or paying agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

### 13.5 **Agents may Appoint Successors**

If any Agent gives notice of its resignation in accordance with Clause 13.1 (*Resignation*) and by the tenth day before the expiry of such notice a successor has not been duly appointed in accordance with Clause 13.4 (*Additional and Successor Agents*), the Agent may itself, following such consultation with the Issuer as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution and give notice of such appointment to the Issuer, the remaining Agents, the Trustee and the Bondholders, whereupon the Issuer, the remaining Agents, the Trustee and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

13.6 **Release**

Upon any resignation or revocation taking effect under Clause 13.1 (*Resignation*) or 13.2 (*Revocation*) or any termination taking effect under Clause 13.3 (*Automatic Termination*), the relevant Agent shall:

- 13.6.1 be released and discharged from its obligations under this Agreement (save that it shall remain entitled to the benefit of and subject to Clause 11.3 (*Taxes*), Clause 12 (*Terms of Appointment*) and Clause 13 (*Changes in Agents*));
- 13.6.2 in the case of the Principal Paying Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Principal Paying Agent, of the records maintained by it in accordance with Clause 10.1 (*Records*); and
- 13.6.3 forthwith (upon payment to it of any amount due to it in accordance with Clause 11 (*Fees and Expenses*) or Clause 12.4 (*Indemnity in Favour of the Agents*)) transfer all moneys and papers (including any unissued Bonds held by it hereunder and any documents held by it pursuant to Clause 10.8 (*Documents available for inspection*)) to its successor and, upon appropriate notice, provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder.

13.7 **Merger**

Any corporation into which any Agent is merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Agent is a party shall, to the extent permitted by applicable law, be the successor to such Agent without the execution or filing of any papers or any further formality, whereupon the Issuer and the other Agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement. Notice of any such merger or conversion shall forthwith be given by such successor to the Issuer, the other Agents, the Trustee (if applicable) and the Bondholders.

13.8 **Changes in Specified Offices**

If any Agent decides to change its Specified Office (which may only be effected within the same city unless the prior written approval of the Issuer has been obtained), it shall give notice to the Issuer (with a copy to the Trustee and the other Agents) of the address of the new Specified Office stating the date on which such change is to take effect, which date shall be not less than 30 days after the date of such notice. The Issuer shall at its own expense not less than 14 days prior to the date on which such change is to take effect (unless the appointment of the relevant Agent is to terminate pursuant to any of the foregoing provisions of this Clause 13 on or prior to the date of such change) give notice thereof to the Bondholders.

14. **CMU**

14.1 **CMU Membership**

Each of the Principal Paying Agent and the CMU Lodging Agent confirms that it is a CMU Member pursuant to a CMU Membership Agreement dated 11 January 1994 (the “**Membership Agreement**”) and is aware of and in compliance with the terms of the CMU Rules.

14.1.1 **CMU Lodging Agent**

The CMU Lodging Agent, acting as lodging agent (as such term is defined in the CMU Rules) on behalf of the Issuer, will lodge the Permanent Global Bond with a sub-custodian of CMU, and the Principal Paying Agent will be nominated as paying agent to receive notification from CMU in respect of interests in the Permanent Global Bond credited to Accountholders with CMU prior to the Interest Payment Dates of the Bonds and the maturity date of the Permanent Global Bond in respect of the Bonds.

14.1.2 **CMU Rules apply**

It is understood that, once the Permanent Global Bond is lodged with CMU, the terms of the CMU Rules will apply to the Permanent Global Bond and to all transactions and operations effected through CMU in relation to the Permanent Global Bond including transactions relating to the lodgement, withdrawal or redemption of the Permanent Global Bond and in particular (but without limiting the generality of the foregoing):

- (a) that CMU and its servants and agents are, with the limited exceptions expressly provided in the Membership Agreement, exempt from liability caused directly or indirectly by the operation of CMU and CMU is entitled without liability to act without further enquiry on instructions or information or purported instructions or information received through CMU or otherwise in accordance with the CMU Rules; and
- (b) that CMU is under no liability to any person (whether or not a member of CMU) as a result of any actual or alleged defect or irregularity with respect to the Permanent Global Bond lodged with or held in CMU, any signature or purported signature appearing on the Permanent Global Bond, any disposition or purported disposition of the Permanent Global Bond or any inconsistency of the Permanent Global Bond with the details specified in respect of the Permanent Global Bond in CMU.

14.2 **Authorisation of Principal Paying Agent and CMU Lodging Agent**

The Issuer authorises the Principal Paying Agent and CMU Lodging Agent to, on its behalf, do all such acts and things and execute all such documents as may be required to enable the Principal Paying Agent and CMU Lodging Agent fully to observe and perform its obligations under this Agreement, its Membership Agreement and the CMU Rules and to enter into any arrangement which it considers proper in connection with the lodgement with CMU of the Permanent Global Bond, the holding of the Permanent Global Bond in CMU, payments under and the redemption of the Permanent Global Bond, including (but without limiting the generality of the foregoing):



14.2.1 authenticating the Permanent Global Bond (including authentication on withdrawal from CMU) and

14.2.2 making payments in respect of the Permanent Global Bond in the manner prescribed by the CMU Rules,

*provided that* the Principal Paying Agent and CMU Lodging Agent shall, to the extent practicable, consult with the Issuer before it takes such actions or inform the Issuer of such actions as soon as practicable after taking such actions.

### 14.3 **No Presentment**

It is acknowledged that, under the terms of the CMU Rules, no further or other demand or presentment for payment of the Permanent Global Bond lodged with CMU shall be required other than the credit of interests in the Permanent Global Bond to the relevant CMU accounts of CMU members (whether acting on their own behalf or as paying agent) in accordance with the CMU Rules and, so long as the Permanent Global Bond is held by CMU, the Issuer, Principal Paying Agent and CMU Lodging Agent waive the requirements for any further or other demand or presentment for payment.

### 14.4 **Payments through CMU**

It is agreed that the obligations of the Principal Paying Agent and CMU Lodging Agent to make payments upon presentation or surrender to it of any Bond shall be suspended for so long as the Permanent Global Bond representing the Bonds is held by CMU and that while the Permanent Global Bond is held by or on behalf of CMU, the Paying Agents shall make payments to the person(s) confirmed to the Principal Paying Agent and CMU Lodging Agent by or on behalf of CMU prior to any relevant payment date as being credited with the interest(s) in the Permanent Global Bond in accordance with the terms of the CMU Rules, in each case unless otherwise provided in the Permanent Global Bond. In accordance with the CMU Rules, the Principal Paying Agent will be notified prior to the Permanent Global Bond being withdrawn from CMU. Upon such notification, the Principal Paying Agent and CMU Lodging Agent shall arrange to make such endorsements to the Permanent Global Bond as would have been made if it had not been lodged with CMU or otherwise so as to confirm that all payments on the Permanent Global Bond have been made up to the date of withdrawal from CMU. Upon payment in full of the Permanent Global Bond which is held by CMU, the Principal Paying Agent and CMU Lodging Agent shall withdraw, or cause to be withdrawn, the Permanent Global Bond from CMU, make the endorsements to the Permanent Global Bond as provided above and cancel it forthwith subject to any applicable CMU Rules.

14.5 **Benefit**

The confirmations and acknowledgements in this Agreement are given for the benefit of the Issuer, the Principal Paying Agent, the CMU Lodging Agent and CMU and its servants and agents.

15. **NOTICES**

15.1 **Addresses for notices**

All notices and communications hereunder shall be made in writing (by letter or fax) and shall be sent as follows:

15.1.1 if to the Issuer, to it at:

Melco Crown Entertainment Limited  
36/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong

Fax: +852 2230 9438  
Attention: Chief Legal Officer

15.1.2 if to an Agent, to it at the address or fax number specified against its name in Schedule 1 (*Specified Offices of the Agents*) (or, in the case of an Agent not originally a party hereto, specified by notice to the parties hereto at the time of its appointment) for the attention of the person or department specified therein;

15.1.3 if to the Trustee, to it at:

DB Trustees (Hong Kong) Limited  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

Fax : +852 2203 7320

Attention: The Directors

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

15.2 **Effectiveness**

Every notice or communication sent in accordance with Clause 15.1 (*Addresses for notices*) shall be effective, if sent by letter or fax, upon receipt by the addressee;

*provided, however, that* any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

### 15.3 **Notices to Bondholders**

Any notice required to be given to Bondholders under this Agreement shall be given in accordance with the Conditions; *provided, however, that*, so long as all the Bonds are represented by the Permanent Global Bond, notices to Bondholders shall be given in accordance with the terms of the Permanent Global Bond.

### 15.4 **Notices in English**

All notices and other communications hereunder shall be made in the English language or shall be accompanied by a certified English translation thereof. Any certified English translation delivered hereunder shall be certified a true and accurate translation by a professionally qualified translator or by some other person competent to do so.

## 16. **LAW AND JURISDICTION**

### 16.1 **Governing law**

This Agreement and all non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and shall be construed in accordance with, English law.

### 16.2 **English courts**

Subject to Clause 16.3 (*Rights of the Agents and the Trustee to take proceedings outside England*), the courts of England are to have exclusive jurisdiction to settle any dispute (a “**Dispute**”) which may arise out of or in connection with this Agreement (including any dispute relating to any non-contractual obligations arising out of or in connection with these with this Agreement) and accordingly any legal action or proceedings arising out of or in connection with this Agreement (“**Proceedings**”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection with these with this Agreement) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### 16.3 **Rights of the Agents and the Trustee to take proceedings outside England**

Clause 16.2 (*English courts*) is for the benefit of the Agents and the Trustee only. As a result, nothing in this Clause 16 prevents the Agents or the Trustee from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Agents or the Trustee may take concurrent Proceedings in any number of jurisdictions.

**16.4 Service of process**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited, to receive, for it and on its behalf, service of process in any Proceedings in England.

Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, the Issuer irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and Agents and shall immediately notify the Trustee and Agents of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

**16.5 Contracts (Rights of Third Parties) Act 1999**

Save as provided for under Clause 12.4 above, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**17. MODIFICATION**

This Agreement may be amended by further agreement among the parties hereto and without the consent of the Bondholders.

**18. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

**AS WITNESS** the hands of the duly authorised representatives of the parties hereto the day and year first before written.

**SCHEDULE 1**  
**SPECIFIED OFFICES OF THE AGENTS**

**The CMU Lodging Agent:**

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong  
Fax : +852 2203 7320  
Attention: Trust & Securities Services

**The Principal Paying Agent and Paying Agent:**

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong  
Fax : +852 2203 7320  
Attention: Trust & Securities Services

SCHEDULE 2

FORM OF PUT EXERCISE NOTICE

MELCO CROWN ENTERTAINMENT LIMITED

RMB2,300,000,000 3.75% Bonds due 2013

By depositing this duly completed *Put Exercise Notice* with a Paying Agent for the Bonds the undersigned holder of such of the Bonds as are represented by the Definitive Bond surrendered with this Notice and referred to below irrevocably exercises its option to have such Bonds redeemed on [*Put Settlement Date*] under Condition 5(d) (*Redemption for Change of Control*).

This *Put Exercise Notice* relates to Definitive Bonds representing Bonds in the aggregate principal amount of RMB \_\_\_\_\_ The identifying numbers of such Definitive Bonds are as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

If any Definitive Bond issued in respect of the Bonds referred to above is to be returned<sup>(1)</sup> to the undersigned under Clause 9.2 of the Agency Agreement entered into by the Issuer in respect of the Bonds, it will be returned by post to the address of the Bondholder appearing below.

All notices and communications relating to this Put Exercise Notice should be sent to the address specified below:

Name of holder: \_\_\_\_\_

Contact details: \_\_\_\_\_

Payment in respect of the above-mentioned Bonds will be made in accordance with the Conditions of the Bonds.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

[To be completed by recipient Agent]

Received by: \_\_\_\_\_

[Signature and stamp of Agent]

At its office at: \_\_\_\_\_

On: \_\_\_\_\_

Notes:

- (1) Definitive Bonds so returned will be sent by post, uninsured and at the risk of the Bondholder.
- (2) This Redemption Notice is not valid unless all of the paragraphs requiring completion are duly completed.
- (3) The Agent with whom Definitive Bonds are deposited will not in any circumstances be liable to the depositing Bondholder or any other person for any loss or damage arising from any act, default or omission of such Agent in relation to such Definitive Bonds or any of them.

**SIGNATURES**

*The Issuer*

**MELCO CROWN ENTERTAINMENT LIMITED**

By: /s/ Geoffrey Stuart Davis  
Geoffrey Stuart Davis

[Signature page to Paying Agency Agreement]



***The CMU Lodging Agent***

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: /s/ Christina Nip  
Christina Nip  
Authorised Signatory

By: /s/ Choi Siu Ling  
Choi Siu Ling  
Authorised Signatory

***The Principal Paying Agent***

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: /s/ Christina Nip  
Christina Nip  
Authorised Signatory

By: /s/ Choi Siu Ling  
Choi Siu Ling  
Authorised Signatory

***The Trustee***

**DB TRUSTEES (HONG KONG) LIMITED**

By: /s/ Christina Nip  
Christina Nip  
Authorised Signatory

By: /s/ Choi Siu Ling  
Choi Siu Ling  
Director

[Signature page to Paying Agency Agreement]

**AMENDMENT AND RESTATEMENT AGREEMENT**

dated June 22, 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

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**FIFTH AMENDMENT AGREEMENT IN RESPECT  
OF THE SENIOR FACILITIES AGREEMENT**

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THIS AGREEMENT is dated June 22, 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 September 5, 2007 as amended pursuant to a transfer agreement between, *inter alios*, the Company and the Agent dated October 17, 2007, a Supplemental Deed in respect of the Deed of Appointment between, *inter alios*, the Company and the Agent dated November 19, 2007, an amendment agreement between, *inter alios*, the Company and the Agent dated December 7, 2007, a second amendment agreement between, *inter alios*, the Company and the Agent dated September 1, 2008, a third amendment agreement between, *inter alios*, the Company and the Agent dated December 1, 2008, a letter agreement between, *inter alios*, the Company and the Agent dated October 8, 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 April 21, 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 April 21, 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 April 21, 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 organized, as the case may be, and validly existing under the law of its jurisdiction of incorporation or organization, as the case may be.

(ii) Each of the Relevant Obligor 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 authorize 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 recognized 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 recognized 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 Utilization 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 supplementation 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 authorized 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; authorizing a specified person or persons to execute the Documents; and authorizing 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 authorized by the resolution referred to in paragraph (a) above.
- (c) A certificate of an authorized 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 authorized 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 authorized, 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 December 31, 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 authorization 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 September 13, 2007, December 17, 2007, August 12, 2008 and August 30, 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 September 13, 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 September 5, 2007, 16 May 2008 and August 21, 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 April 8, 2008, August 12, 2008 and August 30, 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 April 8, 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 April 9, 2008 entered into by Macau Insurance Company Limited;
7. a composite amendment agreement with respect to the Macau law assignments of onshore contracts dated September 5, 2007, December 17, 2007, August 12, 2008 and August 30, 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 September 5, 2007, December 17, 2007, February 1, 2008, June 17, 2008 and August 12, 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 November 27, 2007, December 17, 2007 and July 25, 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 August 12, 2008;
11. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (GH) Hotel Limited dated August 12, 2008;

12. an amendment agreement with respect to the Macau law floating charge of COD Theatre Limited dated August 12, 2008;
13. an amendment agreement with respect to the Macau law floating charge of Melco Crown COD (CT) Hotel Limited dated August 12, 2008;
14. an amendment agreement with respect to the Macau law floating charge of Melco Crown Hospitality and Services Limited dated December 17, 2007;
15. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Retail Services Limited dated December 17, 2007;
16. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Hotels Limited dated February 1, 2008;
17. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Ventures Limited dated December 17, 2007;
18. an amendment agreement with respect to the Macau law floating charge of Altira Developments Limited dated September 5, 2007;
19. an amendment agreement with respect to the Macau law floating charge of Altira Hotel Limited dated September 5, 2007;
20. an amendment agreement with respect to the Macau law floating charge of Melco Crown Gaming (Macau) Limited dated September 5, 2007;
21. an amendment agreement with respect to the Macau law floating charge of Golden Future (Management Services) Limited dated September 5, 2007;
22. an amendment agreement with respect to the Macau law floating charge of Melco Crown (Cafe) Limited dated September 5, 2007;
23. an amendment agreement with respect to the Macau law floating charge of Melco Crown (COD) Developments Limited dated February 1, 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 August 12, 2008 and entered into by certain Relevant Obligor;
25. an amendment agreement with respect to the Hong Kong law IP direct agreement dated August 30, 2008 (as amended from time to time); and
26. an amendment agreement with respect to Hong Kong law Altira IP direct agreement dated April 15, 2009 (as amended from time to time).

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**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

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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)

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**THIS AGREEMENT** is dated 5 September 2007 (as amended by a transfer agreement dated 17 October 2007, a supplemental deed dated 19 November 2007, a transfer agreement dated 4 December 2007, an amendment agreement dated 7 December 2007 and a second amendment agreement dated 1 September 2008, a third amendment agreement dated 1 December 2008, a letter agreement dated 8 October 2009, a fourth amendment agreement dated 10 May 2010 and an amendment and restatement agreement dated 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.º25, Edifício Montepio, 1. andar, comp. 13, Macau (the “**Company**” and the “**Original Borrower**”);
- (2) **THE PERSONS** listed in Part D of Schedule 1 (*Original Parties*) as guarantors (together with the Company, the “**Original Guarantors**”);
- (3) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BANK OF AMERICA, N.A., BANK OF CHINA LIMITED, MACAU BRANCH, COMMERZBANK AG and DEUTSCHE BANK AG, SINGAPORE BRANCH** as coordinating lead arrangers and bookrunners (the “**Coordinating Lead Arrangers and Bookrunners**”);
- (4) **THE FINANCIAL INSTITUTIONS** listed in Part A and Part B of Schedule 1 (*Original Parties*) as lenders (the “**Original Lenders**”);
- (5) **THE PERSONS** listed in Part C of Schedule 1 (*Original Parties*) as hedge counterparties (the “**Original Hedge Counterparties**”);
- (6) **DEUTSCHE BANK AG, HONG KONG BRANCH** as facility agent of the other Finance Parties (the “**Agent**”); and
- (7) **DB TRUSTEES (HONG KONG) LIMITED** as agent and security trustee for the Secured Parties (the “**Security Agent**”).

**IT IS AGREED** as follows:

## **SECTION 1 INTERPRETATION**

### **1. DEFINITIONS AND INTERPRETATION**

#### **1.1 Definitions**

In this Agreement:

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of 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 12 (*Form of Accession Letter*).

“**Account**” means each of the accounts specified in or permitted by paragraph 1 of Schedule 7 (*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 24 (*Changes to the Obligors*).

“**Additional Guarantor**” means a company which becomes a Guarantor in accordance with Clause 24 (*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 6 (*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 1.1 (*Definitions*).

**“Altira Insurance Proceeds”** has the meaning given to it in paragraph 1 (*Definitions*) of Schedule 4 (*Mandatory Prepayment*).

**“Altira Loss Event”** has the meaning given to it in paragraph 1 (*Definitions*) of Schedule 4 (*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 6 (*Covenants*)) in accordance with paragraph 3.39 (*Additional Hotel*) of Schedule 6 (*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 11 (*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 1.1 (*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 6 (*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 6 (*Covenants*).

“**Capital Stock**” means:

- (a) (where used in the definition of “Change of Control” set out in this Clause 1.1):
  - (i) in the case of a corporation, corporate stock;
  - (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
  - (iii) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
  - (iv) any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock; and
- (b) (where used elsewhere in this Agreement or any other Finance Document) any and all shares, interest, participations or other equivalents (howsoever designated) of capital stock of a corporation, any and all classes of membership interests in a limited liability company, any and all classes of partnership interests in a partnership, any and all equivalent ownership interests in a person and any and all agreements, warrants, rights or options to acquire any of the foregoing.

“**Cash 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 6 (*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 1.1 (*Definitions*)) and the leasing, operation and maintenance of the remainder of the City of Dreams Project by the City of Dreams Project Operating Company 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 13 (*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 6 (*Covenants*).

“**Consolidated Total Debt**” has the meaning given to such term in paragraph 2.1 of Schedule 6 (*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 9 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination in accordance with the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**“Defaulting Lender”** means any Lender:

- (a) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders’ participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event; andpayment is made within 2 Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

**“Delegate”** means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

**“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 8 (*Insurance*).

**“Direct Insurer”** means the insurer(s) with whom a Direct Insurance is placed from time to time in accordance with Schedule 8 (*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 9 (*Events of Default*).

“**Excess Cashflow**” has the meaning given to that term in paragraph 2.1 of Schedule 6 (*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 6 (*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 6 (*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 13 (*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 6 (*Covenants*).

“**Financial Year**” has the meaning given to that term in paragraph 2.1 of Schedule 6 (*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 15 (*Hedging Arrangements*), Clause 23.9 (*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 15 (*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 22.1 (*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 15 (*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 15 (*Hedging Arrangements*), Clause 23.9 (*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 15 (*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 7 (*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; andpayment is made within 2 Business Days of its due date; or
  - (ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

**“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 4 (*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 6 (*Covenants*).

**“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*).

**“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 an 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 24 (*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 6 (*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 7 (*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:

<u>Leverage</u>	<u>Margin</u>
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 6 (*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 10.2 (*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 6 (*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 6 (*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: 38<sup>th</sup> 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 15 (*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 2.3 (*Obligors’ Agent*).

“**Occupational Lease**” means any lease, sub-lease, licence, tenancy or right to occupy or use (or any agreement for the grant of any of the foregoing) to which a Relevant Obligor’s interest in a Property may be subject from time to time or which may be granted to a Relevant Obligor.

“**OFAC**” means the Office of Foreign Assets Control of the US Department of Treasury.

“**Onshore Security Documents**” means any Transaction Security Document governed by or expressed to be governed by Macau SAR law.

“**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 16 (*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 9 (*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 Obligor's 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 4 (*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 6 (*Covenants*) of this Agreement) of the immediately succeeding Compliance Certificate;
  - (ii) the provisions of paragraph 2 (*Financial Covenants*) of Schedule 6 (*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 Investments 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 6 (*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 6 (*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 6 (*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 6 (*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 1.1 (*Definitions*) and **provided that** any recourse under such guarantee or other payment undertaking is limited to the value of such Security; and
- (i) 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 7 (*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 6 (*Covenants*) of this Agreement) of the immediately succeeding Compliance Certificate;
    - (B) the provisions of paragraph 2 (*Financial Covenants*) of Schedule 6 (*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 6 (*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 1.1 (*Definitions*) of this Agreement.

Where amounts which are available to make a Permitted Payment have been used for other purposes permitted under this Agreement the amount of such Permitted Payments that may be made using such amounts shall be reduced *pro tanto*.

“**Permitted Security**” means:

- (a) any Security which is to be irrevocably discharged or released in full by an Obligor on the date of first Utilisation under this Agreement;
- (b) any Transaction Security or Security permitted under the Finance Documents 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 1.1 (*Definitions*); and
- (s) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under the preceding paragraphs) does not exceed 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 Ocupação 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 6 (*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 6 (*Covenants*).

**“Quarterly Financial Statements”** has the meaning given to that term in paragraph 1.1 (*Definitions*) of Schedule 6 (*Covenants*).

**“Quasi-Security”** has the meaning given to that term in paragraph 3.16 (*Negative pledge*) of Schedule 6 (*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 8 (*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 8 (*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 6 (*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 6.1 (*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 6.1 (*Term Loan Facility*).

**“Repeating Representations”** means each of the representations set out in paragraphs 1 (*Status*) to 34 (*Establishments*) (excluding paragraphs 9 (*No filing or stamp taxes*), 10 (*Deduction of Tax*), 13(a) to 13(f) (*No Misleading Information*), 14(c) (*Financial Statements*) and 21 (*Business*) of Schedule 5 (*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 1.1 (*Definitions*));
- (b) on the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC; or
- (c) in any successor list to either of the foregoing.

**“Revenues”** means all Group income and receipts, including those derived from the ownership, operation or management of the Projects or any other 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 2.1 (*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 1 (*Original Parties*) and the amount of any other Revolving Credit Facility Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount 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 1 (*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 23 (*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 3 (*Requests*) given in accordance with Clause 11 (*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 24<sup>th</sup> 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 2.1 (*The Facilities*).

“**Term Loan Facility Commitment**” means:

- (a) in relation to an Original Lender, the aggregate of the amount set opposite its name under the heading “Term Loan Facility Commitment” in Part A of Schedule 1 (*Original Parties*) and the amount of any other Term Loan Facility Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Term Loan Facility Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement 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 1 (*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 23 (*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 6 (*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 10 (*Form of Transfer Certificate and Lender Accession Undertaking*) or any other form agreed between the Agent and the Company.

“**Transfer Date**” means, in relation to an assignment or transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement and Lender Accession Undertaking or Transfer Certificate and Lender Accession Undertaking; and
- (b) the date on which the Agent executes the relevant Assignment Agreement and Lender Accession Undertaking or Transfer Certificate and Lender Accession Undertaking.

“**Treasury Transactions**” means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**Unpaid Sum**” means any sum due and payable but unpaid by an Obligor under the Finance Documents.

“**US**” and “**United States**” means the United States of America, its territories, possessions and other areas subject to the jurisdiction of the United States of America.

“**US Person**” means any person whose jurisdiction of organization is a state of the United States or the District of Columbia.

“**USA Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“**USD**”, “**US dollars**” or “**US\$**” denotes the lawful currency of the United States.

“**Utilisation**” means a utilisation of a Facility.

“**Utilisation Date**” means the date on which a Utilisation is made.

“**Utilisation Request**” means a notice substantially in the form set out in Part A of **Schedule 3** (*Requests*).

“**Voting Entitlement**” means, at any time:

- (a) in relation to a Lender, the sum of 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.

1.2

### **Construction**

- (a) Unless a contrary indication appears a reference in this Agreement to:
  - (i) the “**Agent**”, an “**Arranger**”, any “**Finance Party**”, any “**Lender**”, any “**Hedge Counterparty**”, any “**Obligor**”, any “**Party**”, any “**Secured Party**”, the “**Security Agent**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- (ii) a document in “**agreed form**” is a document which is in a form previously agreed in writing by or on behalf of the Company and the Agent or, if not so agreed, is in the form specified by the Agent;
  - (iii) “**assets**” includes present and future properties, revenues and rights of every description;
  - (iv) a “**Finance Document**” or a “**Transaction Document**” or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, however fundamentally);
  - (v) “**guarantee**” means (other than in Clause 19 (*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 9 (*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 4.2 (*Further conditions precedent*), such Event of Default is “**continuing**” if it has not been waived or remedied by that Lender being repaid such Revolving Credit Facility Loan in full (together with all accrued interest and other amounts payable to that Lender pursuant to the Finance Documents) by the Company by the date falling no later than 3 Business Days from that proposed Utilisation Date.

1.3 **Third Party Rights**

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or enjoy the benefit of any term of any Finance Document.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

1.4 **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**

**2. THE FACILITIES**

**2.1 The Facilities**

Subject to the terms of this Agreement, the Lenders make available to the Borrowers term loan and revolving credit facilities in 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.

**2.2 Finance Parties' rights and obligations**

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

**2.3 Obligors' Agent**

- (a) Each Relevant Obligor (other than the Company) by its execution of this Agreement or an Accession Letter irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to execute on its behalf any Accession Letter, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Relevant Obligor notwithstanding that they may affect the Relevant Obligor, without further reference to or the consent of that Relevant Obligor; and



- (ii) each Finance Party to give any notice, demand or other communication to that Relevant Obligor pursuant to the Finance Documents to the Company,

and in each case the Relevant Obligor shall be bound as though the Relevant Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Relevant Obligor or in connection with any Finance Document (whether or not known to any other Relevant Obligor and whether occurring before or after such other Relevant Obligor became a Relevant Obligor under any Finance Document) shall be binding for all purposes on that Relevant Obligor as if that Relevant Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Relevant Obligor, those of the Obligors' Agent shall prevail.

### 3. **PURPOSE**

#### 3.1 **Purpose**

- (a) Subject to Clause 5.5 (*Limitations on Utilisations*), the relevant Borrower shall apply the Term Loan Facility towards:
  - (i) refinancing certain existing Financial Indebtedness of the Obligors; and
  - (ii) financing agreed fees, costs and other expenses associated with the Facilities,as described in the Funds Flow Memorandum.
- (b) Subject to Clause 5.5 (*Limitations on Utilisations*), the relevant Borrower shall apply the Revolving Credit Facility towards:
  - (i) refinancing certain existing Financial Indebtedness of the Obligors as described in the Funds Flow Memorandum;
  - (ii) funding Maintenance Capital Expenditure in respect of the Projects (excluding the Additional Hotel); or
  - (iii) general working capital purposes.

#### 3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

[Not used]

4.2 **Further conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Utilisation under a Facility if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Utilisation and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation; and
- (b) all the Repeating Representations are true and correct in all material respects.

4.3 **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**

**5. UTILISATION REQUESTS AND LENDER PARTICIPATION**

**5.1 Delivery of a Utilisation Request**

- (a) A Borrower (or the Company on its behalf) may utilise a Facility in accordance with Clause 2.1 (*The Facilities*) by delivery to the Agent of a duly completed Utilisation Request signed by an authorised signatory of the Borrower, not later than 11.00 a.m. on the fifth Business Day prior to the proposed Utilisation Date.
- (b) The Company is not required to deliver a Utilisation Request in respect of any of the Utilisations to be made on the Amendment and Restatement Effective Date (as such Utilisations of the Term Loan Facility and the Revolving Credit Facility will occur, pursuant to Clause 5.6 (*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 5.6 (*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 5.6 (*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 5.6 (*Utilisations on the Amendment and Restatement Effective Date*)).

**5.2 Completion of a Utilisation Request**

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
  - (i) it identifies the Facility to be utilised;
  - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
  - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
  - (iv) the proposed Interest Period complies with Clause 11 (*Interest Periods*).
- (b) Utilisations under the Term Loan Facility and/or the Revolving Credit Facility may be requested in the same Utilisation Request.

**5.3 Currency and amount**

- (a) The currency specified in a Utilisation Request 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.

5.4 **Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, and (in respect of Revolving Credit Facility Loans) subject to Clause 6.2 (*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 5.6 (*Utilisations on the Amendment and Restatement Effective Date*), such notification shall be made on or prior to the Amendment and Restatement Effective Date).

5.5 **Limitations on Utilisations**

- (a) The proceeds of the Facilities shall not be applied:
- (i) towards any purpose connected with the operation of casino games of chance or other forms of gaming; or
- (ii) (directly or indirectly) for business activities (1) relating to or involving (A) Cuba, Sudan, Iran, Myanmar (Burma), Syria or North Korea 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 5.6 (*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.

5.6 **Utilisations on the Amendment and Restatement Effective Date**

(a) Notwithstanding any other provision of this Agreement (including, without limitation, this Clause 5), 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.

5.7 **Cancellation of Commitment**

The Commitments of each Lender under a Facility which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for that Facility.

**SECTION 4**  
**REPAYMENT, PREPAYMENT AND CANCELLATION**

**6. REPAYMENT**

**6.1 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:

<b>Repayment Date (number of Months from the Amendment and Restatement Effective Date)</b>	<b>Percentage of Facility to be Repaid Term Loan Facility Term Loan</b>
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%
<b>Total</b>	<b>100.0%</b>

- (b) No Borrower may reborrow any part of the Term Loan Facility which is repaid.

**6.2 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.

## 7. **ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION**

### 7.1 **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).

7.2 **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 7.2 shall reduce the Commitments of the Lenders rateably under that Facility.

7.3 **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.

7.4 **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 14.2 (*Tax gross-up*); or
  - (ii) any Lender claims indemnification from the Company or an Obligor under Clause 14.3 (*Tax indemnity*) or Clause 15.1 (*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.



7.5 **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.

8. **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 4 (*Mandatory Prepayment*).

9. **RESTRICTIONS**

9.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation or prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality, Voluntary Prepayment And Cancellation*), Clause 9.7 (*Prepayment elections*) or paragraph 3(d) of Schedule 4 (*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.

9.2 **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.

9.3 **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.

9.4 **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.

9.5 **No reinstatement of Commitments**

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 **Agent's receipt of Notices**

If the Agent receives a notice under Clause 7 (*Illegality, Voluntary Prepayment And Cancellation*) or an election under Clause 9.7 (*Prepayment elections*) or paragraph 3(d) of Schedule 4 (*Mandatory Prepayment*), it shall promptly forward a copy of that notice or election to either the Company or the affected Lender, as appropriate.

9.7 **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 7.3 (*Voluntary prepayment*) or paragraph 2(a) of Schedule 4 (*Mandatory Prepayment*).

9.8 **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 4.2 (*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 9.8 (save in connection with any repayment or, as the case may be, prepayment under paragraph (c) of Clause 7.1 (*Illegality*) or paragraph (c) of Clause 7.4 (*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 4 (*Mandatory Prepayment*), Clause 7.1 (*Illegality*) or Clause 7.4 (*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**

**10. INTEREST**

**10.1 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.

**10.2 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.

**10.3 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 10.3 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.

10.4 **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.

11. **INTEREST PERIODS**

11.1 **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<sup>th</sup> 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 11.2 (*Changes to Interest Periods*), be one Month.
- (d) Subject to this Clause 11, 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.

11.2 **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 11.2, it shall promptly notify the Company and the Lenders and the Hedge Counterparties.

### 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 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.

## 12. **CHANGES TO THE CALCULATION OF INTEREST**

### 12.1 **Absence of quotations**

Subject to Clause 12.2 (*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.

### 12.2 **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.

12.3 **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.

12.4 **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.

13. **FEES**

13.1 **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.

13.2 **Arrangement fee**

The Company shall pay to the Arrangers an arrangement fee in the amount and at the times agreed in a Fee Letter.

13.3 **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.

13.4 **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**

14. **TAX GROSS-UP AND INDEMNITIES**

14.1 **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 14.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 14 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

14.2 **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.

14.3 **Tax indemnity**

- (a) Without prejudice to Clause 14.2 (*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 14.2 (*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 14.3, notify the Agent.

14.4 **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.

14.5 **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.

14.6 **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.

14.7 **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 14 shall survive the payment in full by the Obligors of all obligations under this Agreement and the termination of this Agreement.

15. **INCREASED COSTS**

15.1 **Increased costs**

(a) Subject to Clause 15.3 (*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.

## 15.2 **Increased cost claims**

- (a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*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.

15.3 **Exceptions**

- (a) Clause 15.1 (*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 14.3 (*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*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 15.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in Clause 14.1 (*Definitions*).

15.4 **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 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 15.1 (*Increased costs*) or paragraph (c) of Clause 14.2 (*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 23 (*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”**.

16. **OTHER INDEMNITIES**

16.1 **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.

## 16.2 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 27 (*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 16.2 subject to Clause 1.3 (*Third Party Rights*) and the provisions of the Third Parties Act.

16.3 **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.

16.4 **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.

17. **MITIGATION BY THE LENDERS**

17.1 **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 7.1 (*Illegality*), Clause 14 (*Tax Gross-Up And Indemnities*) or Clause 15 (*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.

17.2 **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 17.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. **COSTS AND EXPENSES**

18.1 **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.

18.2 **Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 28.10 (*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.

18.3 **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.

18.4 **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**

**19. GUARANTEE AND INDEMNITY**

**19.1 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 19 if the amount claimed had been recoverable on the basis of a guarantee.

**19.2 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.

**19.3 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:

- (a) the liability of each Obligor shall continue (or be deemed to continue) as if the payment, discharge, compromise or arrangement had not occurred; and

- (b) 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.

19.4 **Waiver of defences**

The obligations of each Guarantor under this Clause 19 will not be affected by any act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (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.

19.5 **Guarantor Intent**

Without prejudice to the generality of Clause 19.4 (*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.

19.6 **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 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.7 **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 19.

19.8 **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 19 (*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 28 (*Payment Mechanics*).

19.9 **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**

**20. REPRESENTATIONS**

**20.1 General**

Each Relevant Obligor makes the representations and warranties set out in Schedule 5 (*Representations and Warranties*) at the times set out herein.

**20.2 Times when representations made**

- (a) All the representations and warranties in Schedule 5 (*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 5 (*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 5 (*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.

21. **COVENANTS**

21.1 **Content**

The Relevant Obligors undertake to each Finance Party that they shall comply with the covenants set out in Schedule 6 (*Covenants*).

21.2 **Duration**

The covenants in Schedule 6 (*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.

22. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in Schedule 9 (*Events of Default*) is an Event of Default.

22.1 **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**

23. **CHANGES TO THE LENDERS**

23.1 **Assignments and transfers by the Lenders**

Subject to this Clause 23, 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**”).

23.2 **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 23.1 (*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 1.1 (*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 6 (*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 23.5 (*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 14 (*Tax Gross-Up and Indemnities*) or Clause 15 (*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.

### 23.3 **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.

### 23.4 **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 23; 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.

#### 23.5 **Procedure for transfer**

- (a) Subject to the conditions set out in Clause 23.2 (*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”.

23.6 **Procedure for assignment**

- (a) Subject to the conditions set out in Clause 23.2 (*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 23.6 to assign their rights under the Finance Documents **provided that** they comply with the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*).
- (e) The procedure set out in this Clause 23.6 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.

23.7 **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.

23.8 **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 23.10 (*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 23.8 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.

### 23.9 **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 23.9 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 34.2 (*Exceptions*) and for any amendment to this Clause 23.9.
- (f) Each Hedge Counterparty agrees that, except with the prior written consent of the Agent or as otherwise provided in Schedule 15 (*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 15 (*Hedging Arrangements*).
- (h) After a notice has been given by the Agent pursuant to Clause 22.1 (*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.

**23.10 Security Interests over Lenders' rights**

In addition to the other rights provided to Lenders under this Clause 23, 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.

**23.11 The Register**

[Not used]

**23.12 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.

**23.13 Exclusion of Agent's liability**

In relation to any assignment or transfer pursuant to this Clause 23, 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.

**24. CHANGES TO THE OBLIGORS**

**24.1 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.



24.2 **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 6 (*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 2 (*Conditions Precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*).

24.3 **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 6 (*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 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.

(d) The Agent shall notify the Company, the Lenders and the Hedge Counterparties promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part D of Schedule 2 (*Conditions Precedent*).

24.4 **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 20.2 (*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**

**25. ROLE OF THE AGENT, THE ARRANGERS AND OTHERS**

**25.1 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.

**25.2 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.

25.3 **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.

25.4 **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.

25.5 **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.

25.6 **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 9 (*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.

25.7 **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 Documents.

25.8 **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.

25.9 **Exclusion of liability**

- (a) Without limiting paragraph (b) below, the Agent will not be liable for any action taken by it under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause subject to Clause 1.3 (*Third Party Rights*) and the provisions of the Third Parties Act.

- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or any Arranger to carry out any “know your customer” or other checks in relation to any person on behalf of any Lender or Hedge Counterparty and each Lender and Hedge Counterparty confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

25.10 **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 25.10, 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 25.10 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 25.10 above.

25.11 **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 25. 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.

25.12 **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 25 (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.

25.13 **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.

25.14 **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.

25.15 **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.

25.16 **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.

25.17 **Agent's management time**

Any amount payable to the Agent under Clause 16.3 (*Indemnity to the Agent*), Clause 18 (*Costs And Expenses*) and Clause 25.10 (*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 13 (*Fees*).

25.18 **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.

25.19 **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.

26. **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.

27. **SHARING AMONG THE FINANCE PARTIES**

27.1 **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 28 (*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 28 (*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 28.6 (*Partial payments*).

27.2 **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 28.6 (*Partial payments*).

27.3 **Recovering Finance Party's rights**

- (a) On a distribution by the Agent under Clause 27.2 (*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.

27.4 **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 27.2 (*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.

27.5 **Exceptions**

- (a) This Clause 27 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**

**28. PAYMENT MECHANICS**

**28.1 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.

**28.2 Distributions by the Agent**

- (a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 28.3 (*Distributions to an Obligor*) and Clause 28.4 (*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 23 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

**28.3 Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with Clause 29 (*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.

**28.4 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.

28.5 **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*)

28.6 **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 25.10 (*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.

28.7 **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.

28.8 **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.

28.9 **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.

28.10 **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.

29. **SET-OFF**

Without prejudice to the provisions of Schedule 7 (*Accounts*) and subject to the terms of Clause 27 (*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.



30. **NOTICES**

30.1 **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.

30.2 **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.

30.3 **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 30.2 (*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 30.3 will be deemed to have been made or delivered to each of the Obligors.

30.4 **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 30.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

30.5 **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.

30.6 **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 30.6 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 30.6 shall be deemed delivered upon the posting of a record of such communication (properly addressed to such party at the e-mail address provided to the Agent) as “sent” in the e-mail system of the sending party or, in the case of any such communication to the Agent, upon the posting of a record of such communication as “received” in the e-mail system of the Agent; **provided that** if such communication is not so received by the Agent during the normal business hours of the Agent, such communication shall be deemed delivered at the opening of business on the next Business Day for the Agent.
- (f) Each Party hereto acknowledges that:
- (i) the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution;
  - (ii) the Communications and the Platform are provided “as is” and “as available”;
  - (iii) none of the Agent, its affiliates nor any of their respective officers, directors, employees, agents, advisors or representatives (collectively, the “**Agency Parties**”) warrants the adequacy, accuracy or completeness of the Communications or the Platform, and each Agency Party expressly disclaims liability for errors or omissions in any Communications or the Platform; and
  - (iv) no representation or warranty of any kind, express, implied or statutory, including any representation or warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agency Party in connection with any Communications or the Platform.

- (g) Each Relevant Obligor hereby acknowledges that certain of the Lenders may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to MPEL, any of its Subsidiaries or their respective securities) (each, a “**Public Lender**”). Each Relevant Obligor hereby agrees that:
- (i) Communications that are to be made available on the Platform to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof;
  - (ii) by marking Communications “PUBLIC,” each Obligor shall be deemed to have authorized the Agent and the Lenders to treat such Communications as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to MPEL, any of its Subsidiaries or their respective securities for purposes of US federal and state securities laws;
  - (iii) all Communications marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Lender”; and
  - (iv) the Agent shall be entitled to treat any Communications that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Lender”.

30.7 **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.

30.8 **Hedging Agreement**

Clauses 30.1 (*Communications in writing*) to 30.6 (*Electronic communication*) shall not apply to any Hedging Agreement.

31. **CALCULATIONS AND CERTIFICATES**

31.1 **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.

31.2 **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.

31.3 **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.

32. **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.

33. **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.

34. **AMENDMENTS AND WAIVERS**

34.1 **Required consents**

- (a) Subject to Clause 23.9 (*Hedge Counterparties*), Clause 34.2 (*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 34 and any other provision of the Finance Documents; and

- (ii) pursuant to paragraph (a) of Clause 25.7 (*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 4 (*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 34 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.

#### 34.2 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 1.1 (*Definitions*);
  - (ii) an extension to the date of payment of any amount under the Finance Documents;
  - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
  - (iv) a change in currency of payment of any amount under the Finance Documents;
  - (v) an increase in or an extension of any Commitment or the Total Commitments;
  - (vi) a change to the Borrowers or Guarantors other than in accordance with Clause 24 (*Changes to the Obligors*);
  - (vii) any provision which expressly requires the consent of all the Lenders or Hedge Counterparties or Super Majority Lenders;

- (viii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 8 (*Mandatory Prepayment*), Schedule 4 (*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 4 (*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 23 (*Changes To The Lenders*) (other than paragraphs (f) and (g) of Clause 23.9 (*Hedge Counterparties*)) or this Clause 34;
  - (ix) the nature or scope of the guarantee and indemnity granted under Clause 19 (*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 1.1 (*Definitions*));
  - (xi) the release of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document; 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 23.9 (*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.

**34.3 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.

**34.4 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 23 (*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 23 (*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 23 (*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.

35. **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.

36. **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**

37. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

38. **ENFORCEMENT**

38.1 **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 38.1 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.

38.2 **Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Relevant Obligor:
  - (i) irrevocably appoints Law Debenture Corporate Service Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
  - (ii) agrees that failure by an agent for service of process to notify the Relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within three Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

**SCHEDULE 1  
ORIGINAL PARTIES**

**PART A  
ORIGINAL TERM LOAN FACILITY LENDERS**

<u>Name of Original Term Loan Facility Lender/ Term Loan Facility Lender</u>	<u>Total Term Loan Facility Commitment (HKD)</u>
Australia and New Zealand Banking Group Limited	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
<b>Total</b>	<b>6,241,440,000.00</b>

**PART B**  
**ORIGINAL REVOLVING CREDIT FACILITY LENDERS**

<u>Name of Original Revolving Credit Facility Lender / Revolving Credit Facility Lender</u>	<u>Total Revolving Credit Facility Commitment (HKD)</u>
Australia and New Zealand Banking Group Limited	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
<b>Total</b>	<b>3,120,720,000.00</b>

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**PART C**  
**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 D  
GUARANTORS**

<u>Guarantor</u>	<u>Jurisdiction of Incorporation</u>	<u>Registration Number (or equivalent)</u>
MPEL Nominee One Limited	Cayman Islands	187717
MPEL Nominee Two Limited	Cayman Islands	187718
MPEL Nominee Three Limited	Cayman Islands	187898
MPEL Investments Limited	Cayman Islands	168835
Melco Crown (COD) Hotels Limited	Macau SAR	27812
Melco Crown (COD) Developments Limited	Macau SAR	19157
Golden Future (Management Services) Limited	Macau SAR	27808
Altira Hotel Limited	Macau SAR	24789
Altira Developments Limited	Macau SAR	19596
Melco Crown Hospitality and Services Limited	Macau SAR	29549
Melco Crown (Cafe) Limited	Macau SAR	27811
Melco Crown (COD) Retail Services Limited	Macau SAR	29561
Melco Crown (COD) Ventures Limited	Macau SAR	29562
COD Theatre Limited	Macau SAR	31483
Melco Crown COD (CT) Hotel Limited	Macau SAR	31451
Melco Crown COD (GH) Hotel Limited	Macau SAR	31453
Melco Crown COD (HR) Hotel Limited	Macau SAR	31452

**SCHEDULE 2  
CONDITIONS PRECEDENT**

**PART A  
CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER ALTIRA TRANCHE**

[NOT USED]

**PART B**  
**CONDITIONS PRECEDENT TO INITIAL UTILISATION UNDER CITY OF DREAMS TRANCHE**

[NOT USED]



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**PART C**  
**CONDITIONS PRECEDENT TO ALL UTILISATIONS (OTHER THAN ALTIRA TRANCHE)**

[NOT USED]

**PART D**  
**CONDITIONS PRECEDENT REQUIRED TO BE DELIVERED BY AN ADDITIONAL OBLIGOR**

1. An Accession Letter executed by the Additional Obligor and the Company.
2. A copy of the Constitutional Documents of the Additional Obligor.
3. In the case of any Additional Obligor who is a US Person, a copy of a good standing certificate (including verification of tax status) or equivalent with respect to the Additional Obligor, issued as of a recent date by the Secretary of State or other relevant State or other Governmental Authority.
4. A copy of a resolution of the board of directors of the Additional Obligor:
  - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Accession Letter and any other Transaction Documents to which it is a party;
  - (b) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf;
  - (c) authorising the Company to act as its agent in connection with the Finance Documents.
5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 4 above.
6. A copy of a resolution signed by all the holders of the issued shares in each Additional Obligor, approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party.
7. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments 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 38.2 (*Service of process*) has accepted its appointment in relation to the proposed Additional Obligor.
11. Any Transaction Security Documents which are required by the Agent to be executed by the proposed Additional Obligor.
12. Any notices, requests for undertakings or other documents required to be given or executed under the terms of those Transaction Security Documents, together with, where relevant, their due acknowledgement and agreement by the addressee or any other person expressed to be a party thereto.
13. An undertaking, in such form as may be required by the Deed of Appointment or as may otherwise be reasonably required by the Agent or the Security Agent providing for the accession of the Additional Obligor to the Deed of Appointment executed by the Additional Obligor.

**SCHEDULE 3  
REQUESTS**

**PART A  
UTILISATION REQUEST  
TERM LOAN FACILITY/REVOLVING CREDIT FACILITY**

From: [Company]

To: [Agent]

Date:

Dear Sirs

**MELCO CROWN 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 [—]) (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 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to [*account*].

5. This Utilisation Request is irrevocable.

Yours faithfully

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Name:

authorised signatory

for and on behalf of

[*Company*]

<sup>1</sup> Delete if no Rollover Loan being utilised.

<sup>2</sup> Delete if only a Rollover Loan is being utilised.

**PART B  
SELECTION NOTICE**

From: [Company]

To: [Agent]

Date:

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 [—]) (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 [—].<sup>1</sup>
3. We request that the next Interest Period for the above Term Loan Facility Loan[s] is [—].<sup>2</sup>
4. This Selection Notice is irrevocable.

Yours faithfully

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Name:  
authorised signatory  
for and on behalf of  
[Borrower]/[Company]

<sup>1</sup> Repeat and insert details of all Loans for the relevant Facility which have an Interest Period ending on the same date.

<sup>2</sup> Complete as required.

**SCHEDULE 4**  
**MANDATORY PREPAYMENT**

1. **Definitions**

For the purposes of this Schedule 4:

**“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 1.1 (*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 1.1 (*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 6 (*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 6 (*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 9 (*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 5**  
**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 16 (*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 9 (*Events of Default*); or

(ii) creditors' process described in paragraph 8 (*Creditors' process*) of Schedule 9 (*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 9 (*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 6 (*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 6 (*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 6 (*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 6 (*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 6 (*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 8 (*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).

**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 6 (*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 6 (*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 Obligor 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 Obligor's 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 6  
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:
    - (A) 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
    - (B) 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 4 (*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 24 (*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 1.1 (*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.

“**Consolidated EBITDA**” means the consolidated profits of the Group from ordinary activities before taxation:

- (a) **before deducting** any income Tax expense (whether or not paid during that period) other than Tax on gross gaming revenue;
- (b) **before deducting** any Consolidated Net Finance Charges;
- (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.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
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.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
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.

<u>Column 1</u> <u>Relevant Period</u>	<u>Column 2</u> <u>Ratio</u>
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 16 (*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 apprised 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 17 (*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 4 (*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 1.1 (*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 1.1 (*Definitions*) or the giving of the guarantees or payment undertaking contemplated by paragraph (h) of the definition of Permitted Guarantee set out in Clause 1.1 (*Definitions*).

**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 4 (*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 8 (*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 8 (*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 8 (*Insurances*)) ensure the insurances or (to the extent required by Schedule 8 (*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 7 (*Accounts*) and as otherwise provided by this Agreement and that it otherwise complies with Schedule 7 (*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 9 (*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 16 (*Permits*)) has or is reasonably likely to 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 15 (*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 15 (*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 9 (*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 9 (*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 1.1 (*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 1.1 (*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 1.1 (*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 7  
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:

<u>Account Designation</u>	<u>Relevant Obligor</u>	<u>Bank and Jurisdiction</u>	<u>Currency and Type</u>	<u>Account Number</u>
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 4 (*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 8  
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

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- (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 9  
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 6 (*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 6 (*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 6 (*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 6 (*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 16) 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 6 (*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 10**  
**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]]<sup>3</sup> (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 23.5 (*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 23.5 (*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 30.2 (*Addresses*) are set out in the Schedule.

<sup>3</sup> 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 23.4 (*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 23.1 (*Assignment and transfers by the Lenders*).
5. The Existing Lender and the New Lender confirm that the New Lender is not an Obligor or an Affiliate of an Obligor
6. We refer to the [[Deed of Appointment] and the [Deed of Priority]]:
  - (a) In consideration of the New Lender being accepted as a Lender for the purposes of the [[Deed of Appointment] and [the Deed of Priority]] (and as defined therein), the New Lender confirms that, as from the proposed Transfer Date, it intends to be party to the [[Deed of Appointment] and [the Deed of Priority]] as a Lender, and undertakes to perform all the obligations expressed in the [[Deed of Appointment] and [the Deed of Priority]] to be assumed by a Lender and agrees that it shall be bound by all the provisions of the [[Deed of Appointment] and [the Deed of Priority]], as if it had been an original party to the [[Deed of Appointment] and [the Deed of Priority]].
  - (b) The undertakings contained in this Agreement have been entered into on the date stated above.
7. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
8. This Agreement is governed by and construed in accordance with English law.

**THE SCHEDULE**

**COMMITMENT/RIGHTS AND OBLIGATIONS TO BE TRANSFERRED**

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By: \_\_\_\_\_

By: \_\_\_\_\_

This Agreement is accepted as a Transfer Certificate and Lender Accession Undertaking for the purposes of the Senior Facilities Agreement by the Agent, and as a Lender Accession Undertaking for the purposes of the Deed of Appointment by the Agent and the Security Agent, and the Transfer Date is confirmed as [—].

[Agent]

By: \_\_\_\_\_

[Security Agent]

By: \_\_\_\_\_

**Note:** *It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate and Lender Accession Undertaking or to give the New Lender full enjoyment of all the Finance Documents.*

**SCHEDULE 11**  
**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 23.6 (*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 23.4 (*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 30.2 (*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 23.7 (*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 12  
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 [24.2 (*Additional Borrowers*)]/[Clause 24.3 (*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 13**  
**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 6 [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 6 [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 6 [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 14**  
**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 15  
HEDGING ARRANGEMENTS**

**PART A  
HEDGING ARRANGEMENTS**

1.
  - (a) Where a Relevant Obligor enters into Hedging Agreements in respect of swap transactions, caps, collars or other derivative products agreed with the Agent, so as to subject amounts drawn under the Facilities to either a fixed interest rate or interest rate protection and to either a fixed exchange rate or exchange rate protection, it shall, in respect of those Hedging Agreements and any transactions entered into thereunder, comply with this Schedule 15.
  - (b) Nothing in this Schedule 15 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 15 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 22.1 (*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 7 (*Illegality, Voluntary Prepayment and Cancellation*) or Clause 8 (*Mandatory Prepayment*) and following such prepayment the aggregate amount of the “**Notional Amounts**” and/or “**Currency Amounts**” (as each are defined in the 2006 Definitions) of all Hedging Agreements at such time would be greater than 100 per cent. of the principal amounts outstanding under the Facilities, the Company may (but is not obliged to) notify the Hedge Counterparties of its intention to terminate or close out swap transactions under the Hedging Agreements in order to ensure that the aggregate Notional Amounts and/or Currency Amounts of all swap transactions under the Hedging Agreements are not in excess of 100 per cent. of the principal amounts outstanding under the Facilities. Following such notice, swap transactions under the Hedging Agreements shall be terminated or closed out by reducing the Notional Amounts and/or Currency Amounts thereunder on a *pro rata* basis as between the Hedge Counterparties (unless otherwise agreed by the Agent), on the first Payment Date (as defined in the 2006 Definitions) (or, where such prepayment falls within 5 Business Days (as defined in the relevant Hedging Agreement) prior to such first Payment Date, the second Payment Date) in respect of such swap transaction immediately succeeding such prepayment such that, following such terminations or close outs, the aggregate Notional Amounts and/or Currency Amount of all swap transactions under all Hedging Agreements is not more than 100 per cent. of the principal amounts outstanding under the Facilities. The Company shall pay any termination costs associated with any such termination or close out at the time of that termination or close out.

7. In the event that a Hedging Agreement is terminated and the Company fails to pay any Realised Hedge Loss, such Realised Hedge Loss shall comprise an Unpaid Sum and interest shall accrue in respect thereof accordingly.

In this paragraph, "**Realised Hedge Loss**" means, in relation to a Hedge Counterparty at any time, the amount (if any) payable (but unpaid) by the Company to such Hedge Counterparty under the Hedging Agreement to which such Hedge Counterparty is a party (but excluding any default interest) upon an early termination of any transaction or transactions thereunder which has been terminated in accordance with paragraph 6 above. The amount is to be calculated on a net basis across the transactions terminated under such Hedging Agreement in accordance with the terms of the applicable Hedging Agreement.



**PART B**  
**FORM OF HEDGE COUNTERPARTY ACCESSION UNDERTAKING**

THIS DEED dated [ ] is supplemental to (i) a senior facilities agreement (the “**Agreement**”) dated [—] 2007 between Melco Crown 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 30 (*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:

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for and on behalf of

*[Insert name of Agent]*

Date:

**SCHEDULE 16**  
**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:

<u>Submitted To</u>	<u>No.</u>	<u>Date</u>	<u>Content in Chinese</u>	<u>Content in English</u>
DSSOPT □□□	33/2007	09/05/07	□□□□	Occupation Permit

## 7. Altira Project Operating Licenses as follows:

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
26.11.2010	DST (□□□)	Licenca No.: 0496/2011	Business Licence for (Bar) FLOW – Level 1
26.11.2010	DST (□□□)	Licenca No.: 0476/2011	Business Licence for (Bar) MEZZ – Level 1
16.11.2010	DST (□□□)	Licenca No.: 0423/2011	Business Licence for (Bar) SPRAY – Level 2
26.11.2010	DST (□□□)	Licenca No.: 0420/2011	Business Licence for (Bar) LAGO – Level 3
26.11.2010	DST (□□□)	Licenca No.: 0418/2011	Business Licence for (Restaurant) MONSOON – Level 3
26.11.2010	DST (□□□)	Licenca No.: 0417/2011	Business Licence for (Bar) LUMINA – Level 5
11.04.2011	DST (□□□)	Licenca No.: 0495/2011/A	Business Licence for 5 Stars Hotel – Altira
25.01.2011	DST (□□□)	Licenca No.: 0427/2011/A	Business Licence for (Restaurant) KIRA – Level 10
26.11.2010	DST (□□□)	Licenca No.: 0416/2011	Business Licence for (Restaurant) AURORA – Level 10
26.11.2010	DST (□□□)	Licenca No.: 0415/2011	Business Licence for (Restaurant) YING – Level 11
16.11.2010	DST (□□□)	Licenca No.: 0425/2011	Business Licence for (Bar) 38 – Level 38
16.11.2011	DST (□□□)	Licenca No.: 0422/2011	Business Licence for (Restaurant) Tenmasa – Level 11
22.06.2010	DST (□□□)	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.

<u>Submitted To</u>	<u>No.</u>	<u>Date</u>	<u>Content in Chinese</u>	<u>Content in English</u>
DSSOPT 0000	17/2009	29.05.2009	0000	Occupation Permit

20. Licenses for the operation of the City of Dreams Project by City of Dreams Project Operating Company:

(a) Hotel Licenses;

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
26/11/2010	DST (0000)	Licenca No.: 0473/2011	Business License for 4 Stars Hotel – Hard Rock Hotel
09.05.2011	DST (0000)	Licenca No.: 0497/2011/B	Business License for 5 Stars Hotel – Crown Towers
26.11.2010	DST (0000)	Licenca No.: 0498/2011	Business License for 5 Stars Hotel – Grand Hyatt Macau

(b) Hotel Facility Licenses:

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
23.11.2010	DST (0000)	Licenca No.: 0502/2011	Business Licence for (Restaurant) GRAND BALLROOM AT GRAND HYATT – Level 2 Grand Hyatt Macau
26.11.2010	DST (0000)	Licenca No.: 0499/2011	Business Licence for (Restaurant) CLUBE GRANDE – Level 1 and 0 Grand Hyatt Macau

<b>Date</b>	<b>From</b>	<b>Ref.</b>	<b>Content</b>
23.11.2010	DST (□□□)	Licenca No.: 0501/2011	Business Licence for (Restaurant) BEIJING KITCHEN RESTAURANT – Level 1 Grand Hyatt Macau
23.11.2010	DST (□□□)	Licenca No.: 0504/2011	Business Licence for (Restaurant) MEZZA 9 – Level 3 Grand Hyatt Macau
23.11.2010	DST (□□□)	Licenca No.: 0503/2011	Business Licence for (Bar) LOBBY LOUNGE BAR AT GRAND HYATT MACAU – Level 1 Grand Hyatt Macau
17.12.2010	DST (□□□)	Licenca No.: 0545/2011	Business Licence for (Restaurant) FOOD PARADISE – Level 2 and 3 Crown Towers
08.03.2011	DST (□□□)	Licenca No.: 0569/2011	Business Licence for (Bar) Cubic City of Dreams – Level 2 and 3 Crown Towers
12.11.2010	DST (□□□)	Licenca No.: 0469/2011	Business Licence for (Restaurant) TREASURE PALACE RESTAURANT – Level 1 and 1M, Crown Towers
11.11.2010	DST (□□□)	Licenca No.: 0461/2011	Business Licence for (Restaurant) TREASURE JI XIANG YUAN RESTAURANT – Level 1 Crown Towers
11.11.2010	DST (□□□)	Licenca No.: 0463/2011	Business Licence for (Bar) LAN BAR – Level 1 Crown Towers
26.11.2010	DST (□□□)	Licenca No.: 0474/2011	Business Licence for (Bar) R BAR – Level 1 Hard Rock Hotel
11.11.2010	DST (□□□)	Licenca No.: 0465/2011	Business Licence for (Restaurant) CRYSTAL CLUB RESTAURANT – Level 25 and 26 Crown Towers
12.11.2010	DST (□□□)	Licenca No.: 0465/2011	Business Licence for (Restaurant) YO! NOODLES RESTAURANT – Level 2 Crown Towers
12.11.2010	DST (□□□)	Licenca No.: 0464/2011	Business Licence for (Restaurant) WAVE RESTAURANT – Level 3 Hard Rock Hotel
12.11.2010	DST (□□□)	Licenca No.: 0468/2011	Business Licence for (Restaurant) RU YI NOODLES RESTAURANT – Level 1 Crown Towers

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
26.11.2010	DST (□□□)	Licenca No.: 0475/2011	Business Licence for (Restaurant) EXCELLENT RESTAURANT – Level 5 Hard Rock Hotel
12.11.2010	DST (□□□)	Licenca No.: 0470/2011	Business Licence for (Restaurant) HORIZONS RESTAURANT – Level 4 Crown Towers
26.11.2010	DST (□□□)	Licenca No.: 0472/2011	Business Licence for (Bar) FLAME BAR – Level 2 Crown Towers
23.11.2010	DST (□□□)	Licenca No.: 0459/2011	Business Licence for (Restaurant) GOLDEN PAVILION – Level 1 Crown Towers
24.05.2010	DST (□□□)	Licenca No.: 72/HC/2010	Business Licence for (Health Club) THE SPA AT CROWN – Level 3 Crown Towers
31.05.2010	DST (□□□)	Licenca No.: 77/SM/2010	Business Licence for (Sauna and Massages) THE SAUNA AT CROWN – Level 3 Crown Towers
31.05.2010	DST (□□□)	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).

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
25.02.2009	Chief Executive	Licenca No.: EO9/2009	Casino Foreign Exchange License

22. DICJ gaming areas authorization for City of Dreams Project.

<u>Date</u>	<u>From</u>	<u>Ref.</u>	<u>Content</u>
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 17**  
**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

**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

Telephone: +852 2598 3600

Fax: +852 2537 3618

**MPEL NOMINEE TWO LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

**MPEL NOMINEE THREE LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

---

**MPEL INVESTMENTS 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 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

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

---

**MELCO CROWN (COD) HOTELS LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

**MELCO CROWN (COD) DEVELOPMENTS LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

**MELCO CROWN (CAFE) LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong

Attention: Chief Financial Officer

Telephone: +852 2598 3600

Fax: +852 2537 3618

---

**GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Attention: Chief Financial Officer  
Telephone: +852 2598 3600  
Fax: +852 2537 3618

**MELCO CROWN HOSPITALITY AND SERVICES LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Attention: Chief Financial Officer  
Telephone: +852 2598 3600  
Fax: +852 2537 3618

**MELCO CROWN (COD) RETAIL SERVICES LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Attention: Chief Financial Officer  
Telephone: +852 2598 3600  
Fax: +852 2537 3618



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**MELCO CROWN (COD) VENTURES LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Attention: Chief Financial Officer  
Telephone: +852 2598 3600  
Fax: +852 2537 3618

**COD THEATRE LIMITED**

Address: 36/F, The Centrium  
60 Wyndham Street  
Central, Hong Kong  
Attention: Chief Financial Officer  
Telephone: +852 2598 3600  
Fax: +852 2537 3618

**MELCO CROWN COD (CT) 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

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**MELCO CROWN COD (GH) 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

**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

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**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 8792 1623/+853 8792 1321  
Fax: +853 8792 1677

**COMMERZBANK AG**

Address: 29/F Two International Finance Center, 8 Finance Street, Central, Hong Kong  
Attention: Edward Oh  
Telephone: +852 3988 0632  
Fax: +852 3988 0990

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: Deepak Dangayach / Ken Ting

Telephone: +852 2203 7087/+2203 7084

Fax: +852 2203 7274

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**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)

Telephone: +852 3559 6938

Fax: +852 2230 5738

with copy to:

Address: One Raffles Place, Level 34, Singapore 048616

Attention: Sally Chong/Janice Leom

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Attention: Angel Kwan/Denny Fu

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Tel: +852 2847 5930/2847 5340

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**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 8792 1623/+853 8792 1321

Fax: +853 8792 1677

**COMMERZBANK AG**

Address: 29/F Two International Finance Center, 8 Finance Street, Central, Hong Kong

Attention: Edward Oh

Telephone: +852 3988 0632

Fax: +852 3988 0990

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



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**DEUTSCHE BANK AG, HONG KONG BRANCH**

Address: Deutsche Bank AG, Hong Kong Branch, Level 60, International  
Commerce Center, 1 Austin Road West, Kowloon, Hong Kong

Attention: Deepak Dangayach/Ken Ting

Telephone: +852 2203 7087/2203 7084

Fax: +852 2203 7274

**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

Fax: +853 2835 6867

---

**CITIBANK N.A., HONG KONG BRANCH**

Address: 44/F, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong

Attention: Mr. William Chu / Mr. Edmund Kong / Mr. Ken Tsui

Telephone: +852 2868 8005 / +852 2868 7034 / +852 2868 6339

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**

Address: Avenida da Praia Grande, n. 594, Ed.BCM – 12 Andar, Macau

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: 25<sup>th</sup> Floor, United Centre, 95 Queensway, Hong Kong

Attention: Ms. Phyllis Leung

Telephone: +852 2861 4860

Fax: +852 2527 2527

**CHINA CONSTRUCTION BANK (MACAU) CORPORATION LIMITED**

Address: 20/F, Central Plaza, 61 Avenida de Almeida Ribeiro, Macau

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 Administration (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

Telephone: +65 6212 4159 / 3942

Fax: +65 6212 2709

**TAI FUNG BANK LIMITED**

Address: 418 Alameda Dr. Carlo d'Assumpcao, Macau

Attention: Mr Kou Wa Kin / Mr Ivan Lam

Telephone: +853 8797 0353 / +853 8797 0383

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

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

**BARCLAYS BANK PLC**

Address: Barclays Bank PLC, c/o Barclays Capital, Level 28, South Tower, 1 Raffles Quay, Singapore 048583

Attention: General Counsel

Telephone: +65 6308 3248

Fax: +65 6308 3000

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**DEUTSCHE BANK AG**

Address: Deutsche Bank AG, Hong Kong Branch, Level 60, International  
Commerce Center, 1 Austin Road West, Kowloon, Hong Kong

Attention: Deepak Dangayach/Ken Ting

Telephone: +852 2203 7087/2203 7084

Fax: +852 2203 7274

**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

---

**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

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## 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**

<u>Name of Lender</u>	<u>Term Loan Facility Commitment (HKD)</u>	<u>Revolving Credit Facility Commitment (HKD)</u>
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
<b>Total</b>	<b>6,241,440,000.00</b>	<b>3,120,720,000.00</b>

**Part II**

<u>Name of Lender</u>	<u>Term Loan Facility participation (HKD)</u>	<u>Revolving Credit Facility participation (HKD)</u>
Australia and New Zealand Banking Group Limited	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
<b>Total</b>	<b>6,241,440,000.00</b>	<b>1,653,154,569.54</b>

**SIGNATURES**

**The Company**

**MELCO CROWN GAMING (MACAU) LIMITED**

By: .....

**The other Original Borrower**

**MPEL (DELAWARE) LLC**

By: .....

**The other Relevant Obligor**

**ALTIRA DEVELOPMENTS LIMITED**

By: .....

**ALTIRA HOTEL LIMITED**

By: .....

**MELCO CROWN (CAFE) LIMITED**

By: .....

**GOLDEN FUTURE (MANAGEMENT SERVICES) LIMITED**

By: .....

---

**MPEL NOMINEE ONE LIMITED**

By: .....

**MPEL NOMINEE TWO LIMITED**

By: .....

**MPEL NOMINEE THREE LIMITED**

By: .....

**MPEL INVESTMENTS LIMITED**

By: .....

**MELCO CROWN HOSPITALITY AND SERVICES LIMITED**

By: .....

**MELCO CROWN (COD) RETAIL SERVICES LIMITED**

By: .....

**MELCO CROWN (COD) VENTURES LIMITED**

By: .....

**MELCO CROWN (COD) HOTELS LIMITED**

By: .....

**COD THEATRE LIMITED**

By: .....

**MELCO CROWN COD (CT) HOTEL LIMITED**

By: .....

**MELCO CROWN (COD) DEVELOPMENTS LIMITED**

By: .....

**MELCO CROWN COD (GH) HOTEL LIMITED**

By: .....

**MELCO CROWN COD (HR) HOTEL LIMITED**

By: .....

**THE COORDINATING LEAD ARRANGERS AND BOOKRUNNERS**

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: .....

By: .....

**BANK OF AMERICA, N.A.**

By: .....

By: .....

**BANK OF CHINA LIMITED, MACAU BRANCH**

By: .....

By: .....

**COMMERZBANK AG**

By: .....

By: .....



**DEUTSCHE BANK AG, SINGAPORE BRANCH**

By: .....

By: .....

**THE CONTINUING LENDERS**

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: .....

By: .....

**BANK OF AMERICA, N.A.**

By: .....

By: .....

**BANK OF CHINA LIMITED, MACAU BRANCH**

By: .....

By: .....

**COMMERZBANK AG**

By: .....

By: .....

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: .....

By: .....

**CITIBANK N.A., HONG KONG BRANCH**

By: .....

By: .....

**BANCO COMERCIAL PORTUGUÊS, S.A. MACAO BRANCH**

By: .....

By: .....

**NATIONAL AUSTRALIA BANK LIMITED**

By: .....

By: .....

**THE BANK OF NOVA SCOTIA**

By: .....

By: .....

**WING LUNG BANK, LIMITED - MACAU BRANCH**

By: .....

By: .....

**THE BANK OF EAST ASIA LIMITED, MACAU BRANCH**

By: .....

By: .....

**COMMONWEALTH BANK OF AUSTRALIA**

By: .....

By: .....

**THE ROYAL BANK OF SCOTLAND PLC, SINGAPORE BRANCH**

By: .....

By: .....

**BANCO NACIONAL ULTRAMARINO, S.A.**

By: .....

By: .....

**CHINA CONSTRUCTION BANK (MACAU) CORPORATION LIMITED**

By: .....

By: .....

**BANCO COMERCIAL DE MACAU, S.A.**

By: .....

By: .....

**THE NEW LENDERS**

**CREDIT SUISSE AG, SINGAPORE BRANCH**

By: .....

By: .....

**TAI FUNG BANK LIMITED**

By: .....

By: .....

**THE HEDGE COUNTERPARTIES**

**NATIONAL AUSTRALIA BANK LIMITED**

By: .....

By: .....

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

By: .....

By: .....

**BARCLAYS BANK PLC**

By: .....

By: .....

**DEUTSCHE BANK AG**

By: .....

By: .....

**UBS AG, LONDON BRANCH**

By: .....

By: .....

**THE AGENT**

**DEUTSCHE BANK AG, HONG KONG BRANCH**

By: .....

By: .....

**THE SECURITY AGENT**

**DB TRUSTEES (HONG KONG) LIMITED**

By: .....

By: .....

Execution Version

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**East Asia Satellite Television (Holdings) Limited**

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**Melco Crown Entertainment Limited**

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**eSun Holdings Limited**

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# **Sale and Purchase Agreement**



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**Date June 15, 2011**

**Parties**

**East Asia Satellite Television (Holdings) Limited**, a company incorporated in the British Virgin Islands whose registered office is at PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, the British Virgin Islands (**Seller**).

**Melco Crown Entertainment Limited**, a company incorporated in the Cayman Islands of Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands (**Buyer**).

**eSun Holdings Limited**, a company incorporated in Bermuda, whose registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (**eSun**).

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**Agreed terms**

**1 Interpretation**

- 1.1 The schedules form part of this Agreement and any reference to this Agreement includes the schedules. In this Agreement, reference to a clause or schedule, unless the context otherwise requires, is a reference to a clause of, or schedule to, this Agreement.
- 1.2 Words which are written with initial capital letters and certain expressions which are used in this Agreement are defined in schedule 1.

**2 Sale and Purchase**

- 2.1 The Seller agrees to sell at Completion and the Buyer agrees to procure that the Buyer's Nominee buys at Completion the Transfer Securities and each right attaching to the Transfer Securities at Completion (including the right, title and interest of the Seller in the Shareholder Loan), free of any Third Party Rights.
  - 2.2 The aggregate consideration for the purchase of the Transfer Securities is US\$260,000,000 (the **Purchase Price**), of which (i) US\$200,000,000 represents the consideration for the purchase of the Shares and (ii) US\$60,000,000 represents the consideration for the purchase of the Shareholder Loan as contemplated by the Loan Assignment Agreement. The Purchase Price shall be payable by the Buyer to the Seller in the following manner:
    - (a) on the date of this Agreement, the Buyer shall pay to the Seller's Account the Deposit in cash by delivery of a banker's draft; and
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- (b) on the Completion Date, the Buyer shall pay to the Seller's Account an amount in cash equal to the Purchase Price less the Deposit, being US\$195,000,000 (the **Outstanding Balance**) by transfer of funds for same day value.
- 2.3 Subject to the Waiver and Termination Agreement, the Mutual Waiver and Consent Agreement and the Settlement Deed being valid and effective and not having been varied, amended, terminated or replaced as at the Completion Date, the Buyer acknowledges that, with effect from the Completion Date:
- (a) all the Seller's obligations under the 2006 Share Purchase Agreement and the Joint Venture Agreement shall be terminated; and
- (b) the Seller shall not be obliged to further perform any of its obligations under the 2006 Share Purchase Agreement and the Joint Venture Agreement, including the obligation to pay any Stage One Modification Premium or Additional Premium outstanding as at the Completion Date.
- 2.4 The Seller acknowledges that the Buyer's acknowledgment under clause 2.3 is based on the Core Seller's Warranties on which the Buyer has relied.
- 2.5 The Seller must invest the Deposit in an interest bearing account as soon as practicable following receipt of the Deposit into the Seller's Account and in any event within two Business Days.

### **3 Conditions**

- 3.1 Completion is conditional on the following Conditions being satisfied:
- (a) passing by the shareholders of eSun at a general meeting of a resolution to approve this Agreement and the transactions contemplated under this Agreement in accordance with the Hong Kong Listing Rules; and
- (b) passing by the independent shareholders of eSun at a general meeting of a resolution to approve the Waiver and Termination Agreement and the transactions contemplated under the Waiver and Termination Agreement in accordance with the Hong Kong Listing Rules.
- 3.2 The Buyer shall provide eSun with such information about the Buyer as eSun may reasonably request or which may be requested or required by the Hong Kong Stock Exchange, in either case for inclusion in the circular referred to in clause 3.4(b).
- 3.3 The Seller shall make all reasonable efforts to achieve satisfaction of the Conditions as soon as possible after the date of this Agreement and in any event not later than 4:00 p.m. on the date falling five Business Days prior to the Long Stop Date.
- 3.4 eSun undertakes and agrees to:
- (a) deliver the Announcement (if required) to the Hong Kong Stock Exchange as soon as practicable following the execution of this Agreement for clearance of the same and publish the Announcement as soon as practicable and in any event within five Business Days of the receipt of clearance from the Hong Kong Stock Exchange;

- (b) as soon as practicable following the publication of the Announcement:
- (i) deliver the circular to be despatched to its shareholders in respect of the transactions contemplated in this Agreement and in the Waiver and Termination Agreement to the Hong Kong Stock Exchange for clearance of the same; and
  - (ii) despatch the circular to its shareholders following the receipt of clearance from the Hong Kong Stock Exchange, together with a notice for the convening of the meetings referred to in clauses 3.1(a) and 3.1(b) as soon as practicable and in any event within five Business Days following the receipt of clearance from the Hong Kong Stock Exchange,
- and give notice to the Buyer of delivery and despatch of the documents referred to in clauses 3.4(b)(i) and 3.4(b)(ii) respectively;
- (c) provide the Buyer for its review and comment a draft of the circular to be sent to the shareholders of eSun and only insofar as they relate to the description of the Buyer incorporate any comments on the circular provided by the Buyer except where such comments in respect of the description of the Buyer conflict with or are inconsistent with eSun's disclosure obligations under the Hong Kong Listing Rules; and
  - (d) otherwise do all things reasonably required to convene the meetings referred to in clauses 3.1(a) and 3.1(b).
- 3.5 eSun acknowledges and agrees that the Buyer has no liability to eSun in connection with the circular to be sent by eSun to its shareholders in respect of the transactions contemplated herein except to the extent the information provided by the Buyer under clause 3.4(c) is misleading or incorrect.
- 3.6 If, at any time, the Seller or eSun becomes aware that a Condition has become incapable of being satisfied or of a fact or circumstance that would be reasonably likely to prevent any of the Conditions from being satisfied, it shall immediately inform the other parties.
- 3.7 If any of the Conditions have not been satisfied because the shareholders of eSun do not pass the resolutions referred to in clauses 3.1(a) and 3.1(b) or the Conditions have not been satisfied by 4.00 pm on the date falling five Business Days before the Long Stop Date, this Agreement shall, subject to clause 4.12, automatically terminate with immediate effect and the Buyer is entitled to the return of the Deposit (and all accrued interest) within five Business Days from the later of (i) the date of termination pursuant to this clause 3.7, and (ii) the date of the Seller's written receipt of the details of the Buyer's bank account to which the Deposit (and all accrued interest) is to be returned.
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- 3.8 If at any time from the date of this Agreement to the earlier of the Completion Date and the Long Stop Date:
- (a) there occurs a material breach of any of the Core Seller's Warranties if such Core Seller's Warranties (for the purpose of this clause 3.8(a) only) were given on each day between the date of this Agreement and the earlier of (i) the Completion Date and (ii) the Long Stop Date (inclusive);
  - (b) the Seller takes without the prior written consent of the Buyer any action to cause, or which would reasonably be likely to cause, any of the Mutual Waiver and Consent Agreement (or, for the avoidance of doubt, the board and shareholder resolutions attached thereto and passed in connection therewith), the Waiver and Termination Agreement or the Settlement Deed to become varied, amended, terminated or replaced, or the validity or effectiveness of any of those documents to be challenged by a court or arbitration;
  - (c) there occurs a material breach of the Non-Core Seller's Warranty under paragraph 4(c) of part B of schedule 3 if such Non-Core Seller's Warranty (for the purpose of this clause 3.8(c) only) was given on each day between the date of this Agreement and the earlier of (i) the Completion Date and (ii) the Long Stop Date (inclusive); or
  - (d) there occurs a material breach of the Non-Core Seller's Warranty under paragraph 4(f) of part B of schedule 3 as if such Non-Core Seller's Warranty (for the purpose of this clause 3.8(d) only) was given on each day between the date of this Agreement and the earlier of (i) the Completion Date and (ii) the Long Stop Date (inclusive) which materially adversely impacts, or is reasonably likely to materially adversely impact, the Land, Land Grant or the ability of the Group to develop the MSC Project,

the Buyer shall have the right, subject to clauses 3.9 and 4.12, to terminate this Agreement with immediate effect by serving at any time prior to the earlier of the Completion Date and the Long Stop Date written notice on the Seller, and to the return of the Deposit (and all accrued interest) within five Business Days from the later of (i) the date of termination pursuant to this clause 3.8, and (ii) the date of the Seller's written receipt of the details of the Buyer's bank account to which the Deposit (and all accrued interest) is to be returned.

- 3.9 The Buyer shall not be entitled to terminate this Agreement pursuant to clause 3.8(a) where the material breach of any Core Seller's Warranty that would otherwise give rise to the right to terminate, is remedied to the reasonable satisfaction of the Buyer on or before the earlier of 20 Business Days from the date the Buyer is notified or the date the Seller is notified by the Buyer (provided that the Buyer agrees and undertakes as soon as reasonably practicable to notify the Seller upon becoming aware of a material breach of any Core Seller's Warranty) of the relevant material breach and the date falling five Business Days before the Long Stop Date. This clause 3.9 will not apply to any material breach of any Core Seller's Warranty that occurs within five Business Days before the Long Stop Date.

#### **4 Completion**

- 4.1 Completion will take place at such place in Hong Kong or Macau as notified by the Buyer to the Seller at least five Business Days prior to the Completion Date or such other place as the Buyer and the Seller may agree in writing.
- 4.2 At Completion the Seller shall deliver to the Buyer those items set out in part A of schedule 6.
- 4.3 At Completion the Buyer shall deliver to the Seller those items set out in part B of schedule 6.
- 4.4 The Buyer is not obliged to complete this Agreement unless the Seller complies with all its obligations under clause 4.2.
- 4.5 If Completion does not take place on the Completion Date in accordance with clause 4.1 because the Seller fails to comply with any of its obligations under clause 4.2, the Buyer may by notice to the Seller:
- (a) proceed with Completion to the extent reasonably practicable;
  - (b) postpone Completion to a date specified (which must be no earlier than the date falling five Business Days after the date set for the Completion Date under clause 4.1) by the Buyer which is on or before the Long Stop Date; or
  - (c) terminate this Agreement.
- 4.6 If the Buyer postpones Completion to another date in accordance with clause 4.5(b), the provisions of this Agreement apply as if that other date is the date set for Completion in accordance with clause 4.1.
- 4.7 Subject to clause 4.12, if the Buyer terminates this Agreement pursuant to clause 4.5(c), the Buyer shall be entitled to the return of the Deposit (and all accrued interest) within five Business Days from the later of (i) the date of termination pursuant to this clause 4.7, and (ii) the date of the Seller's written receipt of the details of the Buyer's bank account to which the Deposit (and all accrued interest) is to be returned.
- 4.8 The Seller is not obliged to complete this Agreement unless the Buyer complies with all its obligations under clause 4.3.
- 4.9 If Completion does not take place on the Completion Date in accordance with clause 4.1 because the Buyer fails to comply with any of its obligations under clause 4.3, the Seller may by notice to the Buyer:
- (a) proceed with Completion to the extent reasonably practicable;
  - (b) postpone Completion to a date specified (which must be no earlier than the date falling five Business Days after the date set for the Completion Date under clause 4.1) by the Seller which is on or before the Long Stop Date; or
  - (c) terminate this Agreement.

4.10 If the Seller postpones Completion to another date in accordance with clause 4.9(b), the provisions of this Agreement apply as if that other date is the date set for Completion in accordance with clause 4.1.

4.11 Subject to clause 4.12, if the Seller terminates this Agreement pursuant to clause 4.9(c), the Seller shall be entitled to retain the Deposit (and all accrued interest).

4.12 The parties acknowledge that if:

- (a) this Agreement automatically terminates under clause 3.7;
- (b) the Buyer terminates the Agreement under clauses 3.8(a), 3.8(b), or 4.5(c); or
- (c) the Seller terminates the Agreement under clause 4.9(c),

in addition to the Buyer or the Seller (as the case may be) being entitled to the Deposit (and all accrued interest) the relevant party will be entitled to seek (i) damages, such damages not to be limited in any case to the amount of the Deposit; and (ii) the remedies of injunction, specific performance and any other equitable relief for any threatened or actual breach of such obligations by the other parties to the extent available under applicable laws.

Notwithstanding the above, the further rights and obligations of the parties shall cease immediately on termination except that termination does not affect the accrued rights and obligations of the parties at the date of termination and this clause 4.12 together with the Surviving Clauses shall continue to apply notwithstanding the termination.

## 5 Land Grant

5.1 The parties acknowledge that PropCo has submitted the Land Grant Letter to the DSSOPT.

5.2 The Seller shall use its reasonable endeavors to procure that PropCo provides to the Buyer or its nominee:

- (a) as soon as reasonably practicable after receipt by the Seller or any Group Company of any correspondence from any Governmental Agency in connection with the Land, the Land Grant Letter or the Land Grant (as applicable) and in any event within five Business Days of receipt of such correspondence, a copy of that correspondence;
- (b) as soon as reasonably practicable after any telephone conversation between the Seller or any Group Company or any of their respective directors, officers, employees, agents or advisers and any Governmental Agency in connection with the Land, the Land Grant Letter or the Land Grant (as applicable) and in any event within five Business Days of the date of such telephone conversation, a written summary of that conversation to the extent that it relates to the Land, the Land Grant Letter or the Land Grant (as applicable).

- 5.3 The Seller must not, and must use its reasonable endeavors to procure that any Group Company, its respective directors, officers, employees, agents or advisers does not, commence or have any discussions with or meets with, or submits or enters into any correspondence (including verbal or written) with, any Governmental Agency in connection with the Land, the Land Grant or the Land Grant Letter unless the Buyer:
- (a) is given reasonable opportunity to participate in those discussions or meetings, provided that the Seller shall not be required to give the Buyer an opportunity to participate in such a discussion where the discussion occurs during the course of a discussion with a Governmental Agency for another purpose and provided the discussion in connection with the Land, the Land Grant or the Land Grant Letter was not instigated by the Seller; or
  - (b) in the case of any correspondence, has consented (such consent not to be unreasonably withheld, conditioned or delayed) to the form, content and manner of that correspondence prior to its submission.

## 6 Cash Balance

- 6.1 The Seller confirms to the Buyer that as at the date no more than three Business Days prior to the date of this Agreement (**Bank Balance Date**) the aggregate cash balance of the Bank Accounts was not less than US\$36,000,000 and will provide bank statements as at the Bank Balance Date to that effect.
- 6.2 From the date of this Agreement to the Completion Date, the Seller undertakes:
- (a) to authorize only those payments from the Bank Accounts which are Permitted Payments;
  - (b) that it will not authorize payment of a Permitted Payment associated with a Nominated Contract that the parties have agreed will be terminated, unless the Seller has complied with clauses 7 and 8.7; and
  - (c) in respect of any payment which is not a Permitted Payment, prior to authorizing or approving any such payment from the Bank Accounts, it shall seek and obtain the written consent of the Buyer, such consent not to be unreasonably withheld or delayed.
- 6.3 The Seller covenants that from the Bank Balance Date referred to in clause 6.1 to the date of this Agreement, it has complied with the provisions of clause 6.2.

## 7 Design and Construct Contracts and W Agreements

- 7.1 The Seller and the Buyer acknowledge that the W Agreements and some or all of the Design and Construct Contracts may be terminated prior to Completion (together the **Nominated Contracts**).



- 7.2 The Seller will cooperate with, and use its reasonable endeavors to procure that each Group Company cooperates with, the Buyer to terminate any of the Nominated Contracts which the Buyer and Seller agree should be terminated.
- 7.3 With respect to any Nominated Contract the Seller agrees that it shall not and shall use its reasonable endeavors to procure that each Group Company does not:
- (a) without the prior written consent of the Buyer:
    - (i) make any admissions of liability, give warranties or make any representations in respect of the Nominated Contracts;
    - (ii) actively take any steps or approve any or do any action that would or may reasonably likely to result in the termination of any of the Nominated Contracts; and
    - (iii) initiate any correspondence with any counterparty to any Nominated Contract; and
  - (b) reply to any correspondence from any counterparty to a Nominated Contract without first obtaining the prior written consent of the Buyer to the contents of such reply, such consent not to be unreasonably withheld or delayed.

## **8 Seller's Warranties and undertakings**

- 8.1 The Seller warrants to the Buyer that each of the Seller's Warranties is true and accurate as at the date of this Agreement. Immediately before Completion, the Seller warrants to the Buyer that each of the Core Seller's Warranties is true and accurate, as at the date of Completion (and for this purpose any express or implied reference in a Core Seller's Warranty to the "date of this Agreement" is to be construed as a reference to the "date of Completion").
- 8.2 The Seller's liability for Relevant Claims shall be limited or excluded, as the case may be, as set out in schedule 4.
- 8.3 Each of the Seller's Warranties is to be interpreted independently and (unless this Agreement expressly states otherwise) is not limited by any other provision of this Agreement or any of the other Seller's Warranties.
- 8.4 The Seller's Warranties are qualified by the facts and circumstances contained in this Agreement.
- 8.5 Other than paragraph 9 of part B of schedule 3, the Buyer acknowledges and agrees that the Seller gives no warranty, representation or undertaking as to the accuracy or completeness of any information (including, without limitation, any of the forecasts, estimates, projections, statements of intent or statements of opinion) provided to the Buyer or any of its advisers, representatives or agents (howsoever provided).

- 8.6 The Seller shall as soon as practicable notify the Buyer of anything which at any time prior to the Completion Date it is actually aware renders untrue or inaccurate:
- (a) in any material respect any of the Seller's Warranties;
  - (b) any of the Core Seller's Warranties for the purposes of clause 3.8(a);
  - (c) the Non-Core Seller's Warranty in paragraph 4(c) of part B of schedule 3 for the purposes of clause 3.8(c); or
  - (d) the Non-Core Seller's Warranty in paragraph 4(f) of part B of schedule 3 for the purposes of clause 3.8(d),
- provided that the Seller shall not be liable for any failure to notify save to the extent that such failure increases the amount which would otherwise be recoverable from the Seller in respect of a breach of the relevant Seller's Warranty.
- 8.7 Between the execution of this Agreement and Completion, unless otherwise approved by the Buyer (such approval not to be unreasonably withheld or delayed), the Seller, in its capacity as a shareholder of the Company and as a counterparty under the Joint Venture Agreement, shall not approve, and shall procure that the directors appointed by it to the board of directors of each Group Company do not approve (subject to their fiduciary duties), any Group Company to carry out any of the acts set forth in schedule 5.
- 8.8 Between the execution of this Agreement and Completion, the Seller must use its reasonable endeavors to provide the Buyer, its directors, officers, employees and agents on reasonable notice and at reasonable times with reasonable access to:
- (a) the Seller and each of the Seller's representatives who are officers or directors of any Group Company;
  - (b) any information the Buyer reasonably requests in relation to the Group and its business; and
  - (c) each Group Company, its officers, directors and employees.
- 8.9 The Seller shall use its reasonable endeavors to procure that on or before Completion, the Company prepares and provides to the Buyer, Management Accounts for the Group for the period from April 1, 2011 to the last day of any calendar month falling no less than 10 Business Days and no more than 30 Business Days prior to Completion, in each case prepared on a basis consistent with the practices and procedures used in preparing the Relevant Management Accounts.
- 8.10 The Seller shall use reasonable endeavors to procure that the Company provides to the Buyer on Completion copies of the bank statements for the Group for the period from execution of this Agreement to the date which falls three Business Days prior to the Completion Date.

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- 8.11 The Seller undertakes, and will procure that no Affiliate of the Seller will undertake not to take any action to cause:
- (a) any of the Mutual Waiver and Consent Agreement, the Waiver and Termination Agreement or the Settlement Deed to become varied, amended, terminated or replaced; or
  - (b) the validity or effectiveness of the documents in clause 8.10(a) to be challenged by a court or arbitration,
- in each case without the written prior consent of the Buyer.

## **9 Buyer's Remedies**

Subject to clauses 3.8 and 4.12, if, before or following Completion, the Buyer becomes aware of a breach of any of the Seller's Warranties or any other provisions of this Agreement, the Buyer shall not be entitled to rescind this Agreement or treat this Agreement as terminated but shall only be entitled to claim damages in respect of such matter following Completion and, accordingly, the Buyer waives all and any rights of rescission it may have in respect of any such matter (howsoever arising or deemed to arise), other than any such rights in respect of fraud.

## **10 eSun Warranties**

- 10.1 eSun warrants to the Buyer that each of eSun's Warranties is true and accurate as at the date of this Agreement. Immediately before Completion, eSun warrants to the Buyer that each of eSun's Warranties is true and accurate, as at the date of Completion (and for this purpose any express or implied reference in an eSun Warranty to the "date of this Agreement" is to be construed as a reference to the "date of Completion").
- 10.2 Each of eSun's Warranties is to be interpreted independently and (unless this Agreement expressly states otherwise) is not limited by any other provision of this Agreement or any of the other eSun's Warranties.
- 10.3 eSun's Warranties are qualified by the facts and circumstances contained in this Agreement.
- 10.4 The Buyer acknowledges and agrees that eSun gives no warranty, representation or undertaking as to the accuracy or completeness of any information (including, without limitation, any of the forecasts, estimates, projections, statements of intent or statements of opinion) provided to the Buyer or any of its advisers, representatives or agents (howsoever provided).
- 10.5 The Buyer acknowledges and agrees that it shall not make a Relevant Claim in respect of the eSun Warranties which the Buyer was aware as at the date of this Agreement other than in respect of any such fact, matter or circumstance arising as a result of any fraud.

## **11 Guarantor**

- 11.1 eSun irrevocably and unconditionally guarantees to the Buyer the due and punctual performance by the Seller of the Payment Obligations under this Agreement.
- 11.2 eSun's obligations under clause 11.1 are continuing obligations and are not satisfied, discharged or affected by an intermediate payment or settlement of account by, or a change in the constitution or control of, or merger or consolidation with any other person of, or the insolvency of, or bankruptcy, winding up or analogous proceedings relating to, the Seller.
- 11.3 eSun's liabilities under clause 11.1 are not affected by an arrangement which the Buyer may make with the Seller or with another person which (but for this clause 11.3) might operate to diminish or discharge the liability of or otherwise provide a defense to a surety.
- 11.4 Without affecting the generality of clause 11.3, the Buyer may at any time it thinks fit and without reference to eSun and without prejudice to eSun's obligations under this clause 11:
- (a) grant a time for payment or grant another indulgence or agree to an amendment, variation, waiver or release in respect of an obligation of the Seller under this Agreement;
  - (b) give up, deal with, vary, exchange or abstain from perfecting or enforcing other securities or guarantees held by the Seller;
  - (c) discharge a party to other securities or guarantees held by the Seller and realize all or any of those securities or guarantees; and
  - (d) compound with, accept compositions from and make other arrangements with the Seller or a person or persons liable on other securities or guarantees held or to be held by the Buyer.
- 11.5 eSun shall not exercise a right which it may at any time have by reason of the performance of its obligations under clause 11.1 to be indemnified by the Seller, to claim a contribution from another surety of the Seller's obligations or to take the benefit (wholly or partly and by way of subrogation or otherwise) of any of the Seller's rights under this Agreement or of any other security taken by the Seller in connection with this Agreement.
- 11.6 eSun's liabilities under clause 11.1 are not affected by the avoidance of an assurance, security or payment or a release, settlement or discharge which is given or made on the faith of an assurance, security or payment, in either case, under an enactment relating to bankruptcy or insolvency.
- 11.7 eSun waives any right it may have of first requiring the Buyer (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 eSun under this clause 11. This waiver applies irrespective of any law or any provision of this Agreement to the contrary.

## **12 Buyer's Warranties**

- 12.1 The Buyer warrants to the Seller that each of the Buyer's Warranties is true and accurate as at the date of this Agreement. Immediately before Completion, the Buyer warrants to the Seller that each of the Buyer's Warranties is true and accurate, as at the date of Completion (and for this purpose any express or implied reference in a Buyer's Warranty to the "date of this Agreement" is to be construed as a reference to the "date of Completion").
- 12.2 Each of the Buyer's Warranties is to be interpreted independently and (unless this Agreement expressly states otherwise) is not limited by any other provision of this Agreement or any of the other Buyer's Warranties.
- 12.3 The Buyer's Warranties are qualified by the facts and circumstances contained in this Agreement.
- 12.4 The Seller acknowledges and agrees that the Buyer gives no warranty, representation or undertaking as to the accuracy or completeness of any information (including, without limitation, any of the forecasts, estimates, projections, statements of intent or statements of opinion) provided to the Seller or any of its advisers, representatives or agents (howsoever provided).
- 12.5 The Seller acknowledges and agrees that it shall not make a Relevant Claim in respect of the Buyer's Warranties which the Seller was aware as at the date of this Agreement other than in respect of any such fact, matter or circumstance arising as a result of any fraud.

## **13 Confidential Information**

- 13.1 Subject to clause 13.2 and clause 14, the Seller and eSun undertake to the Buyer (in each case acting for itself and as agent and trustee for each Group Company), and the Buyer undertakes to the Seller and eSun (acting for itself and as agent and trustee for each other Seller's Group Undertaking), that it/they shall treat as confidential:
- (a) in the case of the Seller and eSun, all information of any Group Company; and
  - (b) all information received or obtained as a result of entering into or performing this Agreement and which relates to:
    - (i) the other parties including, where that other party is the Seller or eSun, each Seller's Group Undertaking and where that other party is the Buyer, each Buyer's Group Undertaking;
    - (ii) the provisions or the subject matter of this Agreement or any document referred to herein and any claim or potential claim thereunder; or
    - (iii) the negotiations relating to this Agreement or any documents referred to herein.

13.2 Clause 13.1 does not apply to disclosure of any such information as is referred to in clause 13.1:

- (a) which is required to be disclosed by law, by a rule of a listing authority or stock exchange to which any party is subject or submits (including without limitation the Announcement and the circular contemplated under clause 3.4) or by a governmental authority or other authority with relevant powers to which any party is subject or submits, whether or not the requirement has the force of law provided that the disclosure shall, so far as is practicable, be made after consultation with the other parties and after taking into account the other parties' reasonable requirements as to its timing, content and manner of making or despatch;
- (b) to any professional advisers or financiers for the purpose of advising in connection with the transactions contemplated under this Agreement provided that such disclosure is reasonably necessary for these purposes and is on the basis that clause 13.1 applies to the disclosure by the adviser;
- (c) to a director, officer or employee of the Buyer or of a Seller's Group Undertaking whose function requires him or her to have the relevant confidential information; or
- (d) to the extent that the information has been made public by, or with the consent of, the other parties.

13.3 The restrictions contained in this clause 13 shall:

- (a) prevail over the restrictions contained in the confidentiality and exclusivity agreement entered into between the Buyer and the Seller dated March 23, 2011 (the NDA) in case of inconsistency prior to Completion;
- (b) supersede the restrictions contained in the NDA at and following Completion; and
- (c) continue to apply after the termination of this Agreement without limit in time.

13.4 For the avoidance of doubt, nothing in this clause 13 shall restrict the Buyer or any of its subsidiaries from disclosing information in relation to any Group Company following Completion.

#### **14 Announcements**

14.1 Subject to clause 14.2, none of the parties may, before or after Completion, make or issue a public announcement, communication or circular concerning the transactions referred to in this Agreement unless it has first obtained the other parties' written consent, which may not be unreasonably withheld or delayed.

- 14.2 Clause 14.1 does not apply to a public announcement, communication or circular:
- (a) required by law, by a rule of a listing authority or stock exchange to which either party is subject or submits (including without limitation the Announcement and the circular contemplated under clause 3.4) or by a governmental authority or other authority with relevant powers to which any party is subject or submits, whether or not the requirement has the force of law provided that the public announcement, communication or circular shall, so far as is practicable, be made after consultation with the other parties and after taking into account the reasonable requirements of the other parties as to its timing, content and manner of making or despatch; or
  - (b) which the other parties have given their prior written approval to, such approval not to be unreasonably withheld or delayed; or
  - (c) which contains information that has previously been approved or announced in accordance with this clause 14.
- 14.3 The restrictions contained in this clause 14 together with the Surviving Clauses shall continue to apply after the termination of the sale and purchase of the Transfer Securities under this Agreement without limit in time.

## **15 Costs**

- 15.1 Except where this Agreement provides otherwise, each party must pay its own costs relating to the negotiation, preparation, execution and implementation by it of this Agreement and of all other documents referred to in it.
- 15.2 All stamp duties, transfer fees, registration fees or equivalent or similar levies required to be paid in connection with the sale and purchase of the Shares shall be borne by the Buyer.

## **16 General**

- 16.1 No variation, amendment or novation of this Agreement is valid unless it is in writing and signed by or on behalf of each party.
- 16.2 The failure to exercise or delay in exercising a right or remedy under this Agreement does not constitute a waiver of the right or remedy or a waiver of any other rights or remedies. No single or partial exercise of any right or remedy under this Agreement prevents any further exercise of the right or remedy or the exercise of any other right or remedy.
- 16.3 The rights and remedies of any of the parties contained in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 16.4 Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in force after Completion.

- 16.5 Any payment made by the Seller or eSun to the Buyer in respect of a Relevant Claim shall be treated by the Buyer and the Seller as a reduction in the purchase price of the Transfer Securities to the extent of the payment.
- 16.6 Save as otherwise provided herein, any payment to be made by any party under this Agreement shall be made in full without any set-off, restriction, condition or deduction for or on account of any counterclaim.
- 16.7 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable under the laws of any jurisdiction, that shall not affect:
- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
  - (b) the legality, validity or enforceability under the laws of any other jurisdiction of that or another provision of this Agreement.
- 16.8 The parties recognize that the Seller is beneficially entitled to 60% of the amount referred to in clause 6.1 by virtue of its ownership of the Shares (the **Cash Entitlement**). The Seller has agreed not to seek recourse to its share of such cash balance on the basis that the Buyer agrees that the Seller shall have no liability in respect of the Group or its operations (whether past, present or future) following Completion save as is specifically set out in this Agreement or the Settlement Deed. Accordingly, following Completion, (other than a Relevant Claim by the Buyer or a claim by the Seller or eSun against the Buyer, in each case pursuant to and in accordance with this Agreement or the Settlement Deed) each party waives any right to claim, and undertakes not to make any claim and to procure that none of its Affiliates (including, in the case of the Buyer, each Group Company) makes any claim, against the other party or any of its Affiliates or any of their respective directors, employees and professional advisers, in each case in respect of any loss, damage, liability, payment, cost or expense made or incurred at any time arising out of or in connection with any Group Company and/or its operations.
- 16.9 This Agreement may be executed in any number of counterparts, and all those counterparts taken together shall be deemed to constitute one and the same agreement. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission (including via e-mail in PDF format) shall be effective as delivery of a manually executed counterpart thereof.

## 17 Entire Agreement

- 17.1 In this clause 16.9, “**Representation**” means an assurance, commitment, condition, covenant, guarantee, indemnity, representation, statement, undertaking or warranty of any sort whatsoever (whether contractual or otherwise, oral or in writing, or made negligently or otherwise).
- 17.2 This Agreement constitutes the entire agreement between the parties in respect of its subject matter. It supersedes any previous agreements relating to the subject matter of this Agreement, and sets out the complete legal relationship of the parties arising from or connected with that subject matter.



17.3 Each party:

(a) represents and agrees that:

- (i) none of the other parties or any advisers to any other parties has made any Representation that it considers material which is not set out in this Agreement; and
- (ii) it has not entered into this Agreement in reliance on any Representation except those set out in this Agreement, and will not contend to the contrary; and

(b) for the avoidance of doubt agrees that:

- (i) no adviser to the other parties has any liability to it for any Representation;
- (ii) the other parties are not liable to liability of any kind to them for any Representation except in respect of those set out in this Agreement; and
- (iii) its only rights and remedies in respect of any Representation are those rights and remedies set out in this Agreement.

17.4 Nothing in this clause 16.9 shall have the effect of limiting any liability arising from fraud.

**18 Assignment**

18.1 Subject to clause 18.2, none of the parties may assign, transfer, declare a trust of the benefit of or in any other way alienate any of its rights under this Agreement whether in whole or in part without the prior written consent of the other parties.

18.2 At any time following Completion, the Buyer may grant to any of its financiers from time to time, security interest (whether by mortgage, charge or otherwise) over the Buyer's rights under this Agreement.

18.3 Any liability owed by any party to any assignee under or in connection with this Agreement shall be no greater than the liability such party would have owed to the assignor had the assignment not taken place.

**19 Notices**

19.1 Any notice or other communication in connection with this Agreement must be in writing in the English language and must be:

- (a) delivered personally;
- (b) sent by pre-paid post; or
- (c) sent by fax,

to the party(ies) due to receive the notice or communication at its/their address and the numbers set out in this Agreement or such other address or fax number as a party may specify by notice in writing to the other.

19.2 In the absence of evidence of earlier receipt, a notice or other communication is deemed given by one party to another:

- (a) if delivered personally, when left at the address of that other party referred to in clause 19.1;
- (b) if sent by post, three days after depositing it in the post with postage prepaid in an envelope addressed to that other party at the address referred to in clause 19.1; and
- (c) if sent by fax, when received in legible form at the fax number of that other party referred to in clause 19.1.

## **20 Governing Law, Language and Jurisdiction**

20.1 This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with Hong Kong law.

20.2 The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising from or connected with this Agreement (a **Dispute**) including a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity. Each of the parties hereby submits to the exclusive jurisdiction of the courts of Hong Kong.

20.3 The parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

## Schedule 1 - Definitions

1 In this Agreement:

**2006 Share Purchase Agreement** means the share purchase agreement entered into between the Seller, New Cotai, LLC and eSun relating to the sale and purchase of a strategic interest in the Company dated April 8, 2006 and restated on April 12, 2006;

**ABB** means ABB (Hong Kong) Ltd;

**ABB Agreement** means the agreement between ABB and PropCo (undated);

**Accounts** means the consolidated audited financial statements prepared for the Group as at and for the financial years ended December 31, 2007, 2008, 2009 and 2010;

**Additional Premium** has the meaning ascribed to it in the 2006 Share Purchase Agreement;

**Affiliate** means, in relation to a person, any other person directly or indirectly Controlling, Controlled by or under common Control with, such person;

**Announcement** means the announcement to be made by eSun in compliance with the Hong Kong Listing Rules in relation to the transactions referred to herein;

**Bank Accounts** means those accounts, details of which are set out in schedule 7;

**Business Day** means a day other than a Saturday or Sunday or public holiday in Hong Kong;

**Buyer's Group Undertaking** means the Buyer or an undertaking which is, on or at any time after the date of this Agreement, a subsidiary undertaking or parent undertaking of the Buyer or a subsidiary undertaking of a parent undertaking of the Buyer and includes, for the avoidance of doubt each Group Company after Completion;

**Buyer's Nominee** means MCE Cotai Investments Limited, a company incorporated in the Cayman Islands, of Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands;

**Buyer's Warranties** means the warranties contained in part C of schedule 3;

**Company** means Cyber One Agents Limited, a company incorporated in British Virgin Islands whose registered office is at PO Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands and which has a place of business in Hong Kong at Regus Shui On Centre, 2/F, Shui On Centre, 6-9 Harbour Road, Wanchai, Hong Kong;

**Completion** means completion of the sale and purchase of the Transfer Securities in accordance with this Agreement;

**Completion Date** means the date (not being later than the Long Stop Date) which is five Business Days after the date on which the last Condition is satisfied or such other date as the parties may agree in writing;

**Conditions** means the conditions set out in clause 3.1;

**Control** means, from time to time:

- (a) in the case of a body corporate the power to appoint or elect through the exercise of voting rights a majority of the directors or managers of such person or the power to direct the management and policies of such person;
- (b) in the case of a partnership, the right to exercise more than 50 per cent. of the votes exercisable at any meeting of partners of the partnership (and, in the case of a limited partnership operated by a general partner or manager, the right to be or the right to control its general partners or manager); and
- (c) in the case of a Fund (other than a limited partnership), the right to be or the right to control the manager or adviser to or trustee or nominee of that Fund,

in each case, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **Controlling** and **Controlled** shall be construed accordingly;

**Core Seller's Warranties** means the warranties contained in part A of schedule 3;

**Data Room Index** means the index of the Disclosure Materials, as set out in annexure A;

**Design and Construct Contracts** means the those contracts, agreements, understandings and commitments referred to in section 10 of the Data Room Index;

**Deposit** means US\$65,000,000;

**Disclosure Letter** means the letter and the attachments thereto from the Seller to the Buyer in relation to the Non-Core Seller's Warranties dated on or before the date of this Agreement, in the agreed form;

**Disclosure Materials** means the information and materials (including the Q&As and the email correspondence) provided by or on behalf of the Seller to the Buyer or its advisers as at 5pm on Tuesday, June 14, 2011, an index of which is set out in the Data Room Index;

**East Asia Entertainment** means East Asia Entertainment Limited.

**eSun Warranties** means the representations and warranties contained in part D of schedule 3;

**Event** means an event, act, transaction or omission including, without limitation, a receipt or accrual of income or gains, distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance;

**Fund** means any unit trust, investment trust, limited, general or other partnership, any collective investment scheme or parallel investment arrangement;

**Group** means the Company and the Subsidiaries;

**Group Company** means the Company or any of the Subsidiaries;

**Group IP** means all Intellectual Property used by the Group;

**Governmental Agency** means any person or body exercising an executive, legislative, judicial or other government function, including any public authority constituted under a law of any country or political sub-division of any country and any person deriving a power directly or indirectly from any other such person or body;

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China;

**Hong Kong Listing Rules** means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

**Hong Kong Stock Exchange** means the Stock Exchange of Hong Kong Limited;

**IFRS** means the International Financial Reporting Standards;

**IHLC** means International Hotel Licensing Company S.A.R.L.;

**Intellectual Property** means all present and future rights conferred by statute, common law or equity in or in relation to copyright, trade marks, designs, patents, circuit layouts, business and domain names, inventions, know-how, confidential information and other results of intellectual activity in the industrial, commercial, scientific, literary or artistic fields, whether or not registrable, registered or patentable;

**Joint Venture Agreement** means the joint venture agreement entered into between the Seller, the Company and New Cotai, LLC dated December 6, 2006 as amended from time to time;

**Land** means land concession by way of lease, for a period of 25 years, for a plot of land situated in Macau, at the Cotai reclaimed land area, with gross area of 140,789 square meters, comprised by Cotai plan lots G300, G310 and G400, denoted by the letter "A" on map no. 5899/2000 issued by Macao Cartography and Cadastre Bureau on January 22, 2001, registered with the Macau Immovable Property Registry under no. 23059;

**Land Grant** mean the land concession by way of lease, for a period of 25 years, for the Land, registered with the Macau Immovable Property Registry under no. 23059 registered in PropCo's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of October 9, 2001;

**Land Grant Letter** means the letter dated on or before the date of this Agreement from PropCo or its appointed professional advisor to Macau Land Public Works and Transportation Department (**DSSOPT**) or the Secretary for Public Works and Transportation in the agreed form;

**Last Accounts Date** means December 31, 2010;

**Letter of Instruction** means the letter of instruction from the client of record to the Registered Agent in the form set out in annexure C;

**Long Stop Date** means the date falling 120 days from the date of this Agreement or such later date as the parties may agree in writing;

**Loan Assignment Agreement** means the loan assignment agreement to be entered into between the Buyer and the Seller in respect of the Shareholder Loan, in the form set out in annexure B;

**Macau Government** means the Government of the Macau Special Administrative Region of the People's Republic of China;

**Management Accounts** means the consolidated monthly unaudited management accounts for the Group, being cash flow position movement schedule, consolidated profit and loss account, consolidated balance sheet and consolidated fixed asset summary;

**Marriott** means Marriott Hotels International B.V.;

**Marriott/Ritz Agreements** means:

- (a) International Services Agreement between PropCo and IHLC dated May 25, 2007 (Marriott);
- (b) Key Money Agreement between PropCo and Marriott dated May 25, 2007;
- (c) the Operating Agreement between PropCo and Marriott dated May 25, 2007;
- (d) Licence and Royalty Agreement between PropCo and IHLC dated May 25, 2007;
- (e) International Services Agreement between PropCo and IHLC dated May 25, 2007 (Ritz);
- (f) Assignment letter from IHLC to PropCo dated July 21, 2008 (Marriott); (g) Key Money Agreement between PropCo and Ritz dated May 25, 2007;
- (h) the Operating Agreement between PropCo and Ritz dated May 25, 2007;
- (i) Licence and Royalty Agreement between PropCo and IHLC dated May 25, 2007;
- (j) Assignment letter from IHLC to PropCo dated July 21, 2008 (Ritz);
- (k) Technical Services and Pre-Commencement Agreement between PropCo, Marriott International Design and Construction Services, Inc and The Ritz-Carlton Hotel Company, LLC dated May 25, 2007;

- (l) Termination Agreement between PropCo, Marriott, Global Hospitality Licensing S.A.R.L., Ritz Carlton Hotel Company, LLC and Marriott International Design and Construction Services, Inc. dated May 11, 2011 (Ritz);
- (m) Termination Agreement between PropCo, Marriott, Global Hospitality Licensing S.A.R.L., Ritz Carlton Hotel Company, LLC and Marriott International Design and Construction Services, Inc. dated May 11, 2011 (Marriott); and
- (n) any other agreement referred to in or contemplated by the above;

**MSC Project** means the Macau Studio City project to be developed and operated on the Land;

**Mutual Waiver and Consent Agreement** means the mutual waiver and consent agreement entered into between New Cotai, LLC, the Seller and the Company on or before the date of this Agreement;

**Nominated Contract** has the meaning given to that term in clause 7.1;

**Non-Core Seller's Warranties** means the warranties contained in part B of schedule 3;

**Outstanding Balance** has the meaning given to that term in clause 2.2(b);

**Paul Steelman** means Paul Steelman Design Group Asia Limited;

**Paul Steelman Agreement** means the agreement between Paul Steelman and PropCo dated August 6, 2007;

**Payment Obligations** means the obligations of the Seller:

- (a) to repay the Deposit to the Buyer pursuant to clauses 3.7, 3.8 and 4.7;
- (b) in respect of any payment required to be made as a result of any breach of a Core Seller's Warranty;
- (c) in respect of any payment required to be made as a result of any act of fraud committed by a Relevant Person; or
- (d) in respect of any payment required to be made as a result of any breach of clause 6;

**Permitted Payment** means any payment authorized by the Seller which is made in the ordinary course of business of each Group Company in respect of:

- (a) any payments associated with the Nominated Contracts;
- (b) any arbitral award declared payable by any Group Company in respect of the RDLA Agreement;
- (c) the Siu Yin Wai Claim;
- (d) the consulting, advising and contractor fees of each Group Company in respect of the consultancy fees incurred by Mr. Rajaratnam Selvaskandan and Mr. Ricky Kwok Choi Lau, the audit fees incurred by Thomas Lee & Partners, Ernst & Young and the document storage fees;

- (e) any other payments made in the ordinary course of the business not exceeding US\$25,000 for each such payment or US\$150,000 in aggregate. For the avoidance of doubt, if a payment proposed to be made in accordance with this paragraph (e) would, when aggregated with other payments already made in accordance with this paragraph (e), have the effect of rendering the aggregate amount of payments made in accordance with this paragraph (e) to exceed the US\$150,000 threshold, such previous payments would not require the written consent of the Buyer;
- (f) HK\$350,000 by PropCo to East Asia Entertainment in connection with the settlement of the arbitration and proceedings in the Macau Court of Second Instance, action number 896/2009); and
- (g) MOP850,000 by PropCo to the relevant authority of the Macau Government in respect of the annual rent payable on the Land;

**Playboy** means Playboy Enterprises International, Inc.;

**Playboy Agreements** means:

- (a) the License Agreement between Playboy and MSC-PEI Club, LLC dated June 21, 2007, as amended by the Amendment to License Agreement between Playboy and MSC-PEI Club, LLC dated January 1, 2008;
- (b) the Sublicense Agreement between MSC-PEI Club, LLC, New Cotai Entertainment, LLC and New Cotai Entertainment (Macau) Limited dated June 21, 2007;
- (c) the side letter from MSC-PEI Club, LLC and MSC-P, LLC to Playboy Macao LLC and Playboy dated June 25, 2007;
- (d) the Acknowledgement and Agreement between Playboy, New Cotai Entertainment, LLC, New Cotai Entertainment (Macau) Limited and MSC-PEI Club, LLC dated June 21, 2007; and
- (e) any other agreement referred to in or contemplated by the above;

**Playboy Companies** means MSC-P, LLC and MSC-PEI Club, LLC;

**PropCo** means East Asia-Televisão Por Satélite Limitada, a company incorporated in Macau and whose registered office is located at Avenida Dr. Mario Soares, no. 323, Edifício Banco China, 32º andar C, em Macau;

**Q&As** means the legal due diligence questionnaire and answers prepared by or on behalf of the Buyer and responded to by or on behalf of the Seller during the due diligence process in relation to the transactions contemplated under this Agreement, complete copies of which are included in the Disclosure Materials;

**RDLA** means RDL Asia Limited;

**RDLA Agreement** means the agreement between RDLA and PropCo dated November 24, 2007;



**Registered Agent** means Offshore Incorporations Limited, PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands or such other registered agent as the client on record may specify from time to time;

**Relevant Claim** means any claim by either the Buyer or the Seller involving or relating to a breach of any of the Buyer's Warranties and the Seller's Warranties (as the case may be) or any other breach of this Agreement;

**Relevant Person** means any person who is from time to time (i) a Seller's Group Undertaking; (ii) a director, officer or employee of a Seller's Group Undertaking or (iii) a director of a Group Company nominated by a Seller's Group Undertaking;

**Ritz** means The Ritz-Carlton Hotel Company B.V.;

**Seller's Account** means the bank account of the Seller, the details of which are: name of bank: Hang Seng Bank Limited; name of account holder: eSun Holdings Limited; account number: 773-407671; swift code: HASEHKHH; additional note: for US\$ time deposit (please contact Mr. Arthur Leung at (852) 2198 4129);

**Seller's Group Undertaking** means the Seller or an undertaking which is, at the date of this Agreement, a subsidiary undertaking or parent undertaking of the Seller or a subsidiary undertaking of a parent undertaking of the Seller (but excluding any Group Company, CapitaLand Integrated Resorts Pte. Ltd. and CapitaLand Commercial Limited);

**Seller's Warranties** means the Core Seller's Warranties and the Non-Core Seller's Warranties;

**Settlement Deed** means the agreement entered into between the Company, eSun, the Seller, New Cotai, LLC and others on or before the date of this Agreement agreeing, subject to Completion, to settle various litigation claims and terminate various agreements;

**Shareholder Loan** means the shareholder loan in the amount of US\$60,000,000 advanced by the Seller to the Company;

**Shares** means 6,000 fully-paid Class A shares of the Company and registered in the Seller's name comprising 60 per cent. of the issued share capital of the Company;

**Siu Yin Wai Claim** means the demand for payment for HK\$15,685,178.50 for outstanding fees from Sin Yin Wai & Associates (International) Limited in a letter from their solicitors to PropCo dated May 6, 2011;

**Stage One Modification Premium** has the meaning ascribed to it in the 2006 Share Purchase Agreement;

**Subsidiaries** means the subsidiaries of the Company set forth in Part B of schedule 2, and **Subsidiary** shall be construed accordingly;

**Surviving Clauses** means clause 1 (Interpretation), clause 13 (Confidential Information), clause 14 (Announcements), clause 15 (Costs), clause 16 (General), clause 16.9 (Entire Agreement), clause 19 (Notices), clause 20 (Governing Law, Language and Jurisdiction) and the schedules referred to in such clauses;

**Taubman** means Taubman Asia Investments Limited;

**Taubman Agreements** means the:

- (a) Amended and Restated Equity Participation Agreement between Company and Taubman dated January 29, 2008;
- (b) Limited Liability Company Agreement between MSC-CO Holdings, LLC, the Company, MSC-TAML, LLC and Taubman dated January 29, 2008;
- (c) Assignment and Assumption of Membership Interests between Company and Taubman dated January 29, 2008;
- (d) Agreement for Lease between PropCo and MSCT Limited dated January 29, 2008;
- (e) Development and Services Agreement between PropCo and Taubman Macau Limited dated January 1, 2007;
- (f) Management Services Agreement between MSCT Limited and Taubman Macau Limited dated January 29, 2008;
- (g) Escrow Agreement between the Company, Taubman and Citibank N.A. dated January 30, 2008; and
- (h) any other agreement referred to in or contemplated by the above;

**Taubman Companies** means MSC-CO Holdings, LLC, MSC-T, LLC, MSC-T Sub I, LLC, MSC-T Sub II, LLC and MSCT Limited;

**Tax** means any form of taxation, including but not limited to income tax, corporate tax, goods and services tax, stamp duty, transfer tax, property tax, and any tax of a similar nature, and any levy, duty, charge, contribution, withholding or impost in the nature of taxation (including any related fine, penalty, or interest save to the extent that such fine, penalty or interest is attributable to the delay or default of the Buyer or a Group Company after Completion) imposed, collected or assessed by, or payable to, a Tax Authority;

**Tax Authority** means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function, or having or purporting to have power or authority in relation to Tax;

**Third Party Right** means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including any title transfer and retention arrangement) having similar effect;

**Transfer Securities** means the Shares and the Shareholder Loan;

**W** means W International Hotel Management, Inc;

**W Agreements** means:

- (a) Centralized Services Agreement between PropCo and W dated July 14, 2007;
- (b) Development Consulting Services Agreement between PropCo and W dated July 14, 2007;
- (c) Operating Services Agreement between PropCo and W dated July 14, 2007; and
- (d) System License Agreement between PropCo and W dated July 14, 2007; and
- (e) any other agreement referred to in or contemplated by the above; and

**Waiver and Termination Agreement** means the waiver and termination agreement entered into between CapitaLand Integrated Resorts Pte. Ltd., Boom Faith Limited, CapitaLand Commercial Limited and eSun on or before the date of this Agreement.

**2** In this Agreement, a reference to:

- 2.1 a “subsidiary” means a subsidiary within the meaning of section 2(4) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- 2.2 a “parent undertaking” means a parent undertaking within the meaning of Schedule 23 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- 2.3 a “subsidiary undertaking” means a subsidiary undertaking within the meaning of Schedule 23 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- 2.4 liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument;
- 2.5 a document in the “agreed form” is a reference to a document in a form approved and for the purposes of identification signed by or on behalf of the Buyer and the Seller;
- 2.6 a “person” includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality);
- 2.7 a “person” includes a reference to that person’s legal personal representatives, successors and permitted assigns;
- 2.8 a “party” includes a reference to that party’s and that party’s successors and permitted assigns;

- 2.9 any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term and to any Hong Kong statute shall be construed so as to include equivalent or analogous laws of any other jurisdiction;
- 2.10 time of the day is to Hong Kong time; and
- 2.11 a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time before the date of this Agreement, and any subordinate legislation made under the statutory provision (as so modified or re-enacted) before the date of this Agreement.
- 2.12 The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms “other”, “including”, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.13 The headings in this Agreement do not affect its interpretation.
- 2.14 A reference in this Agreement to the awareness of the Seller means the actual knowledge of any of Mr. Tse On Kin, Mr. Cheung Wing Sum, Ambrose, Ms. Leung Churk Yin, Jeanny, Mr. Li Allan Wah Chung and Mr. Goh Soon Khian as at the date of this Agreement (except for clause 3.6) and the Seller shall not be required to make any enquiry of any other person nor shall the Seller be deemed to have knowledge of any matter not within the actual knowledge of Mr. Tse On Kin, Mr. Cheung Wing Sum, Ambrose, Ms. Leung Churk Yin, Jeanny, Mr. Li Allan Wah Chung or Mr. Goh Soon Khian as at the date of this Agreement (except for clause 3.6) on the basis set out above.
- 2.15 A reference in this Agreement to the Seller using “its reasonable endeavors” shall be interpreted to take into account the fact that the Seller may not be able to without the cooperation and agreement of the other shareholder in the Company take or procure the occurrence of any matter or event by any Group Company.

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**Schedule 2 - The Company and the Subsidiaries****Part A****The Company**

Place of incorporation: British Virgin Islands

Number of registration: 399970

Address of registered office: PO Box 957, Offshore Incorporations  
Centre, Road Town, Tortola, British Virgin  
Islands

Directors: Lam Kin Ngok, Peter  
Cheung Wing Sum, Ambrose  
Leung Churk Yin, Jeanny  
Leow Juan Thong, Jason  
Lucas Ignatius Loh Jen Yuh  
David Friedman  
Thomas Banks  
Melissa Obegi  
Michael Gatto  
Shawn Creedon

Authorized share capital: 100,000 shares (divided into 90,000 Class  
A shares of US\$1 each and 10,000 Class  
B shares of US\$1 each)

Issued share capital: 10,000 Class A shares

Shareholders New Cotai, LLC (4,000 Class A shares)  
Seller (6,000 Class A shares)

## Part B

### The Subsidiaries

#### 1. Cyber Neighbour Limited

Place of incorporation:	British Virgin Islands
Number of registration:	402572
Address of registered office/seat:	PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Directors:	Lam Kin Ngok, Peter Cheung Wing Sum, Ambrose Leung Churk Yin, Jeanny Leow Juan Thong, Jason Lucas Ignatius Loh Jen Yuh David Friedman Thomas Banks Melissa Obegi Michael Gatto Shawn Creedon
Authorized share capital:	50,000 shares of US\$1 each
Issued share capital:	1 share
Shareholders:	Cyber One Agents Limited (1 share)

#### 2. Macao Studio City (Hong Kong) Limited 星麗門(香港)有限公司 (formerly known as Bestwood Enterprises Limited 白偉企業有限公司)

Place of incorporation:	Hong Kong
Number of registration:	1040929
Address of registered office/seat:	11/F, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong
Directors:	Lam Kin Ngok, Peter Cheung Wing Sum, Ambrose Leung Churk Yin, Jeanny Leow Juan Thong, Jason Lucas Ignatius Loh Jen Yuh David Friedman Skardon Francis Baker Robert Barry Goldberg Parag Mahesh Vora Gary Evan Moross
Authorized share capital:	10,000 shares of HK\$1 each

Issued share capital: 1 share  
Shareholder: Cyber One Agents Limited (1 share)

**3. East Asia-Televisão Por Satélite, Limitada**

Place of incorporation: Macau  
Number of registration: 14311 (SO)  
Address of registered office/seat: Avenida Dr. Mario Soares, no. 323,  
Edifício Banco China, 32º andar C, em  
Macau

Administradores: Lam Kin Ngok, Peter  
Cheung Wing Sum, Ambrose  
Lam Hau Yin, Lester  
Wong Heang Fine  
Cheng Shin How  
David Friedman  
Skardon Francis Baker  
Robert Barry Goldberg  
Parag Mahesh Vora  
Gary Evan Moross

Authorized share capital: MOP 6,000,000  
Shareholders: Cyber Neighbour Limited (MOP 5,760,000)  
Cyber One Agents Limited (MOP 240,000)

**4. MSC-CO Holdings LLC**

Place of incorporation: Delaware  
Number of registration: 4328879  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808

Directors:  
Authorized share capital:  
Issued share capital:  
Shareholder: Cyber One Agents Limited

**5. MSC-T LLC**

Place of incorporation: Delaware  
Number of registration: 4328880  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808  
Directors:  
Authorized share capital:  
Issued share capital:  
Shareholders: MSC-CO Holdings, LLC  
MSC-TAML Holdings, LLC

**6. MSC-T Sub I LLC**

Place of incorporation: Delaware  
Number of registration: 4328876  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808  
Directors:  
Authorized share capital:  
Issued share capital:  
Shareholder: MSC-T, LLC

**7. MSC-T Sub II LLC**

Place of incorporation: Delaware  
Number of registration: 4328877  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808  
Directors:  
Authorized share capital:  
Issued share capital:  
Shareholder: MSC-T, LLC



**8. MSCT Limited**

Place of incorporation: Macau  
Number of registration: 29062  
Address of registered office/seat: Avenida da Amizade, n.º 555, Edifício Landmark, 23.º Andar, Sala 2301, Macau  
Directors: David Friedman and Cheung, Wing Sum Ambrose  
Authorized share capital: MOP 30,000  
Shareholders: MSC-T Sub I, LLC (MOP 7,500) and MSC-T Sub II, LLC (MOP 22,500)

**9. MSC-P LLC**

Place of incorporation: Delaware  
Number of registration: 4370464  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808  
Directors:  
Authorized share capital:  
Issued share capital:  
Shareholder: Cyber One Agents Limited

**10. MSC-PEI Club, LLC**

Place of incorporation: Delaware  
Number of registration: 4370458  
Address of registered office/seat: Corporation Service Company  
2711 Centerville Road, Suite 400  
Wilmington, Delaware 19808  
Directors:  
Authorized share capital:  
Issued share capital: Playboy Macao, LLC  
Shareholders: MSC-P, LLC

## Schedule 3—Warranties

### Part A – Core Seller’s Warranties

#### 1 Capacity and Authority

##### 1.1 Incorporation and existing

The Seller is a body corporate duly incorporated and existing under the laws of the British Virgin Islands.

##### 1.2 Right, power, authority and action

- (a) The Seller has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the Seller at or before Completion.
- (b) The execution and delivery of, and the performance by the Seller of its obligations under, this Agreement will not:
  - (i) result in a breach of any provision of the memorandum or articles of association or by-laws or equivalent constitutional documents of the Seller;
  - (ii) result in a breach of, or constitute a default under, any instrument to which the Seller is a party or by which the Seller is bound and which is material in the context of the transactions contemplated under this Agreement;
  - (iii) result in a breach of any order, judgment or decree of any court or Governmental Agency to which the Seller is a party or by which the Seller is bound or submits; or
  - (iv) save as referred to in clause 3.1, require the Seller to obtain any consent or approval of, or give any notice to or make any registration with, any governmental or other authority which has not been obtained or made as at the date of this Agreement both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement).

##### 1.3 Binding agreement

The Seller’s obligations under this Agreement constitute legally valid and binding obligations of the Seller.

## **2 Securities**

- (a) Save as set out in the Joint Venture Agreement and the articles of association of the Company, the Seller is the sole legal and beneficial owner of the Transfer Securities, free of any Third Party Rights.
- (b) The Shares comprise 60% of the Company's allotted and issued share capital and are fully paid or credited as fully paid.
- (c) There is no Third Party Right and there is no agreement, arrangement or obligation to create a Third Party Right in favor of the Seller or any of its Affiliates in relation to any of the securities in any Group Company.
- (d) The Seller does not have, and none of its Affiliates have, the right to be issued with, or call for the transfer of, any securities in any Group Company.
- (e) The Seller has not authorized, and the directors appointed by the Seller to the Company have not authorized, the issue of any securities in the Company or the creation of any Third Party Right in favor of any person in relation to any of the securities or issue of securities in the Company.
- (f) The Company owns all of the allotted and issued share capital of Cyber Neighbour Limited and there is no Third Party Right or any agreement, arrangement or obligation to create a Third Party Right in favor of any person in relation to any of the securities in Cyber Neighbour Limited, or to issue any securities in Cyber Neighbour Limited.
- (g) The Company and Cyber Neighbour Limited own all of the allotted and issued share capital in PropCo and there is no Third Party Right or any agreement, arrangement or obligation to create a Third Party Right in favor of any person in relation to any of the securities in PropCo, or to issue any securities in PropCo.

## **3 Insolvency and Winding Up**

- (a) The Seller is not insolvent, has not suspended any payment of its debts, or entered into any arrangement or composition with any of its creditors.
- (b) No receiver, liquidator, administrator or similar has been appointed over the Seller or any of its assets.

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**Part B – Non-Core Seller’s Warranties****1 Corporate information****1.1 Incorporation and existence**

Each Group Company is duly incorporated and existing under the laws of its place of incorporation and has full power to own its assets and its business and to carry on business as it is currently conducted.

**1.2 Group details**

- (a) The details of each Group Company set out in schedule 2 are true and accurate in all material respects.
- (b) No Group Company has an interest in, or has agreed to acquire an interest in, any securities of any body corporate (other than the Subsidiaries).
- (c) All the allotted and issued shares in the capital of the Group Companies have been properly and validly allotted and issued and are fully paid.
- (d) There is no Third Party Right and there is no agreement, arrangement or obligation to create a Third Party Right in relation to any securities in any Group Company, or to issue any securities in any Group Company.
- (e) No Group Company is insolvent, has suspended any payment of its debts, or has entered into any arrangement or composition with any of its creditors. No receiver, liquidator, administrator or similar has been appointed over any Group Company or any of its assets.

**1.3 Joint ventures**

- (a) No Group Company is a member of a joint venture, consortium, partnership or association (other than a bona fide trade association), or a party to a distributorship, agency or franchise.
- (b) The Playboy Companies and the Taubman Companies are dormant and have no material assets or liabilities and no Group Company has any material liability or obligation to, or in connection with, any such company.
- (c) The Playboy Agreements and the Taubman Agreements have been terminated and no Group Company which is a party to any of those agreements has any material liability under those agreements except as expressly stated in those agreements to survive termination.

**1.4 Related Party Transactions**

Other than the Joint Venture Agreement, there are no agreements or arrangements between the Seller or any Seller Group Undertaking on the one hand and any Group Company on the other hand.

## **2 Accounts**

### **2.1 Accounts**

- (a) The Accounts were prepared in accordance with IFRS and have been prepared on a basis consistent with the practices and procedures applied in the past three years.
- (b) The Accounts show a true and fair view of the assets, liabilities and financial and trading position of the Group as at the Last Accounts Date and of the profits or losses of the Group for the financial year ended on the Last Accounts Date.
- (c) All the accounting records of each Group Company are in all material respects maintained in accordance with all applicable legal requirements.
- (d) As at the date no more than three Business Days prior to the date of this Agreement, the Group has in aggregate, \$36,000,000 on deposit with financial institutions, material details of which have been provided by the Seller to the Buyer.

### **2.2 Management Accounts**

- (a) The Management Accounts for the period from January 1, 2011 to March 31, 2011 in the agreed form (the **Relevant Management Accounts**) have been prepared in accordance with the significant accounting policies and the basis of preparation adopted consistent with those used in the Accounts which were prepared in accordance with IFRS.
- (b) The Relevant Management Accounts do not materially misstate either the assets and liabilities of the Group as at the date of the Relevant Management Accounts or the profits or losses of the Group for the period to which each of them relate.

### **2.3 Since the Last Accounts Date**

Since the Last Accounts Date no Group Company has:

- (a) acquired or disposed of, or agreed to acquire or dispose of, any material asset or assumed or incurred, or agreed to assume or incur, any material liability, expenditure or obligation; or
- (b) paid any dividend or made any distribution.

## **3 Assets and Liabilities**

### **3.1 Ownership**

- (a) All assets of each Group Company are legally and beneficially owned by the relevant Group Company free from all Third Party Rights and, where capable of possession, in the possession or under the control of the relevant Group Company.
- (b) No Group Company has any liability under any leasing or hire, conditional sale or similar agreement.

### **3.2 Intellectual Property**

- (a) The Group owns, or has been validly granted (as applicable) the Group IP free of all Third Party Rights (including the domain names and trade marks set out in the Disclosure Materials).
- (b) No Group Company has received any notice that the Group IP or any Group Company is or has infringed the Intellectual Property of any person and no person is infringing the Intellectual Property of any Group Company.

### **3.3 Indebtedness**

Other than the Shareholder Loan, the shareholder loan in the amount of US\$40,000,000 advanced by New Cotai, LLC to the Company, and other payables outstanding as disclosed in the Accounts, no Group Company owes any money to, or has borrowed any money from any person other than trade creditors in the ordinary course of business and no Group Company is a party to or has any liability to secure, or otherwise incur obligations with respect to an obligation of a third party.

### **4 Real Property**

- (a) PropCo is the lessee of the Land pursuant to the Land Grant which is registered in PropCo's name under inscription no. 26642 of Book F.
- (b) The Land Grant has not been reduced or otherwise modified and remains in full force and effect.
- (c) Save for the letter received from the Macau Government dated April 14, 2010 to which PropCo did not file a response, no notice of termination of the Land Grant, or reversion of any part of the Land, issued by the Macau Government has been received by PropCo and no termination order or despatch in respect of the Land or the Land Grant, or reversion of any part of the Land, has been published in the Macau Official Gazette.
- (d) PropCo has paid all amounts due under or in connection with the Land and the Land Grant and no amounts are outstanding with regard to the Land and the Land Grant or any of the subsequent formal offers for amendment thereof, issued by the DSSOPT or the Macau Land Commission of the Macau Government.
- (e) No written communications or documentation (of any description) have been exchanged between PropCo, the Seller or any Affiliate of the Seller and the Macau Government in connection with the Land, any construction or related works conducted therein, the Land Grant and any proposed amendments thereto.
- (f) No prosecution has been commenced by the Macau government or a Governmental Agency against any Relevant Person for bribery or corruption in relation to, or in connection with, the Land or the Land Grant or any construction therein.

## 5 Tax

- (a) The Accounts contain full provision for all taxation liable to be assessed on each Group Company for the accounting period ended on the relevant Accounting Date and all contingent liabilities for taxation have been provided for or disclosed in the Accounts.
- (b) All returns, reports and declarations (collectively, the **Returns**) of each Group Company required to be made for taxation purposes were duly filed when due and all other information supplied to any tax authority is and remains correct and none of the Returns is subject to any dispute of any type and there is no matter which may result in any such dispute.
- (c) Each Group Company has paid all taxation for which it is liable on the due date for payment.
- (d) Each Group Company is resident for tax purposes only in the place in which it was incorporated.

## 6 Material agreements

- (a) The Disclosure Materials contain a true and complete copy of:
  - (i) the Design and Construct Contracts;
  - (ii) the Marriott/Ritz Agreements;
  - (iii) the W Agreements;
  - (iv) the Taubman Agreements;
  - (v) the Playboy Agreements;
  - (vi) the ABB Agreement;
  - (vii) the Paul Steelman Agreement; and
  - (viii) any agreement or arrangement to which a Group Company is a party or is bound by and which involves such Group Company in either an annual or an aggregate lifetime expenditure in excess of US\$2,000,000.
- (b) No Group Company has awarded any construction contract for the construction of the superstructure of the MSC Project and no Group Company has any liability whatsoever arising out of in relation to the tendering, RFP or negotiations of any such contracts.
- (c) No Group Company has received any notice that it is in breach of any of the contracts referred to in (a) above.

## 7 Employees

No Group Company has any employees, contractors or consultants other than Mr. Rajaratnam Selvaskandan and Mr. Ricky Kwok Choi Lau (who are currently engaged as consultants with Macao Studio City (Hong Kong) Limited) or any material liability to any former employee, contractor or consultant. For the purpose of this paragraph 7, “contractor” means any person who is contractually engaged with any Group Company in carrying out the business operations of the Group.

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**8 Litigation and compliance with Law****8.1 Litigation**

- (a) No Group Company is involved in any civil, criminal, arbitration, administrative or other governmental proceeding which would likely to have a material adverse effect on the Group.
- (b) No Group Company has received any notice threatening any claim, action or arbitration proceedings.
- (c) Except for RDLA, there is no unsatisfied court order or arbitral award outstanding against any Group Company.

**8.2 Compliance with Law**

Each Group Company has at all times complied with applicable laws in all material respects.

**8.3 Investigations**

There have been and are no outstanding investigations or enquiries from a Governmental Agency concerning any Group Company and there are no circumstances which are likely to give rise to any such investigations or enquiries.

**9 Information**

The information set out in this Agreement and the Disclosure Materials (excluding, for this purpose, the Q&As) is true and accurate in all material respects (whether by omission or otherwise). The information set out in the responses to the Q&As was true and accurate as at the date such responses were furnished in all material respects (whether by omission or otherwise).



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## **Part C – Buyer’s Warranties**

### **1 Capacity and Authority**

#### **1.1 Incorporation and existing**

The Buyer is a body corporate duly incorporated and existing under the laws of its place of incorporation.

#### **1.2 Right, power, authority and action**

- (a) The Buyer has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the Buyer at or before Completion.
- (b) The execution and delivery of, and the performance by the Buyer of its obligations under, this Agreement will not:
  - (i) result in a breach of any provision of the memorandum or articles of association or by-laws or equivalent constitutional documents of the Buyer;
  - (ii) result in a breach of, or constitute a default under, any instrument to which the Buyer is a party or by which the Buyer is bound and which is material in the context of the transactions contemplated under this Agreement;
  - (iii) result in a breach of any order, judgment or decree of any court or Governmental Agency to which the Buyer is a party or by which the Buyer is bound or submits; or
  - (iv) require the Buyer to obtain any consent or approval of, or give any notice to or make any registration with, any governmental or other authority which has not been obtained or made as at the date of this Agreement both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement).

#### **1.3 Binding agreement**

The Buyer’s obligations under this Agreement constitute legally valid and binding obligations of the Buyer.

### **2 Insolvency and Winding Up**

- (a) The Buyer is not insolvent, has not suspended any payment of its debts, or entered into any arrangement or composition with any of its creditors.
- (b) No receiver, liquidator, administrator or similar has been appointed over the Buyer or any of its assets.

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**Part D – eSun’s Warranties****1 Capacity and Authority****1.1 Incorporation and existing**

eSun is a body corporate duly incorporated and existing under the laws of its place of incorporation.

**1.2 Right, power, authority and action**

- (a) eSun has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by eSun at or before Completion.
- (b) The execution and delivery of, and the performance by eSun of its obligations under, this Agreement will not:
  - (i) result in a breach of any provision of the memorandum or articles of association or by-laws or equivalent constitutional documents of eSun;
  - (ii) result in a breach of, or constitute a default under, any instrument to which eSun is a party or by which eSun is bound and which is material in the context of the transactions contemplated under this Agreement;
  - (iii) result in a breach of any order, judgment or decree of any court or Governmental Agency to which eSun is a party or by which eSun is bound or submits; or
  - (iv) require eSun to obtain any consent or approval of, or give any notice to or make any registration with, any governmental or other authority which has not been obtained or made as at the date of this Agreement both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement).

**1.3 Binding agreement**

eSun’s obligations under this Agreement constitute legally valid and binding obligations of eSun.

**2 Insolvency and Winding Up**

- (a) eSun is not insolvent, has not suspended any payment of its debts, or entered into any arrangement or composition with any of its creditors.
- (b) No receiver, liquidator, administrator or similar has been appointed over eSun or any of its assets.

## Schedule 4 - Limitation on Seller's Liability

### 1 Fraud

Nothing in this schedule 4 shall have the effect of limiting or restricting any liability of the Seller arising as a result of any fraud committed by a Relevant Person in relation to, or in connection with this Agreement.

### 2 General limitations

- 2.1 Each Seller's Warranty (other than the Core Seller's Warranties) shall be limited to the awareness of the Seller as if the words "so far as the Seller is aware" were inserted before each statement in each of such Seller's Warranties.
- 2.2 Without prejudice to the other provisions of this Agreement (including this schedule 4), in respect of each Relevant Claim following Completion (other than a claim for a breach of a Core Seller's Warranty), the Seller's liability in respect of such Relevant Claim following Completion shall be limited to an amount equal to 60% of the loss suffered by the Group as a result of the matter giving rise to the Relevant Claim.
- 2.3 In this schedule 4 a Relevant Claim shall only include a claim for breach of a Core Seller's Warranty where such term is used in paragraphs of 2, 3, 4 and 10 of this schedule 4 unless otherwise stated.

### 3 Time limits

- 3.1 The Seller shall not be liable in respect of a Relevant Claim unless it has been given notice in writing by or on behalf of the Buyer of the existence of such Relevant Claim together with reasonable details of such Relevant Claim:
  - (a) where such Relevant Claim arises out of a breach of a Non-Core Seller's Warranty, on or before May 31, 2012; and
  - (b) for any other Relevant Claim, on or before the date which is two years from the date of Completion.
- 3.2 A Relevant Claim shall be deemed to be withdrawn (if it has not been previously satisfied, settled or withdrawn) unless legal proceedings in respect thereof have been commenced within six months of the giving of notice of the Relevant Claim under the preceding paragraph and for this purpose such legal proceedings shall not be deemed to have commenced unless both issued and served in accordance with this Agreement.

### 4 Upper limits

- 4.1 Subject to paragraph 4.2 of this schedule 4, the maximum aggregate liability of the Seller for all Relevant Claims against it shall not exceed the amount of the Purchase Price.
- 4.2 The maximum aggregate liability of the Seller for all Relevant Claims arising out of breaches of the Non-Core Seller's Warranties against it shall be limited to the Buyer's recourse following Completion to the Cash Entitlement. For the avoidance of doubt, the Buyer's sole recourse for any such breach shall be to the Cash Entitlement. In no circumstances shall the Seller or eSun be liable in respect of any such breach to make any payment to the Buyer from the Seller's or eSun's own cash resources. In the event the amount of any loss arising out of breaches of the Non-Core Seller's Warranties exceeds the amount of the Cash Entitlement (the **Excess**), the Buyer agrees and acknowledges that neither the Seller nor eSun shall be under any obligation or liability to pay the Excess to the Buyer and the Buyer undertakes not to seek to recover any of such losses from the Seller or eSun.

**5 Lower limits**

5.1 Subject to paragraph 5.2 of this schedule 4, the Seller shall not be liable in respect of a Relevant Claim:

- (a) unless the amount that would otherwise be recoverable from the Seller (but for this paragraph 5.1(a)) in respect of such Relevant Claim exceeds US\$50,000; and
- (b) unless and until the amount that would otherwise be recoverable from the Seller (but for this paragraph 5.1(b)) in respect of such Relevant Claim, when aggregated with any other amount or amounts recoverable in respect of other Relevant Claims (excluding any amounts in respect of a Relevant Claim for which the Seller has no liability because of paragraph 5.1(a) of this schedule 4) exceeds US\$500,000 (the Threshold), and in the event that the aggregate amounts exceed the Threshold, the Seller shall be liable for the whole of such aggregate amount and not merely for the amount in excess of the Threshold.

5.2 This paragraph 5 shall not apply to a Relevant Claim in relation to a breach of any term of this Agreement other than a Seller's Warranty.

**6 Remediable breaches**

Save for clause 4.2, the Seller shall not be liable for a Relevant Claim to the extent that the fact, matter, event or circumstance giving rise to such Relevant Claim is remediable and is remedied by or at the expense of the Seller to the reasonable satisfaction of the Buyer within 10 Business Days of the date on which notice of the existence of such Relevant Claim is given to the Seller under paragraph 3.1 of this schedule 4.

**7 Specific limitations**

The Seller shall not be liable in respect of a Relevant Claim:

- 7.1 to the extent that the matter giving rise to the Relevant Claim in the case of a Relevant Claim for breach of a Seller's Warranty would not have arisen but for:
  - (a) an Event after Completion by, at the direction of or involving a Buyer's Group Undertaking or a director, employee or agent of a Buyer's Group Undertaking other than an Event in the ordinary course of business of a Buyer's Group Undertaking; or

- (b) the passing of, or a change in, a law, rule, regulation, interpretation of the law or administrative practice of a government, governmental department, agency or regulatory body after the date of this Agreement or an increase in the Tax rates or an imposition of Tax, in each case not actually or prospectively in force at the date of this Agreement;
- 7.2 to the extent that the matter giving rise to the Relevant Claim arises wholly or partially from an Event before or after Completion at the request or direction of, or with the written acquiescence or consent of, a Buyer's Group Undertaking (which for these purposes includes a Group Company only after Completion) or an authorized agent or adviser of a Buyer's Group Undertaking;
- 7.3 to the extent that the matter giving rise to the Relevant Claim relates to an amount for which any Group Company has a right of recovery against, or an indemnity from, a person other than a Seller's Group Company, whether under a provision of applicable law, insurance policy or otherwise howsoever; and
- 7.4 to the extent that the matter giving rise to the Relevant Claim relates to matters specifically provided for or referred to in the Accounts.

**8 Double claims**

If the same fact, matter, event or circumstance gives rise to more than one Relevant Claim, the Buyer shall not be entitled to recover more than once in respect of such fact, matter, event or circumstance.

**9 Contingent liabilities**

To the extent that a Relevant Claim is based upon a liability of a Group Company which is a contingent liability, the Seller shall not be liable to make a payment to the Buyer in respect thereof unless and until such time as the contingent liability becomes an actual liability of a Group Company to make a payment. This paragraph 9 is without prejudice to the obligation of the Buyer to notify the Seller of the Relevant Claim and to issue and serve proceedings in respect thereof in accordance with paragraph 3.1 of this schedule 4.

**10 Mitigation**

Nothing in this schedule 4 restricts or limits the Buyer's general obligation at law to mitigate any loss or damage which it may incur in consequence of a matter giving rise to a Relevant Claim.

**11 Preservation of information**

The Buyer shall, and shall ensure that each Group Company will, preserve all documents, records, correspondence, accounts and other information whatsoever relevant to a matter which may give rise to a Relevant Claim.

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**12 Insurance**

12.1 Subject to paragraph 12.2 of this schedule 4, no Relevant Claim shall be made or capable of being made to the extent that the losses in respect of such claim may be recovered under one or more policies of insurance in force from time to time.

12.2 This paragraph 12 shall not apply to a Relevant Claim in relation to a breach of any term of this Agreement other than a Seller's Warranty.

**13 Disclosure**

The Seller's Non-Core Warranties are qualified by:

13.1 the facts and circumstances which are fairly disclosed in the Disclosure Materials;

13.2 the facts, matters and circumstances which are fairly disclosed in the Disclosure Letter and any of the documents annexed to the Disclosure Letter;

13.3 all matters registered in respect of each Group Company with the relevant registry of the Group Companies and all matters registered against the properties it owns, uses or occupy at any local or statutory authority or undertaking; and

13.4 all matters set out in this Agreement (including, without limitation, the schedules to this Agreement).

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**Schedule 5 – Prohibited Action before Completion**

- (a) Create, allot, issue, acquire, repay or redeem any share or agree to create, allot, issue, acquire, repay or redeem any share capital in any Group Company or acquire, or agree to acquire, an interest in shares of any body corporate.
- (b) Amalgamate, merge or consolidate any Group Company with any other entity.
- (c) Enter into any transaction with any shareholder or its Affiliates or its respective directors, officers, or employees.
- (d) Carry on business other than in the usual course.
- (e) Make, or agree to make, any capital or operational expenditure in excess of \$US20,000.
- (f) Make any tax election.
- (g) Acquire or dispose of, or agree to acquire or dispose of, any asset with a value in excess of \$US20,000 to assume or incur, any liability, expenditure or obligation in excess of \$US20,000.
- (h) Enter into any agreement, arrangement, commitment or understanding having an aggregate value in excess of US\$20,000.
- (i) Declare, pay or make any dividend or distribution.
- (j) Amend, or agree to amend, the terms of any borrowing or indebtedness in the nature of borrowing or create, incur, or agree to create or incur, any borrowing or indebtedness in the nature of borrowing.
- (k) Create, or agree to create, any Third Party Right over any of its assets or redeem, or agree to redeem, any existing Third-Party Right over any of its assets.
- (l) Give, or agree to give, any guarantee, indemnity or other agreement to secure, or otherwise incur financial or other obligations with respect to, an obligation of a third party.
- (m) Employ or engage any employee or contractor (or amend the terms of employment of any such person).
- (n) Institute any litigation or arbitration proceedings.
- (o) Alter any of the constituent documents of any Group Company.
- (p) Terminate, settle or compromise, any W Agreement or Design and Construct Contract except in accordance with clause 7.

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(q) Make any admission of liability or give any written representation or warranty in respect of any Group Company.

(r) Agree to do any of the above.

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## Schedule 6 – Completion Obligations

### Part A

1. At Completion the Seller shall deliver to the Buyer:

- (a) a duly executed transfer in respect of the Shares to the Buyer's Nominee and the share certificate(s) for the Shares (or if lost, an indemnity in lieu thereof);
- (b) as evidence of the authority of each person executing a document referred to in this schedule 6 on the Seller's behalf:
  - (i) a copy of the minutes of a duly held meeting of the directors of the Seller (or a duly constituted committee thereof) authorizing the execution by the Seller of the document and, where such execution is authorized by a committee of the board of directors of the Seller, a copy of the minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or
  - (ii) a copy of the power of attorney conferring the authority,  
in each case certified to be a true copy by a director or the secretary of the Seller;
- (c) a certificate duly executed by the directors of the Seller or under authority of the Seller confirming that the Mutual Waiver and Consent Agreement, the Waiver and Termination Agreement and the Settlement Deed have not have not been varied, amended, terminated or replaced;
- (d) an original Loan Assignment Agreement duly executed by the Seller in favor of the Buyer or its nominee;
- (e) the executed copy of the Letter of Instruction;
- (f) resignations in the agreed form from each director and secretary of each Group Company appointed by the Seller expressed to take effect from the end of the meeting held pursuant to paragraph 2 of this schedule 6 in each case acknowledging that he or she has no claim whatsoever against the relevant Group Company in respect of fees, remuneration, expenses, compensation for loss of office or otherwise;
- (g) the certificate of incorporation, common seal, minute books and share certificate books of each of the Company, Cyber Neighbour Limited and Macao Studio City (Hong Kong) Limited, and the statutory registers of Macao Studio City (Hong Kong) Limited; and
- (h) the letter instructing the Macau legal advisers of PropCo to deliver to the Buyer's Macau counsel at Completion the minute books and any other minutes of PropCo executed on separate sheets.

2. At Completion eSun shall deliver to the Buyer as evidence of the authority of each person executing a document referred to in this schedule 6 on eSun's behalf:
  - (a) a copy of the minutes of a duly held meeting of the directors of eSun (or a duly constituted committee thereof) authorizing the execution by eSun of the document and the affixation of the common seal of eSun on such document (as appropriate) and, where such execution is authorized by a committee of the board of directors of eSun, a copy of the minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or
  - (b) a copy of the power of attorney conferring the authority.
3. The Seller shall ensure that at Completion it shall deliver written resolutions of the board of directors of the Company in the form attached to the Mutual Waiver and Consent Agreement duly signed by the directors nominated by it approving the following matters:
  - (a) the registration of the Buyer or its nominee(s) as member(s) of the Company in respect of the Shares including without limitation in the register of members of the Company;
  - (b) cancellation of the share certificate(s) in the name of the Seller and issuance of new share certificate(s) in the name of the Buyer;
  - (c) the appointment of persons nominated by the Buyer as directors and secretary of the Company with effect from Completion;
  - (d) the resignations of each resigning director and secretary with effect from Completion; and
  - (e) the revocation of all Seller nominee's authorities relating to the Bank Accounts and appoints the persons nominated by the Buyer and provided to the Seller by the Buyer at least three Business Days before Completion as signatories to the Bank Accounts, in both cases with effect from Completion.
4. The Seller shall ensure that at Completion it shall deliver written resolutions of the shareholders of the Company in the form attached to the Mutual Waiver and Consent Agreement duly signed by it approving the adoption of the revised articles of association of the Company in the agreed form with effect on or about the date of this Agreement.

**Part B**

At Completion the Buyer shall:

1. deliver to the Seller as evidence of the authority of each person executing a document referred to in this schedule 6 on the Buyer's behalf:
  - (a) a copy of the minutes of a duly held meeting of the directors of the Buyer (or a duly constituted committee thereof) authorizing the execution by the Buyer of the document and, where such execution is authorized by a committee of the board of directors of the Buyer, a copy of the minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or

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(b) a copy of the power of attorney conferring the authority,  
in each case certified to be a true copy by a director or the secretary of the Buyer;

2. deliver to the Seller an original Loan Assignment Agreement duly executed by the Buyer or its nominee; and
  3. pay to the Seller's Account an amount in cash equal to the Outstanding Balance by transfer of funds for same day value.
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**Schedule 7 – Bank Accounts**

<u>Accountholder</u>	<u>Name of Bank</u>	<u>Type of account</u>	<u>Account Number</u>
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Current account	773-408091-001
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Savings account	773-408091-668
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Savings account	773-408091-669
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Savings account	773-408091-670
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Current account	773-408091-222
Macao Studio City (Hong Kong) Limited	Hang Seng Bank	Savings account	773-408091-201
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Bank of China Macau Branch	Current account	01-112-384790-7
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Bank of China Macau Branch	Savings account	01-11-10-142284
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Bank of China Macau Branch	Current account	01-012-078866-9
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Bank of China Macau Branch	Savings account	01-01-10-066764
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Tai Fung Bank	Current account	113-1-00661-5
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Tai Fung Bank	Savings account	113-2-04731-5
東亞衛視有限公司 (East Asia-Televisao Por Satellite, Limitada)	Tai Fung Bank	Current account	213-1-00520-2

IN WITNESS of which this Agreement has been executed and delivered AS A DEED on the date which first appears herein.

Executed as a deed by )  
**East Asia Satellite Television (Holdings) Limited** )  
acting by )  
in the presence of: )

Witness' signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Occupation: \_\_\_\_\_

Executed as a deed by )  
**eSun Holdings Limited** )  
acting by )  
in the presence of: )

Witness' signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Occupation: \_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by )  
**Melco Crown Entertainment Limited** )  
acting by )  
in the presence of: )

Witness' signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Occupation: \_\_\_\_\_

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1.01.18	Subscription and novation agreement (December 4, 2006)	Provided to Corrs by email on June 8, 2011
1.01.19	Intercompany note (December 4, 2006)	Provided to Corrs by email on June 8, 2011
1.01.20	Deed of tax covenant (December 6, 2006)	Provided to Corrs by email
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2.01.03	Leases by Cyber One - Receipt of Payment, 22/09/2010 (Item 6A)	Provided separately by email to Corrs.
2.01.04	Leases by Cyber One - Payment Requisition Form, 15/09/2010 (Item 6B)	Provided separately by email to Corrs.
2.01.05	Leases by Cyber One - Agreement for Lease, 11/08/2006 (Item 6C)	Provided separately by email to Corrs.
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2.01.07	Leases by Cyber One - Lease for Hong Kong Club Building Suites for the period between 1-31 July 2009, 11/08/2006 (Item 6E)	Provided separately by email to Corrs.
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2.01.09	Leases by Cyber One - Agreement for Lease, 04/03/2008 (Item 6G)	Provided separately by email to Corrs.
2.01.10	Leases by Cyber One - Licence Agreement, 04/03/2008 (Item 6H)	Provided separately by email to Corrs.
2.01.11	Leases by Cyber One - Leases for the period between February 24, 2007 - June 27, 2009, 04/03/2008 (Item 6I)	Provided separately by email to Corrs.
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2.01.17	HK Convention Centre Lease - Form CR109 Notice of New Letting or Renewal Agreement, 11/06/2009, received 15/06/2009 (Item 7D)	Provided separately by email to Corrs.
2.01.18	HK Convention Centre Lease - Tenancy Agreement, 16/06/2009 (Item 7E)	Provided separately by email to Corrs.
2.01.19	HK Convention Centre Lease - John Lok Letter to MSC, 16/06/2009 (Item 7F)	Provided separately by email to Corrs.
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2.01.21	HK Convention Centre Lease - Form CR109 Notice of New Letting or Renewal Agreement, 12/07/2007, received 16/07/2007 (Item 7H)	Provided separately by email to Corrs.
2.01.22	HK Convention Centre Lease - John Lok Letter to Bestwood Enterprises, with Tenancy Agreement, 17/07/2007 (Item 7I)	Provided separately by email to Corrs.
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10.03.33	O'Brien Lighting, Inc - Lighting Design Services	Soft Costs Folder (2)
10.03.34	Paul Steelman Design Group Asia Ltd (Steelman Architecture Asia, Limited from 21 Nov 2007) - Architectural design; Interior design; Reimbursement	Soft Costs Folder (3)
10.03.35	Paul Steelman Design Group Asia - Interior Design, Architectural Lighting and Theatrical design for Multi-Purpose Hall	Soft Costs Folder (3)
10.03.36	Paul Y. Construction - Pre-construction services	Soft Costs Folder (3)
10.03.37	PolyU Technology and Consultancy Co Ltd - EMI Study	Soft Costs Folder (3)
10.03.38	RDL Asia Ltd - Consultancy Services - production architect; Additional services - piling substantial work; Reimbursement	Soft Costs Folder (3)
10.03.38.01	Correspondence from RDL Asia to Lawrence Chau & Associates, April 23, May 7, June 3, July 4, and July 15, 2008 (responsive to Question 47 of the JV Q&A Legal)	Provided to Melco separately by Courier on April 20, 2011. Please add to soft Costs Folder (3) as item 10.03.38.01.
10.03.39	RED Consultants Ltd - Wind Tunnel Testing	Soft Costs Folder (3)
10.03.40	Romero Thorsen Design - Signage - Prime Design (4 hotel towers); Reimbursement	Soft Costs Folder (3)
10.03.41	Scott Architectural Graphics, Inc. - Signage - Prime Design (Retail); Reimbursement	Soft Costs Folder (3)
10.03.42	Scott Architectural Graphics, Inc. - Signage - Prime Design (Podium); Reimbursement	Soft Costs Folder (3)
10.03.43	Siu Yin Wai & Associates (Int'l) Ltd; Consultancy services - Civil, Structural, Geotechnical; Reimbursement - Resident Site Staff; Reimbursement	Soft Costs Folder (3)
10.03.44	Siu Yin Wai & Associates (Int'l) Ltd - Technical director of site supervision	Soft Costs Folder (3)
10.03.45	Siu Yin Wai & Associates (Int'l) Ltd - Assessment of Slope Stability	Soft Costs Folder (3)
10.03.46	Shen Milsom & Wike, Ltd - Base Building Acoustic; Reimbursement	Soft Costs Folder (4)
10.03.47	Shen Milsom & Wike, Ltd - Theatre Design - Technical Advisory Services	Soft Costs Folder (4)
10.03.48	Shen Milsom & Wike, Ltd - Macao Dome Acoustics consulting services	Soft Costs Folder (4)
10.03.49	Shui Ho Human Resources Consultant Limited - Provision Project HR Management Consultancy Services; Consultancy services for Labor Quota Renewal	Soft Costs Folder (4)
10.03.50	SMC Alsop Design (Singapore) - Architectural development of the RIDE; Reimbursement	Soft Costs Folder (4)
10.03.51	St. Legere Design Internationl Ltd. - Landscape design; Landscape Architecture - Additional Service; Reimbursement	Soft Costs Folder (4)
10.03.52	Steelman Architecture Asia Limited - Playboy Mansion Space Planning Consultancy Services	Soft Costs Folder (4)
10.03.53	Steelman Architecture Asia Limited - Façade Design	Soft Costs Folder (4)
10.03.54	Taubman Macau Limited - Development fee; Reimbursement	Soft Costs Folder (4)
10.03.55	Theatre Projects Consultants - Theatre and Macao Dome Acoustics consulting services	Soft Costs Folder (4)
10.03.56	Wilson Associates - Marriott interior design consultancy services; Reimbursement	Soft Costs Folder (4)
10.03.57	Wilson Associates - Ritz Carlton interior design consultancy services; Reimbursement	Soft Costs Folder (4)
10.03.58	Wilson Associates, LLC - Playboy Club & Playboy Mansion Interior Design; Reimbursement	Soft Costs Folder (4)
10.03.59	Contract Documents for Foundation Works (Engineer's Design) for Macau Studio City at Cotai, Macau" dated May 10, 2007 between East Asia Satellite Television Limited and Vibro (Macau) Limited	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.60	Certificate of Practical Completion dated August 14, 2008 from RDL Asia Limited to Vibro (Macau) Limited	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.61	Letter from Davis Langdon & Seah to East Asia Satellite Television Limited dated December 5, 2008 entitled "Foundation Works (Engineer's Design) for Macau Studio City at Cotai, Macau – Valuation for Interim Certificate No. F-14"	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.62	Interim Award in the matter of an arbitration between Vibro (Macau) Limited (Claimant) and East Asia Satellite Television Limited (Respondent) dated September 9, 2010	Provided separately with cover letter. Please add to Soft Costs Folder (4)

10.03.63	Second Interim Award in the matter of an arbitration between Vibro (Macau) Limited (Claimant) and East Asia Satellite Television Limited (Respondent) dated May 19, 2010	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.64	Third Interim Award in the matter of an arbitration between Vibro (Macau) Limited (Claimant) and East Asia Satellite Television Limited (Respondent) dated November 25, 2010	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.65	Letter from Hogan Lovells to Pinsent Masons dated September 26, 2010 entitled "Vibro (Macau) Limited v East Asia Televisao Por Satelite Limitada - Arbitration - Foundation Works (Engineer's Design) for Macao Studio City at Cotai, Macau - Disputed No.2"	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.66	Letter from Hogan Lovells to Pinsent Masons dated September 29, 2010 entitled "Vibro (Macau) Limited v East Asia Televisao Por Satelite Limitada - Arbitration - Foundation Works (Engineer's Design) for Macao Studio City at Cotai, Macau - Disputed No.1"	Provided separately with cover letter. Please add to Soft Costs Folder (4)

10.03.67	Contract Documents for Design, Supply and Installation of 66kW11kV Supply Network and M&E Installations in Area Substation” between East Asia Satellite Television Limited and ABB (Hong Kong) Limited	Provided separately with cover letter. Please add to Soft Costs Folder (4)
10.03.68	Letter from Pinsent Masons to Hogan Lovells dated February 25, 2011 entitled “Vibro (Macau) Limited and East-Asia Televisao Por Satellite Limitada - Macao Studio City Arbitration - Foundation Works - Dispute Nos 1-6 - Final Settlement Agreement”:	Provided separately in CD-ROM with cover letter.
10.03.69	Letter from Pinsent Masons to Hogan Lovells dated March 18, 2011 entitled “Vibro (Macau) Limited and East-Asia Televisao Por Satellite Limitada - Macao Studio City Arbitration - Foundation Works - Dispute Nos. 1-6 - Settlement”	Provided separately in CD-ROM with cover letter.
10.03.70	Letter from Hogan Lovells to Pinsent Masons dated March 18, 2011 entitled “Vibro (Macau) Limited v East Asia Televisao Por Satellite Limitada - Arbitration - Foundation Works (Engineer's Design) for Macao Studio City at Cotai, Macau”	Provided separately in CD-ROM with cover letter.
10.03.71	Woods Bagot-Letter of Agreement to woods Bagotengaging them for Interior Design services, 20/02/2008	Provided separately in CD-ROM with cover letter.
<b>11</b>	<b>Environmental Enquiries</b>	
<b>11.01</b>	<b>Environmental risks and improvement proposals</b>	
11.01.01	Risk Evaluation Report on MSC prepared by Allianz. 23/12/2008 (see item 16.01.01)	
<b>12</b>	<b>Agreements and Commitments</b>	
<b>12.01</b>	<b>Material agreements</b>	
12.01.01	Taubman Agreements	
12.01.01.01	Agreement for Lease	Tab 21(i)
12.01.01.02	Amended and Restated Equity Participation Agreement	Tab 21(ii)
12.01.01.03	Assignment and Assumption of Membership Interests	Tab 21(iii)
12.01.01.04	Certificates of Formation for MSC-Co Holdings LLC, MSC-T LLC, MSC-T Sub I LLC, MSC-T Sub II LLC and MSC-TAML Holdings LLC	Tab 21(iv)
12.01.01.05	Development Services Agreement	Tab 21(v)
12.01.01.06	Disclosure Statements of MacauCo, MSCT Limited and Taubman Macau Limited	Tab 21(vi)
12.01.01.07	Equity Participation Agreement	Tab 21(vii)
12.01.01.08	ERA Symopsis	Tab 21(viii)
12.01.01.09	Escrow Agreement	Tab 21(ix)
12.01.01.10	Escrow Fee Letter	Tab 21(x)
12.01.01.11	Letter of Undertaking	Tab 21(xi)
12.01.01.12	LLC Agreement of MSC-CO Holdings LLC	Tab 21(xii)
12.01.01.13	LLC Agreement of MSC-T LLC	Tab 21(xiii)
12.01.01.14	LLC Agreement of MSC-T Sub I LLC	Tab 21(xiv)
12.01.01.15	LLC Agreement of MSC-T Sub II LLC	Tab 21(xv)
12.01.01.16	LLC Agreement of MSC-TAML Holdings LLC	Tab 21(xvi)
12.01.01.17	Management Services Agreement	Tab 21(xvii)
12.01.01.18	Memorandum of Association of MSCT Limited	Tab 21(xviii)
12.01.01.19	MSC-T Sub I LLC Action by Written Consent of Sole Member	Tab 21(xix)
12.01.01.20	MSC-T Sub II LLC Action by Written Consent of Sole Member	Tab 21(xx)
12.01.01.21	Company Secretary Certificate for MSC-T Sub I LLC	Tab 21(xxi)
12.01.01.22	Company Secretary Certificate for MSC-T Sub II LLC	Tab 21(xxii)
12.01.01.23	Transmittal Letter	Tab 21(xxiii)
12.01.01.24	Letter from Taubman to Citibank regarding the escrow funds	Provided separately with cover letter. Please add behind Tab 21(xxiii).
12.01.01.25	Letter to terminate JVA, 29/09/2009	Provided separately by e mail to Corrs. Please add behind Tab 21(xxiv).
12.01.01.26	Remittance to Taubman for USD7,323,504.45 for “Development fee final payment and recoverable expenses”, 03/11/2009	Provided separately by e.mail to Corrs. Please add behind Tab 21(xxv).
12.01.01.27	Certificates of Resolution of Cyber One Agents Ltd and Cyber Neighbour Ltd	Provided separately in CD-ROM with cover letter.
12.01.01.28	Resolution of the Board of Directors, 12/12/2007	Provided separately in CD-ROM with cover letter.
12.01.01.29	Company Secretary Certificate, 08/2007	Provided separately in CD-ROM with cover letter.
12.01.01.30	Email thread regarding winding up	Provided separately in CD-ROM with cover letter.
12.01.01.31	Email thread with advice regarding Development Fee and Marketing Suit	Provided separately in CD-ROM with cover letter.
<b>12.01.02</b>	<b>Playboy Agreements</b>	
12.01.02.01	Acknowledgement And Agreement, 21/06/2007	Tab 23(i)
12.01.02.02	License Agreement, 21/06/2007	Tab 23(ii)
12.01.02.03	Sub-license Agreement, 21/06/2007	Tab 23(iii)
12.01.02.04	Limited Liability Company Agreement, 21/06/2007	Tab 23(iv)
12.01.02.05	Side Letter, 25/06/07	Tab 23(v)
12.01.02.06	Termination letter, 10/11/2009	provided separately by email to Corrs. Please add behind Tab 23(v).
12.01.02.07	Letter to Playboy regarding Contribution of Costs, with Debit Note, 30/07/2010	Provided separately with cover letter.
12.01.02.08	Letter from Playboy regarding Contribution of Costs, 26/08/2010	Provided separately with cover letter.



12.01.02.09	Amendment to License Agreement, 01/01/2008	Provided separately in CD-ROM with cover letter.
12.01.02.10	Email thread to Kirkland & Ellis LLP regarding dissolution	Provided separately in CD-ROM with cover letter.

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12.01.02.11	Side Agreement, 05/2007	Provided separately in CD-ROM with cover letter.
<b>12.01.03</b>	<b>Marriot Agreements</b>	
12.01.03.01	International Services Agreement, 25/05/2007	Tab 19(i)
12.01.03.02	Operating Agreement, 25/05/2007	Tab 19(ii)
12.01.03.03	License and Royalty Agreement, 25/05/2007	Tab 19(iii)
12.01.03.04	Side Letter, 25/05/2007	Tab 19(iv)
12.01.03.05	Letter from Mariott regarding Operating Agreement, 17/06/2010	Provided separately by email to Corrs. Please add behind Tab 19(iv).
12.01.03.06	JSM email advice extracting relevant provision of hotel agreements	Provided separately in CD-ROM with cover letter.
12.01.03.07	Assignment and Assumption Agreement, 21/07/2006	Provided separately in CD-ROM with cover letter.
12.01.03.08	Agreement pursuant to Operating Agreement, 25/05/2007	Provided separately in CD-ROM with cover letter.
12.01.03.09	Technical Services and Pre-Commencement Agreement between East Asia and Marriott & Ritz-Carlton	Provided separately in CD-ROM with cover letter.
12.01.03.10	Termination Agreement dated May 11, 2011	Provided to Corrs on May 16
12.01.03.11	Board resolution of MacauCo re: termination of Mariott and Ritz agreements, dated May 11, 2011	Provided to Corrs by email on May 23
12.01.03.12	Shareholder resolution of MacauCo re: termination of Mariott and Ritz agreements, dated May 11, 2011	Provided to Corrs by email on May 23
12.01.03.13	Board resolution of Cyber One Agents re: termination of Mariott and Ritz agreements, dated May 11, 2011	Provided to Corrs by email on May 23
12.01.03.14	Shareholder resolution of Cyber One Agents re: termination of Mariott and Ritz agreements, dated May 11, 2011	Provided to Corrs by email on May 23
12.01.03.15	Board resolution of Cyber One Neighbour re: termination of Mariott and Ritz agreements, dated May 11, 2011	Provided to Corrs by email on May 23
<b>12.01.04</b>	<b>Ritz-Carlton Agreements</b>	
12.01.04.01	International Services Agreement, 25/05/2007	Tab 20(i)
12.01.04.02	Operating Agreement, 25/05/2007	Tab 20(ii)
12.01.04.03	License and Royalty Agreement, 25/05/2007	Tab 20(iii)
12.01.04.04	Side Letter, 25/05/2007	Tab 20(iv)
12.01.04.05	Letter from Ritz Carlton regarding Operating Agreement, 17/08/2010	Provided separately by email to Corrs. Please add behind Tab 20(iv).
12.01.04.06	Assignment and Assumption Agreement, 21/07/2006	Provided separately in CD-ROM with cover letter.
12.01.04.07	Agreement pursuant to Operating Agreement, 25/05/2007	Provided separately in CD-ROM with cover letter.
12.01.04.08	Termination Agreement dated May 11, 2011	Provided to Corrs on May 16
N/A	Board and shareholder resolutions re: termination of Mariott and Ritz agreements, dated May 11, 2011	See 12.01.03.11 to 12.01.03.15 above
<b>12.01.06</b>	<b>Tang Agreement</b>	
12.01.06.01	Memorandum of Understanding between Cyber One and David Tang), 09/01/2007	Tab 22
<b>12.01.06</b>	<b>W Hotel Agreements</b>	
12.01.06.01	Centralized Services Agreement, 14/07/2007	Tab 24(i)
12.01.06.02	Development Consulting Services Agreement, 14/07/2007	Tab 24(ii)
12.01.06.03	Operating Services Agreement, 14/07/2007	Tab 24(iii)
12.01.06.04	System License Agreement, 14/07/2007	Tab 24(iv)
12.01.06.05	Notice of breach, 12/11/2010	Provided separately by email to Corrs. Please add behind Tab 24(iv).
<b>13</b>	<b>Employment</b>	
<b>13.01</b>		
13.01.01	Opinion from Lovells regarding employment issues	Employment Folder (Tab 1)
13.01.02	Termination (and employment) letters - senior executives	Employment Folder (Tabs 2-11)
13.01.03	Termination letters	Employment Folder (Tab 12)
13.01.04	Correspondence with N Naples (former COO) regarding relocation expenses	Provided separately by email to Corrs. Please add to Employment Folder.
13.01.05	Written resolutions of Cyber One shareholders, 28/07/2009	Provided separately with cover letter. Please add to Employment Folder.
13.01.06	Written resolutions of Cyber One board, 28/07/2009	Provided separately with cover letter. Please add to Employment Folder.
13.01.07	Consultancy agreement for Raj Selvaskandan, 20/09/2009	Provided separately by email to Corrs.
13.01.08	Letter with Ricky Lau dated December 15, 2010	Provided to Corrs on May 20, 2011
13.01.09	MSC(HK) - Form IR56M (Remuneration paid to persons other than employees to YE March 31, 2011	Provided by email to Corrs on June 2, 2011
13.01.10	MSC(HK) - Employer's return of remuneration and pensions for YE March 31, 2011	Provided by email to Corrs on June 2, 2011
<b>14</b>	<b>Indebtedness</b>	
<b>14.01</b>		



14.01.01		
<b>15</b>	<b>Permits and Regulatory Matters</b>	
<b>15.01</b>		
15.01.01		
<b>16</b>	<b>Insurance</b>	
<b>16.01</b>		
16.01.01	Allianz Risk Evaluation Report on MSC, 23/12/2008	Insurance Folder
16.01.02	Summary of liability insurance for 2007-2009	Insurance Folder
16.01.03	Contractor's All Risk policy for Cyber One for period 13/05/2007 to 23/08/2007	Insurance Folder
16.01.04	Core Insurance Programme for the Group for the MSC Project -Contractor's all risk, dealy in start up, third party liability and terrorism for period 13/04/2007 to 31/03/2009 (plus 12 months extended maintenance)	Insurance Folder
16.01.05	Core Construction Insurances for the Group for the MSC Project - standstill cover (third party liability) for period 01/04/2010 to 31/03/2011	Insurance Folder
16.01.06	Core Construction Insurances for the Group for the MSC Project - Renewal of standstill cover (contractors all risks) for period 03/09/2010 to 02/09/2011	Insurance Folder
16.01.07	Directors and Officers Liability and Company Reimbursement Insurance for Cyber One for period 08/01/2008 to 07/01/2009, 08/01/2009 to 07/01/2010, 08/01/2010 to 07/01/2011	Insurance Folder
16.01.08	Employees' Compensation Insurance for Macao Studio City (Hong Kong) Ltd for period 12 months as from 01/03/2010	Insurance Folder
16.01.09	Expatriate Medical Insurance for Macao Studio City (Hong Kong) Ltd for period 01/03/2010 to 01/03/2011	Insurance Folder
16.01.10	Group Term Life Insurance for Macao Studio City (Hong Kong) Ltd for period 12 months as from 07/03/2010	Insurance Folder
16.01.11	Signboard Liability Insurance for MacaoCo for period 12 months as from 03/08/2010	Insurance Folder
16.01.12	Construction All Risks & Delay in Start-up Insurance Policy No. 009800000098 issued by Macau Insurance Company	Provided to Melco on May 12, 2011
16.01.13	Third Party Liability Insurance Policy No. CAS0010213/000000-GL issued by Chartis Insurance Hong Kong Limited, Macau Branch	Provided to Melco on May 12, 2011
16.01.14	Table for Claims Settlement as at May 11, 2011	Provided to Melco on May 12, 2011
16.01.15	JLT's e mail to Macau Insurance Company dated September 2, 2010	Provided to Melco on May 12, 2011
16.01.16	JLT's letter to Macao Studio City dated September 17, 2010	Provided to Melco on May 12, 2011
16.01.17	Directors & Officers Liability Insurance Policy No. 8L100000050001-00 issued by Allianz and various related e mails	Provided to Melco on May 12, 2011
16.01.18	JLT's signed consent letter dated May 11, 2011	Provided to Melco on May 12, 2011
16.01.19	Summary of settled and outstanding insurance claims in respect of contractor's all risks cover as at November 14, 2008	Provided to Melco on May 18, 2011
16.01.20	Site inspection report prepared by McLarens Young International dated November 27, 2009	Provided to Melco on May 18, 2011
16.01.21	Site inspection report prepared by McLarens Young International dated October 6, 2010	Provided to Melco on May 18, 2011
16.01.22	Cyber One's D&O claims summary as at 16 May 2011	Provided to Melco on May 23, 2011
<b>17</b>	<b>Compliance with Law, Litigation, etc.</b>	
<b>17.01</b>		
17.01.01	Invoice from East Asia Music (Holdings) Limited to MacauCo dated November 29, 2007 and a sponsorship agreement dated October 12, 2007 between East Asia Entertainment Limited and East Asia Satellite Television Limited	Provided to Corrs by email on 1 June 2011
17.01.02	Final award of an arbitration dated September 14, 2009	Provided to Corrs by email on 1 June 2011
17.01.03	Reason for the arbitration award dated September 14, 2009	Provided to Corrs by email on 1 June 2011
<b>18</b>	<b>Other Significant Matters</b>	
<b>18.01</b>		
18.01.01		
<b>19</b>	<b>Professional Consultancy</b>	
<b>19.01</b>	<b>Professional Fee Payment</b>	
19.01.01	Please refer to pp 4, 6 and 7 of the Financial Reporting Package, 09/2010 (item 02.01.01)	
19.01.02	Aconex (HK) Limited - Service Order: Training & Data Conversion, 27/06/2008	Provided separately in CD-ROM with cover letter
19.01.03	Aconex (HK) Limited - Settlement Agreement with Cyber One, 24/06/2009	Provided separately in CD-ROM with cover letter
19.01.04	Arup Communications - Authorization to Provide Services and Notice to Proceed, 11/06/2007	Provided separately in CD-ROM with cover letter
19.01.05	Arup Communications - Clarification Letter for Proposal, 30/05/2007	Provided separately in CD-ROM with cover letter
19.01.06	Asia Engineering Services Limited - Scope of Services & Fee Quotation, 29/09/2006	Provided separately in CD-ROM with cover letter
19.01.07	Bency Limited - Consultant's Deed of Engagement of Retail Component Interior Design Consultant, 11/03/2008	Provided separately in CD-ROM with cover letter
19.01.08	CAD International, Inc - Consultant's Deed of Engagement of W Hotel Interior Designer, 10/01/2008	Provided separately in CD-ROM with cover letter
19.01.09	Cairncross Martin Limited - Consultant's Deed of Engagement of FF&E and OS&E Procurement Services Provider, 04/02/2008	Provided separately in CD-ROM with cover letter

19.01.10	Davis Langdon & Seah Macau Limited - Consultant's Deed of Engagement of Quantity Surveyor: Macao Studio City, 20/06/2007	Provided separately in CD-ROM with cover letter
19.01.11	Food Service Consultants, Ltd - Authorization to Provide Added Services and Notice to Proceed, 23/03/2007	Provided separately in CD-ROM with cover letter
19.01.12	Food Service Consultants, Ltd - Authorization to Provide Added Services and Notice to Proceed, 18/07/2007	Provided separately in CD-ROM with cover letter
19.01.13	Food Service Consultants, Ltd - MSC Fee Proposal for New Areas	Provided separately in CD-ROM with cover letter
19.01.14	Food Service Consultants, Ltd - Proposal with job Reference List and Experience	Provided separately in CD-ROM with cover letter
19.01.15	Food Service Consultants, Ltd - Quotation, 05/03/2007	Provided separately in CD-ROM with cover letter
19.01.16	Food Service Consultants, Ltd - Email thread regarding revised terms of payment	Provided separately in CD-ROM with cover letter
19.01.17	Food Service Consultants, Ltd - Revised Terms of Payment, 02/05/2007	Provided separately in CD-ROM with cover letter
19.01.18	Francis Krahe & Associates Inc - Consultant's Deed of Engagement of Retail Mall Interior Lighting Consultant and Designer, 18/01/2006	Provided separately in CD-ROM with cover letter
19.01.19	Francis Krahe & Associates Inc - Consultant's Deed of Engagement of Lighting Consultant and Designer, 24/07/2007	Provided separately in CD-ROM with cover letter
19.01.20	HBA International - Authorization to Provide Services and Notice to Proceed, 28/01/2006	Provided separately in CD-ROM with cover letter
19.01.21	HBA International - Proposal Excerpt	Provided separately in CD-ROM with cover letter
19.01.22	J. Roger Preston (Macau) Limited - Consultant's Deed of Engagement of Independent Verifier for Fire and Life Safety Engineering, 27/11/2007	Provided separately in CD-ROM with cover letter
19.01.23	Maunsell Structural Consultants Ltd - Authorization to Provide Services and Notice to Proceed, 23/10/2007	Provided separately in CD-ROM with cover letter
19.01.24	Meinhardt (M&E) Ltd - Consultant's Deed of Engagement of MEP, Fire, Life and Safety Engineering Consultant, 17/07/2007	Provided separately in CD-ROM with cover letter
19.01.25	Meinhardt Façade Technology (HK) Ltd - Consultant's Deed of Engagement of Façade & BMU Consultant, 27/06/2007	Provided separately in CD-ROM with cover letter
19.01.26	Mtech Engineering Co., Ltd - Consultant's Deed of Engagement of Design Coordination Consultant of Architectural, Structural, Mechanical, Electrical and All Major Services Using 3-Dimensional Model, 16/01/2008	Provided separately in CD-ROM with cover letter
19.01.27	MVA Hong Kong Ltd - Consultant's Deed of Engagement of Traffic Consultant, 12/06/2007	Provided separately in CD-ROM with cover letter
19.01.28	O'Brien Lighting, Inc - Authorization to Provide Services and Notice to Proceed, 30/06/2007	Provided separately in CD-ROM with cover letter
19.01.29	O'Brien Lighting, Inc - Proposal: Revised Design Agreement, 24/08/2007	Provided separately in CD-ROM with cover letter
19.01.30	Paul Steelman Design Group Asia Limited - Consultant's Deed of Engagement: Architectural Designer, 06/06/2007	Provided separately in CD-ROM with cover letter
19.01.31	Paul Steelman Design Group Asia Limited - Authorization to Provide Services and Notice to Proceed, 02/11/2007	Provided separately in CD-ROM with cover letter
19.01.32	Paul Steelman Design Group Asia Limited - Proposal: Multi Purpose Hall, 07/09/2007	Provided separately in CD-ROM with cover letter
19.01.33	Paul Steelman Design Group Asia Limited - Mutual Release and Settlement Agreement, 07/04/2010	Provided separately in CD-ROM with cover letter
19.01.34	Paul Y. Construction Company Limited - Authorization to Provide Services and Notice to Proceed, 03/05/2007	Provided separately in CD-ROM with cover letter
19.01.35	RDL Asia Limited - Consultant's Deed of Engagement: Production Architect, 24/11/2007	Provided separately in CD-ROM with cover letter
19.01.36	RDL Asia Limited - Opening Submission for trial from RDL, 07/01/2010	Provided separately in CD-ROM with cover letter
19.01.37	RDL Asia Limited - Statement of RDL's claim from Cheung & Choy Solicitors to Lovells, 02/03/2009	Provided separately in CD-ROM with cover letter
19.01.38	RDL Asia Limited - Statement of Defense of EastAsia from Lovells, 24/04/2009	Provided separately in CD-ROM with cover letter
19.01.39	RED Consultants Limited - Consultant's Deed of Engagement of Wind Tunnel Testing Consultant, 19/07/2007	Provided separately in CD-ROM with cover letter
19.01.40	Romero Thorsen Design - Proposal: Hotel Signage & Graphics Consultancy, 27/06/2007 (revised 06/06/2007)	Provided separately in CD-ROM with cover letter
19.01.41	Romero Thorsen Design - Authorization to Provide Services and Notice to Proceed, 15/08/2007	Provided separately in CD-ROM with cover letter
19.01.42	Scott Architectural Graphics, Inc - Authorization to Provide Services and Notice to Proceed, 15/08/2007	Provided separately in CD-ROM with cover letter
19.01.43	Scott Architectural Graphics, Inc - Proposal: Podium Signage Design Consultant, 15/08/2007	Provided separately in CD-ROM with cover letter
19.01.44	Scott Architectural Graphics, Inc - Podium Fee Schedule, 15/08/2007	Provided separately in CD-ROM with cover letter
19.01.45	Scott Architectural Graphics, Inc - Authorization to Provide Services and Notice to Proceed, 20/08/2007	Provided separately in CD-ROM with cover letter
19.01.46	Scott Architectural Graphics, Inc - Proposal: Retail Signage Design Consultant, 15/08/2007	Provided separately in CD-ROM with cover letter
19.01.47	Scott Architectural Graphics, Inc - Retail Fee Schedule, 15/08/2007	Provided separately in CD-ROM with cover letter



19.01.48	Shen Milsom & Wike, Limited - Proposal: Audiovisual Consulting Services, final revision: 27/03/2008	Provided separately in CD-ROM with cover letter
19.01.49	Shen Milsom & Wike, Limited - Authorization to Provide Services and Notice to Proceed, 21/04/2008	Provided separately in CD-ROM with cover letter
19.01.50	Shen Milsom & Wike, Limited - Consultant's Deed of Engagement of Acoustical Consultancy, 20/06/2007	Provided separately in CD-ROM with cover letter
19.01.51	Siu Yin Wai & Associates (International) Limited - Consultant's Deed of Engagement, 17/07/2007	Provided separately in CD-ROM with cover letter
19.01.52	Siu Yin Wai & Associates (International) Limited - Authorization to Provide Services and Notice to Proceed, 09/07/2007	Provided separately in CD-ROM with cover letter
19.01.53	St Legere Design International Ltd - Consultant's Deed of Engagement of Landscape Architect, 30/01/2008	Provided separately in CD-ROM with cover letter
19.01.54	Stanger Asia Limited - Letter to RDL Asia Ltd regarding Authorization for Issue of Letter of Acceptance, 25/01/2008	Provided separately in CD-ROM with cover letter
19.01.55	Studio GAIA, Inc - Termination of Consultancy Services Letter, 14/03/2008	Provided separately in CD-ROM with cover letter
19.01.56	Vibro (Macau) Limited - Foundation Contract Documents 1-14, 17, 21-25	Provided separately in CD-ROM with cover letter
19.01.57	Vibro (Macau) Limited - Articles of Agreement for Foundation Contract: Signed Pages, 10/05/2007	Provided separately in CD-ROM with cover letter
19.01.58	Wilson Associates - Marriott Review	Provided separately in CD-ROM with cover letter
19.01.59	Wilson Associates - Authorization to provide Services and Notice to Proceed (Marriott), 12/07/2007	Provided separately in CD-ROM with cover letter
19.01.60	Wilson Associates - Clarification on Fee Proposal, 06/06/2007	Provided separately in CD-ROM with cover letter
19.01.61	Wilson Associates - Design Proposal: Playboy Mansion, 03/12/2007	Provided separately in CD-ROM with cover letter
19.01.62	Wilson Associates - Authorization to Provide Services and Notice to Proceed (Playboy Mansion Interior Design), 06/02/2008	Provided separately in CD-ROM with cover letter
19.01.63	Wilson Associates - Authorization to Provide Services and Notice to Proceed (Ritz Interior Design), 18/07/2007	Provided separately in CD-ROM with cover letter
19.01.64	Wilson Associates - Design Proposal: Ritz Hotel, 14/06/2007	Provided separately in CD-ROM with cover letter
19.01.65	Wilson Associates - Proposal: Ritz Hotel, 20/06/2007	Provided separately in CD-ROM with cover letter
19.01.66	Francis Krahe & Associates, Inc - Payment Requisition Form, 29/06/2008, with Invoice and Remittance Application Form (Item 41A)	Provided separately by email to Corrs.
19.01.67	Francis Krahe & Associates, Inc - regarding Revised Exterior Lighting: Invoices, MSC Executive Summary, email thread, Payment Requisition Form, Remittance Application Form, Letter's (Item 41B)	Provided separately by email to Corrs.
19.01.68	Francis Krahe & Associates, Inc - Invoice, 28/08/2008 & Remittance Application Form (Item 41C)	Provided separately by email to Corrs.
19.01.69	Francis Krahe & Associates, Inc - Invoice, 30/01/2007, Payment Requisition Form & Remittances Advice (Item 41D)	Provided separately by email to Corrs.
19.01.70	Bates Asia Hong Kong Limited - Marketing Consultancy: Invoices & Addendums to Service Agreements (Item 44)	Provided separately by email to Corrs.
19.01.71	Cairncross Martin Limited - Invoice, Deferral of Monthly Installment, Consultant's Deed of Engagement (Item 49)	Provided separately by email to Corrs.
<b>19.02</b>	<b>Professional Fee Payment - Legal</b>	<b>Provided to Melco by courier on April 19, 2011</b>
19.02.01	C&C - Sociedade Gestora De Escitorios de Advogados Limitada	Professional Fee Payment - Legal Folder (1)
19.02.02	Goncalves Pereira, Rata, Ling, Vong & Cunha Advogados	Professional Fee Payment - Legal Folder (1)
19.02.03	Johnson Stokes & Master	Professional Fee Payment - Legal Folder (1)
19.02.04	Lovells	Professional Fee Payment - Legal Folder (3)
19.02.05	Maples and Calder	Professional Fee Payment - Legal Folder (1)
19.02.06	Wilkinson & Grist	Professional Fee Payment - Legal Folder (1)
19.02.07	Skadden, Arps, Slate, Meagher & Floom LLP	Professional Fee Payment - Legal Folder (2)
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19.02.10	Offshore Incorporations HK Limited	Professional Fee Payment - Legal Folder (2)
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19.02.13	Antonio Baguinho	Professional Fee Payment-Legal Folder (2)
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19.02.17	TE Smith	Professional Fee Payment-Legal Folder
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20.01.03	Casino rental definitions and formula, March 2006	Tab 39
20.01.04	e Sun document: JV Perspective: Key Development Phase Processes, May 2006	Tab 40
20.01.05	Mckinsey & Company Fee Arrangement for “Integrating Entertainment DNA” Project, 01/06/2006	Tab 41
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20.01.11	Deutsche Bank Facility Teaser for MacauCo and New Cotai Entertainment (Macau) Limited, March 2008	Tab 54
20.01.12	Memorandum on key commercial terms of a US\$450 million credit facility to be provided to New Coati Entertainment (Macau) Limited (undated)	Tab 55
20.01.13	1 CD Rom at the request of Melco’s project team during attendance at East’s office on April 4, 2010-responsive to Section 10 of “Preliminary Enquiries”.	Provided by courier to Melco on April 19, 2011
20.01.14	List of Tenders and Status (responsive to Question 58 of the JV Q&A Legal)	Provided by courier to Melco on April 20, 2011
20.01.15	Minutes of meeting of Bestwood dated June 29, 2006 in relation to bank signatories	Provided to Corrs on May 5, 2011
20.01.16	Minutes of meeting of MacauCo dated December 4, 2006 in relation to bank signatories	Provided to Corrs on May 5, 2011
20.01.17	Bank account control list as at December 31, 2010	Provided to Corrs on May 5, 2011
20.01.18	Letter from Siu Yin Wai & Associates (Int’l) Ltd. dated April 18, 2011	Provided to Corrs on May 6, 2011
20.01.19	Letter from EWA Project Consultants Ltd. dated March 22, 2011	Provided to Corrs on May 16, 2011
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20.01.30	Various e mail correspondence on status of the Macao Studio project	Provided to Corrs on June 14, 2011
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21.02.08	EWA Project Consultants Ltd – Submission architect; Reimbursement	Soft Costs Final Payments Folder (1)



21.02.09	Food Services Consultant Limited – Kitchen Design Services	Soft Costs Final Payments Folder (1)
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21.02.12	Grey Wong & Associates Ltd – Column Reinforcement Starter Bars Structural Safety Assessment	Soft Costs Final Payments Folder (1)

21.02.13	HBA International - Concept Phase Interior Design, Tang Hotel	Soft Costs Final Payments Folder (1)
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**C L I F F O R D**  
**C H A N C E**

**CLIFFORD CHANCE**  
高 爾 律 師 行

Execution version

EAST ASIA SATELLITE TELEVISION (HOLDINGS) LIMITED  
MELCO CROWN ENTERTAINMENT LIMITED

\_\_\_\_\_  
LOAN ASSIGNMENT AGREEMENT  
\_\_\_\_\_

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THIS AGREEMENT (this “**Agreement**”) is made on 2011.

**BETWEEN:**

- (1) **EAST ASIA SATELLITE TELEVISION (HOLDINGS) LIMITED**, a company incorporated in the British Virgin Islands whose registered office is at PO Box 957, Offshore Incorporation Centre, Road Town, Tortola, the British Virgin Islands (the “**Transferor**”); and
- (2) **MELCO CROWN ENTERTAINMENT LIMITED**, a company incorporated in the Cayman Islands, whose registered office is at Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman (the “**Transferee**”).

The Transferor, the Transferee and the Borrower (defined below) will hereinafter together be referred to as the “**Parties**” and each one of them a “**Party**”.

**INTRODUCTION:**

- (A) New Cotai, LLC is a company incorporated in Delaware whose registered office is at National Corporate Research, Ltd., 615 South Dupont Highway, Dover, DE 19901 (“**New Cotai**”).
- (B) The Transferor, Cyber One Agents Limited (the “**Borrower**”) and New Cotai entered into a joint venture agreement (“**Original JVA**”) dated December 6, 2006 pursuant to which the Transferor advanced a shareholder loan (the “**Shareholder Loan**”) in the aggregate sum of US\$60,000,000.00 to the Borrower.
- (C) The Transferor and the Borrower entered into a shareholder loan agreement (the “**Loan Agreement**”) dated June 15, 2011 to formalize the Shareholder Loan in writing.
- (D) Pursuant to a sale and purchase agreement (“**Transferee SPA**”) dated on June 15, 2011, the Transferee agrees to purchase from the Transferor all of the Transferor’s rights under the Shareholder Loan for a consideration of US\$60,000,000.00 (“**Shareholder Loan Purchase**”).
- (E) Subject and pursuant to the terms and conditions of the Shareholder Loan Purchase set out in the Transferee SPA, the Transferor and the Transferee agree that, on the Effective Date, the Transferee will acquire from the Transferor all of the Transferor’s rights under the Shareholder Loan (the “**Assigned Debt**”).

**NOW THEREFORE**, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

---

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

Unless the context otherwise requires, the following words and expressions shall have the following meanings when used in this Agreement:

“**Effective Date**” means the date of this Agreement; and

“**US\$**” means the lawful currency for the time being of the United States.

1.2 **Interpretation**

In this Agreement, unless the context otherwise requires:

1.2.1 the headings in this Agreement are for convenience only and shall not affect its construction or interpretation; and

1.2.2 unless the context otherwise requires:

(a) words denoting a singular number shall include the plural and vice versa;

(b) the masculine gender shall include the feminine gender and the neuter gender and vice versa; and

(c) reference to persons shall include companies, corporations, unincorporated associations, partnerships, limited partnerships, joint ventures and governmental entities.

1.3 The ejusdem generis principle of construction shall not apply to this Agreement. Accordingly general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.

2. **TRANSFER BY ASSIGNMENT**

On the Effective Date, the Transferor shall sell to the Transferee the Assigned Debt by assignment. In exchange, the Transferee shall pay to the Transferor the purchase price of the Assigned Debt in accordance with and subject to the terms and conditions set out in the Transferee SPA.

**3. PURCHASE PRICE AND RELATED MATTERS**

Each of the Transferor and the Transferee agrees that the purchase price for the acquisition of the Assigned Debt is equal to the principal amount of the Assigned Debt.

**4. NO ACCRUED INTEREST**

As the Shareholder Loan is free from interest, no interest has accrued or is due under the Shareholder Loan and no interest shall form part of the Assigned Debt.

**5. TRANSFER OF TITLE**

From the Effective Date, the Transferee shall benefit from all of the rights, title and interest under or attaching to the Assigned Debt, and shall assume all of the obligations and liabilities arising from the Assigned Debt.

**6. NOTICE**

Each of the Transferor and the Transferee hereby gives notice to the Borrower that, as of the Effective Date, all the Transferor's right, title, interest and benefit in and to the Assigned Debt vest with the Transferee, and the Transferee shall assume all of the obligations and liabilities arising from the Assigned Debt.

**7. MISCELLANEOUS**

**7.1 Incorporation of terms**

The provisions of clause 16.1, 16.2, 16.7, 17.2, 19 and 20 of the Transferee SPA shall be incorporated into this Agreement as if set out in full in this Agreement and as if references in those clauses to "this Agreement" are references to this Agreement.

**7.2 Assignability**

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; provided, however, that no Party hereto may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Parties.

**7.3 Further Assurances**

Each of the Parties will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all further acts, documents and things as the other Parties to this Agreement may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take any steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

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**7.4 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**7.5 Governing Law**

This Agreement, including the notice to the Borrower in accordance with Clause 6, shall be governed by and construed in accordance with the laws of Hong Kong.

*[Signature page to follow]*



IN WITNESS whereof, this Agreement has been executed on the day and year first above written.

Executed by )  
**EAST ASIA SATELLITE TELEVISION** )  
**(HOLDINGS) LIMITED** )  
acting by )  
an authorized signatory )

Executed by )  
**MELCO CROWN ENTERTAINMENT** )  
**LIMITED** )  
acting by )  
an authorized signatory )

Date:

Offshore Incorporations Limited  
9/F., Ruttonjee House  
11 Duddell Street  
Central  
Hong Kong

Attention: Ms. Rosanna Wong / Ms. Veronica Chan

Dear Sirs,

**Re: Cyber One Agents Limited (BVI Company No. 399970, the “Company”)**

**Changes to Register of Members, Register of Directors and Client on Record**

## 1. Background

Pursuant to a sale and purchase agreement entered into by, inter alia, East Asia Satellite Television (Holdings) Limited (“**East Asia**”) and Melco Crown Entertainment Limited (“**Melco**”) (the “**SPA**”), East Asia agreed to transfer 6,000 Class A Shares in the Company (“**Sale Shares**”) to MCE Cotai Investments Limited (a nominee of Melco) on Completion (as defined in the SPA) (the “**Share Transfer**”). As part of the terms and conditions of the SPA, changes to the Board of directors of the Company and to the client on record of the Company are also to take effect on Completion (as defined in the SPA). Completion (as defined in the SPA) has occurred and we are instructed to request that you update the records of the Company in respect of the following without delay.

## 2. Changes to Registers

We enclose for your attention:

- A copy of the signed unanimous written resolutions of the directors of the Company approving, inter alia, the transfer of the Sale Shares from East Asia to MCE Cotai Investments Limited and the appointment of new directors and secretary of the Company

- 
- A copy of the duly executed transfer form in respect of the transfer of the Sale Shares
  - A copy of each of the cancelled Share Certificates for the Sale Shares in the name of East Asia
  - A copy of the draft of the Register of Members of the Company updated to reflect the Share Transfer
  - A copy of each of the Register of Directors and Register of Secretaries of the Company updated to reflect certain resignations and appointments of directors and the secretary of the Company

### **3. Change of Client on Record**

With immediate effect, the client on record for the Company is to be amended from the undersigned to Melco Crown Entertainment Limited. The details of Melco Crown Entertainment Limited are stated below and we ask that you update your records and inform your BVI office accordingly:

Melco Crown Entertainment Limited

Address: 36/F, The Centrium, 60 Wyndham Street, Central, Hong Kong

Contact Person: Chief Legal Officer

Fax No.: +852 2537 3618

Email: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

Meanwhile, please acknowledge receipt of the above documents and instruction by signing and returning a copy of this letter by fax or by email to:

- (i) the undersigned (fax no. 2743 8459 / email: [seamankwok@laisun.com](mailto:seamankwok@laisun.com)); and
- (ii) Melco Crown Entertainment Limited (contact details as set out above).

Once available, please also provide Melco Crown Entertainment Limited with a copy of the updated register of members.

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Thank you for your kind attention to the matter.

Yours faithfully,

For and on behalf of  
eSun Holdings Limited

Kwok Siu Man  
Company Secretary

Encls.

MCE COTAI INVESTMENTS LIMITED  
NEW COTAI, LLC  
and Others

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**IMPLEMENTATION AGREEMENT**

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**Date 15 June 2011**

Parties

**Melco Crown Entertainment Limited**, a company incorporated in the Cayman Islands, of Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands (**MCE**)

**MCE Cotai Investments Limited**, a company incorporated in the Cayman Islands, of Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands (**MCE Cotai**)

**New Cotai, LLC**, a limited liability company formed in Delaware, United States of America, c/o New Cotai Holdings, LLC, of Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America (**New Cotai**)

**New Cotai Holdings, LLC**, a limited liability company formed in Delaware, United States of America, Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America (**New Cotai Holdings**)

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Background

The parties have agreed to enter into this document to implement certain transactions and do certain things in connection with (a) the execution and delivery of a shareholders' agreement between the owners of Cyber One Agents Limited (**Company**) to reflect new ownership and the terms of their relationship and (b) the contribution to the Company by New Cotai Holdings of all the units on issue in New Cotai Entertainment and all the shares on issue in New Cotai Entertainment Macau (other than those held by New Cotai Entertainment).

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Agreed terms

1 Interpretation

**1.1 Definitions**

Terms used but not defined in this document have the meaning given to those terms in the Shareholders' Agreement. In this document, the following terms have the following meanings:

**2006 JV Agreement** means the joint venture agreement for the Company entered into between East Asia, New Cotai and the Company dated 6 December 2006, as modified and amended by the MOU.

**Accounts** means the consolidated and certain subsidiary statutory audited financial statements prepared for the Cyber One Group as at, and for, the financial years ended 31 December 2007, 2008, 2009 and 2010.

**Accounts Date** means 31 December 2007, 31 December 2008, 31 December 2009 and the Last Accounts Date.

**Amended and Restated Memorandum and Articles of Association** means the amended and restated articles of association of the Company set out in **annexure O**.

**Bank Account** means the bank accounts of the Cyber One Group Companies set out in **schedule 10**.

**Business Records** means all books, files, reports, records, correspondence, documents, registers, accounts, data, programmes, software and other material (in whatever form stored), owned by any New Cotai Group Company including to the extent relevant:

- (a) minute books, statutory books and registers, books of account and copies of tax and other returns;
- (b) all sales and purchasing records;
- (c) lists of all regular suppliers and customers;
- (d) all trading and financial records; and
- (e) all insurance policies and certificates of currency of insurance held by any New Cotai Group Company (if any).

**BVI Shareholders' Resolution** means the written resolution of the shareholders of the Company as at the Effective Time adopting, with effect from the Effective Time, the Amended and Restated Memorandum and Articles of Association as the memorandum and articles of association of the Company.

**Claim** means any claim, demand or cause of action, proceeding, investigation or audit in contract, tort, under statute or otherwise.

**Commitment Letters** means the MCE Commitment Letter and the New Cotai Commitment Letters.

**Common Warranties** means the representations and warranties set out in **schedule 1**.

**Common Warranties Disclosure Annex** means the information and matters set out in **annexure P**.

**Confidential Information** means:

- (a) any confidential, non-public or proprietary information relating to the business, assets or affairs of the disclosing party (and includes any information provided under the negotiations relating to this document);

- (b) any information relating to this document and the transactions contemplated by it including the existence of this document and the transactions contemplated by it and of the negotiations which preceded it;

provided, however, that Confidential Information shall not include information that:

- (w) is or becomes generally available to the public other than as a result of disclosure in violation of this document;
- (x) is or becomes available to the receiving person on a non-confidential basis prior to its disclosure to such person;
- (y) is or has been independently developed or conceived by the receiving person without use of Confidential Information; or
- (z) becomes available to the receiving person on a non-confidential basis from a source other than the disclosing party; provided, that such source is not known by such person to be bound by a confidentiality agreement with the disclosing party.

**Cyber Neighbour** means Cyber Neighbour Limited, a company incorporated in the British Virgin Islands.

**Cyber One Completion** means completion of the transaction pursuant to which East Asia will sell and MCE Cotai will buy, all of the shares held by East Asia in the Company on the terms of, and subject to the conditions of, the Cyber One Sale Agreement.

**Cyber One Group** means the Company and its subsidiaries and **Cyber One Group Company** means any of them.

**Cyber One Sale Agreement** means the agreement among MCE, East Asia and others dated the date of this document in relation to the purchase by MCE Cotai of all of the shares held by East Asia in the Company and the assignment by East Asia of the loan made by it to the Company to MCE Cotai.

**Cyber One Shares** means 4,000 fully paid Class A ordinary shares in the capital of the Company.

**Cyber One Warranties** means the representations and warranties set out in **schedule 2**.

**Cyber One Warranties Disclosure Annex** means the information and matters set out in **annexure Q**.

**Data Room Index** means the index of documents attached to this document as **annexure A**.

**Design and Construct Contracts** means the contracts between certain Cyber One Group Companies and third party suppliers in respect of services to the MSC Property, including those contracts set out in **annexure B**.

**Designated BVI Counsel** means Conyers Dill & Pearman.

**Designated Escrow Counsel** means (i) in respect of the New Cotai Parties, Skadden, Arps, Slate, Meagher & Flom, LLP, and (ii) in respect of MCE and MCE Cotai, Corrs Chambers Westgarth.

**Disclosure Materials** means the information and materials provided to MCE on or prior to the date hereof as referred to in the Data Room Index.

**Dispute** shall have the meaning given to the term in **clause 12.14(b)**.

**Dispute Notice** shall have the meaning given to the term in **clause 12.14(c)**.

**Disputing Parties** shall have the meaning given to the term in **clause 12.14(d)**.

**East Asia** means East Asia Satellite Television (Holdings) Limited.

**East Asia Loan** means the loan acquired by MCE Cotai (as the nominee of MCE) from East Asia in the amount of US\$60 million under the loan assignment agreement between MCE and East Asia dated on or before the date of this document (and referred to in the Cyber One Sale Agreement).

**Effective Time** means the time at which the Cyber One Completion occurs.

**Encumbrance** means an interest or power:

- (a) reserved in or over an interest in any asset; or
- (b) created or otherwise arising in or over any interest in any asset under any mortgage, charge, pledge, lien, hypothecation, trust or bill of sale, by way of security for the payment of a debt or other monetary obligation or the performance of any other obligation.

**Escrow Agent** means JP Morgan (Hong Kong) or another bank located in Hong Kong acceptable to MCE and New Cotai Holdings in the exercise of their reasonable discretion.

**Escrow Agreement** has the meaning given to that term in **clause 2.6(a)**.

**Escrowed Agreements** means the Shareholders' Agreement and the New Cotai Entertainment Sale Agreement.

**Facility Items** means gaming tables.

**Facility Operation Revenue** means Total Gaming Revenues as defined in the Facility Operations Agreement.

**Facility Operations Agreement** means the services and right to use agreement between Melco Crown Gaming (Macau) Limited, New Cotai Entertainment, LLC and New Cotai Entertainment (Macau) Limited dated 11 May 2007.

**Facility Operation Fees** means any fees, costs or other premiums, contributions or other payments of the Specified Affiliate in connection with maintaining and/or renewing and/or extending the MCE Subconcession, including but not limited to the fixed premium or any substitute thereof or fee or premium of similar nature (but excluding the variable per device premium, special gaming tax, contribution to a Macau public foundation and contribution to the urban, tourism promotion and social welfare development of Macau).

**Fundamental Warranties** means the warranties in sections 1, 3.1, 3.2, and 6 of the New Cotai Group Warranties.

**Fundamental Warranties Disclosure Annex** means the information and matters set out in **annexure R**.

**GAAP** means United States generally accepted accounting principles in effect from time to time.

**Intellectual Property** means all present and future rights conferred by statute, common law or equity in or in relation to copyright, trade marks, designs, patents, circuit layouts, business and domain names, inventions, know-how, confidential information and other results of intellectual activity in the industrial, commercial, scientific, literary or artistic fields, whether or not registrable, registered or patentable.

**Intercompany Loans** means the outstanding intercompany loans owed by:

- (a) New Cotai Entertainment to each of New Cotai Holdings and New Cotai Management, the amounts of which are US\$2,411,123.10 and US\$19,308.22, respectively; and
- (b) New Cotai Entertainment Macau to each of New Cotai Holdings and New Cotai Management, the amounts of which are US\$2,162,484.47 and US\$209,689.90, respectively.

**Land Grant Letter** means the letter from PropCo to the Macau Land, Public Works and Transportation Department (**DSSOPT**) or the Secretary for Public Works and Transportation in the form as agreed to, and initialled by, all of the parties to this document.

**Last Accounts Date** means 31 December 2010.

**Letter of Instruction** means the letter of instruction from the client of record of the Company to the Registered Agent in the form set out in **annexure U**.

**Long Stop Date** means the date 121 days after the date of this document.

**Loss** means, in relation to any person, damage, loss, cost, liability or out-of-pocket expense incurred by the person, however arising, including contractual, tortious, reasonable legal fees, equitable or pursuant to statute, but excluding consequential, special, indirect (except as expressly set out in this document), incidental, punitive and exemplary damages.

**Macau Settlement Deed** means the deed of settlement entered into between East Asia Entertainment Limited, East Asia Telvisao Por Satelite Limitada, East Asia Music (Holdings) Limited, East Asia Satellite Television (Holdings) Limited, and New Cotai on or before the date of this document.

**Management Accounts** means the consolidated monthly unaudited management accounts for the Cyber One Group being the cashflow position movements schedule, consolidated profit and loss account, consolidated balance sheet and consolidated fixed assets summary.

**MCE Commitment Letter** means the commitment letter to be entered into between MCE and the Company in the form set out in **annexure M**.

**MCE Group** means MCE and MCE Cotai together and **MCE Group Companies** means any of them.

**MCE Warranties** means the representations and warranties set out in **schedule 9**.

**MOU** means the memorandum of understanding between eSun Holdings Limited, East Asia, New Cotai, LLC, New Cotai Entertainment, the Company, PropCo and Macao Studio City (Hong Kong) Limited (formerly known as Bestwood Enterprises Limited) dated 9 November 2007 and termination letter.

**Mutual Waiver and Consent Agreement** means the mutual waiver and consent agreement entered into between New Cotai, East Asia, MCE and MCE Cotai on or before the date of this document.

**New Cotai Accounts** means each of the:

- (a) draft statement of financial position of the New Cotai Group Companies as at the relevant Accounts Date; and
- (b) draft statement of financial performance of the New Cotai Group Companies for the year ending on the relevant Accounts Date.

**New Cotai Commitment Letters** means the commitment letters to be entered into between each of the Silver Point Funds and the Oaktree Funds, on the one hand, and the Company, on the other hand, in the forms set out in **annexures N-1** and **N-2**.

**New Cotai Entertainment** means New Cotai Entertainment, LLC, a limited liability company formed in the State of Delaware, United States of America.

**New Cotai Entertainment Macau** means New Cotai Entertainment (Macau) Limited, a company incorporated in Macau.

**New Cotai Entertainment Macau Sale Agreement** means the share transfer agreement and amendment of the articles of association of New Cotai Entertainment Macau to be entered into at the Effective Time upon the terms set out in **annexure H**.

**New Cotai Entertainment Sale Agreement** means the agreement related to the transfer of the Sale Units by New Cotai Holdings in the form set out in **annexure S**.

**New Cotai Group** means New Cotai Entertainment and New Cotai

Entertainment Macau together and **New Cotai Group Companies** means any of them.

**New Cotai Group IP** means all Intellectual Property used by the New Cotai Group.

**New Cotai Group Warranties** means the representations and warranties set out in **schedule 3**.

**New Cotai Management** means New Cotai Management, LLC, a limited liability company formed in the State of Delaware, United States of America.

**New Cotai Parties** means New Cotai and New Cotai Holdings.

**New Cotai Sale** means the transactions contemplated by **clauses 4.1(a), 4.1(b) and 4.1(c)**.

**Nominated Contract** has the meaning given to the term in **clause 2.2(b)**.

**Oaktree Funds** means OCM Opportunities Fund V, L.P., OCM Asia Principal Opportunities Fund, L.P. and OCM Opportunities Fund VI, L.P.

**Option Deed** means the entertainment use of commercial space option deed between PropCo and New Cotai Entertainment dated 6 December 2006 as amended from time to time.

**Permits** means all permits, licenses, consents, approvals, certificates, registrations and authorisations required by Law.

**Permitted Encumbrances** means (i) Encumbrances for Taxes that are not due and payable or (if adequate reserves have been established on the accounts of a party in accordance with GAAP) that are being contested in good faith by appropriate proceedings, (ii) statutory landlord's, mechanic's, carrier's, workmen's, repairmen's or other similar Encumbrances arising or incurred in the ordinary course of business for amounts which are not due and payable and which would not, individually or in the aggregate, have a material adverse effect on a party's business as currently conducted, (iii) Encumbrances arising from zoning ordinances which do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business thereon, (iv) Encumbrances incurred or deposits made in the ordinary course of business in connection with workers compensation, unemployment insurance and other types of social security, (v) deposits to secure the performance of any or all of the following: bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (vi) easements, rights of way, restrictions and other similar encumbrances on real property incurred in the ordinary course of business, (vii) Encumbrances arising from or created by this document, and (viii) other Encumbrances which do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business thereon.

**Permitted Payments** means any payment by a Cyber One Group Company in respect of:

- (a) any payments associated with the Nominated Contracts;
- (b) any arbitral award declared payable by any Cyber One Group Company in respect of the RDLA Agreement;
- (c) the Siu Yin Wai Claim;
- (d) the consulting, advising and contractor fees of each Cyber One Group Company in respect of the consultancy fees incurred by Mr Rajaratnam Selvaskandan and Mr Ricky Kwok Choi Lau, the audit fees incurred by Ernst & Young and the document storage fees;

- (e) the Macau Settlement Deed in an amount equal to HK\$350,000; and  
(f) other expenses incurred in the ordinary course of business not to exceed US\$25,000 for any individual expense or US\$150,000 in aggregate.

**Policy on Related Party Transaction** means the policy on related party transaction set out in **annexure E**.

**Pre-Closing Costs** shall have the meaning given to the term in **clause 10.3**.

**PropCo** means East Asia-Televisão Por Satélite, Limitada, a company incorporated in Macau (also known as East Asia Satellite Television Limited).

**RDLA Agreement** means the agreement between RDL Asia Limited and PropCo dated 24 November 2007.

**Registered Agent** means the registered agent of the Company being, as at the date of this document, Offshore Incorporations Limited.

**Registration Rights Agreement** means the registration rights agreement to be entered into between New Cotai and the Company in the form set out in **annexure F**.

**Relevant Claim** means any claim for Losses incurred by a party to the extent arising out of a breach of this document.

**Sale Securities** means the Sale Shares and Sale Units together.

**Sale Shares** means the MOP1,000 fully paid quota in New Cotai Entertainment Macau.

**Sale Units** means 100 units of New Cotai Entertainment.

**Settlement Deed** means the deed of settlement entered into between the Company, eSun Holdings Limited, East Asia, New Cotai and others on or before the date of this document.

**Settled Sum** means the amount which has been agreed by the parties as being payable, or which has been determined as being payable pursuant to the dispute resolution procedures set out in **clause 12.14**, in respect of a Relevant Claim made by MCE or MCE Cotai under this document.

**Shareholders' Agreement** means the shareholders' agreement to be entered into among MCE, MCE Cotai, New Cotai and the Company in the form set out in **annexure D**.

**Shareholder Litigation** means the court proceedings numbered HCA 2189/2009 (subject to appeal CACV 160/2010); HCA 1545/2010; HCA 1546/2010; HCMP 2218/2009 (subject to appeal CACV 161/2010) and HCMP 2185/2010 commenced and continuing as at the date of this document in the Hong Kong Courts among eSun, East Asia, New Cotai Entertainment and others.



**Shareholder Loan** means the loan from New Cotai to the Company in the amount of US\$40 million.

**Silver Point Funds** means Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Fund, Ltd.

**Siu Yin Wai Claim** means the demand for payment for HK\$15,685,178.50 for outstanding fees from Sin Yin Wai & Associates (International) Limited in a letter from their solicitors to PropCo dated 6 May 2011.

**Specified Affiliate** means Melco Crown Gaming (Macau) Limited, a company incorporated in Macau, or any other Affiliate of MCE holding a Gaming Authorisation in Macau from time to time.

**Transaction Documents** means this document, the Shareholders' Agreement, the Commitment Letters and the Registration Rights Agreement.

**W** means W International Hotel Management, Inc.

**W Agreements** means:

- (a) Centralised Services Agreement between PropCo and W dated 14 July 2007;
- (b) Development Consulting Services Agreement between PropCo and W dated 14 July 2007;
- (c) Operating Services Agreement between PropCo and W dated 14 July 2007; and
- (d) System License Agreement between PropCo and W dated 14 July 2007; and
- (e) any other agreement referred to in or contemplated by the above.

**Warranties** means the New Cotai Group Warranties, the Cyber One Warranties, the MCE Warranties and the Common Warranties.

## 1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) **includes** means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;
- (f) a reference to:
  - (i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a Governmental Agency;

- (ii) a person or a party includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
  - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (v) a right includes a benefit, remedy, discretion or power;
  - (vi) time is to local time in Hong Kong;
  - (vii) "US\$" or US dollars is a reference to the currency of the United States of America;
  - (viii) "HK\$" or HK dollars is a reference to the currency of Hong Kong;
  - (ix) this or any other document includes the document as novated, varied or replaced in accordance with the terms hereof and thereof and despite any change in the identity of the parties;
  - (x) this document includes all schedules, annexures and exhibits to it;
  - (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document; and
  - (xii) a reference to a meeting is a meeting in person, by conference telephone or similar equipment, so long as all of the participants can hear each other;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

### **1.3 Headings**

Headings do not affect the interpretation of this document.

### **1.4 Control over Cyber One actions**

- (a) Any requirement in this document that the New Cotai Parties use their commercially reasonable endeavours (or any similar wording) to procure any Cyber One Group Company or any of their respective directors, officers or employees does, or refrains from doing, any action means that the New Cotai Parties shall, where applicable, do the following and does not require anything more:
- (i) exercise their rights under the 2006 JV Agreement to veto, consent to, approve or authorise that action (as applicable);

- (ii) procure that the directors appointed by it (in the case of New Cotai only) to the board of the relevant Cyber One Group Company do, or refrain from doing, that action (as applicable) including execute any document (in each case, subject to their fiduciary duties);
  - (iii) vote the shares held by it (in the case of New Cotai only) in the Company to veto, consent to, or approve, that action; and
  - (iv) exercise its rights as shareholder (in the case of New Cotai only) under the Memorandum and Articles of Association of the Company not to grant any consent, approval, waiver, authority or power to do that action.
- (b) Without limiting **clause 1.4(a)**, the parties acknowledge that the New Cotai Parties do not control the Cyber One Group and, therefore, are not able, on their own, to procure any Cyber One Group Company to take a particular action.

## **1.5 Survival of certain definitions**

Despite anything to the contrary in this document, the definitions “Facility Agreement”, “Facility Operations Agreement”, “Specified Affiliate”, “Facility Operations fees”, “Facility Items” and “Facility Operation Revenue” survive the Effective Time.

## **2 Prior to the Effective Time**

### **2.1 Land Grant**

- (a) The parties acknowledge that PropCo has submitted the Land Grant Letter to the DSSOPT.
- (b) The New Cotai Parties must use their commercially reasonable endeavours to provide to MCE on or before the date three days after:
  - (i) receipt by any of the New Cotai Parties or any Cyber One Group Company (if a copy has been received by the New Cotai Parties, and for this purpose the New Cotai Parties will be deemed to have received any documents received by the directors appointed by any of the New Cotai Parties to any Cyber One Group Company) of any correspondence from any Governmental Agency in connection with the Land, the Land Grant or the Land Grant Letter (as applicable), a copy of that correspondence; and
  - (ii) any telephone conversation between any of the New Cotai Parties or any Cyber One Group Company, or any of their respective directors, officers, employees, agents or advisers, and any Governmental Agency in connection with the Land or the Land Grant, a written summary of the substantive contents of that conversation to the extent the New Cotai Parties have actual knowledge thereof (and for this purpose the knowledge of the New Cotai Parties includes the knowledge of each of the directors appointed by any of the New Cotai Parties to any Cyber One Group Company).

- (c) Except as permitted under **clause 2.1(b)**, the New Cotai Parties must not have, and must not cause or take any action to permit any Cyber One Group Company to have, any discussions with or meet with, or submit or enter into any correspondence (including verbal or written) with, any Governmental Agency in connection with the Land, the Land Grant, or the Land Grant Letter unless MCE:
  - (i) is given reasonable opportunity to participate in, and participates in (or declines to participate in), those discussions and meetings; and
  - (ii) in the case of any correspondence, has consented (such consent not to be unreasonably withheld, conditioned or delayed) to the form, content, manner and timing of that correspondence.

## 2.2 Design and Construct Contracts

- (a) The New Cotai Parties and MCE must, as soon as practicable after the date of this document, discuss whether it is in their mutual interests (and the interests of the Cyber One Group) to seek to terminate the W Agreements and one or more of the Design and Construct Contracts prior to the Effective Time.
- (b) If the New Cotai Parties and MCE agree that the W Agreements or any Design and Construct Contract should be terminated prior to the Effective Time, and MCE has a similar agreement with East Asia as to the termination of such contract, then for purposes hereof, such contract shall become a nominated contract (**Nominated Contract**).
- (c) Subject to **clause 2.2(b)**, the New Cotai Parties agree to use their commercially reasonable endeavours to procure that each Cyber One Group Company does all things that may be reasonably required by MCE to terminate each Nominated Contract; provided, that in no event shall the New Cotai Parties be required to procure that any Cyber One Group Company incur any obligations or pay any amounts in excess of the available funds of the Cyber One Group, after taking into account all other obligations of the Cyber One Group Companies.
- (d) With respect to each of the W Agreements and each of the Design and Construct Contracts, New Cotai agrees that it must not, and must use commercially reasonable endeavours to procure each Cyber One Group Company must not:
  - (i) make any admissions of liability, give any warranties, or agree to any additional obligations in respect of the W Agreements and Design and Construct Contracts;
  - (ii) take any steps to terminate any of the W Agreements or Design and Construct Contracts (other than the Nominated Contracts);

- (iii) initiate any correspondence with any counterparty to any of the W Agreements or Design and Construct Contracts (other than the Nominated Contracts) other than as may be reasonably necessary to preserve the status quo prevailing as at the date of this document; and
  - (iv) reply to any correspondence from any counterparty to any of the W Agreements or Design and Construct Contracts other than as may be reasonably necessary to preserve the status quo prevailing as at the date of this document,
- in each case, without the prior written consent of MCE.
- (e) The New Cotai Parties must provide to MCE a copy of any correspondence initiated, received, or sent in reply under **clauses 2.2(d)(iii) or 2.2(d)(iv)**, (as applicable).
  - (f) Prior to the Effective Time, the New Cotai Parties must not, and must use commercially reasonable endeavours to ensure that the Cyber One Group does not:
    - (i) authorise any Permitted Payments associated with a Nominated Contract unless the Cyber One Group Company has complied with **clauses 2.2(c) and 2.2(d)**; and
    - (ii) in respect of any payment that is not a Permitted Payment, authorise or approve any such payment from the Bank Account, without the prior written consent of MCE, such consent not to be unreasonably withheld, conditioned or delayed.
  - (g) The MCE Group Companies agree that the termination of a Nominated Contract may be with or without liability to any Cyber One Group Company but in no circumstances is any termination required if it could impose any liability on any of the New Cotai Parties.
  - (h) The New Cotai Parties acknowledge and agree that none of MCE or its Affiliates will have any liability, other than through its interest in the Company and except as may be agreed pursuant to **clauses 2.2(c) and 2.2(d)**, to any of the New Cotai Parties or any of their Affiliates in connection with the proposed termination of any the W Agreements or the Design and Construct Contracts, or any of the negotiations, representations or correspondence in relation to or in connection with such termination.

### 2.3 Amendments to Facility Operations Agreement

- (a) Promptly after the date of this document, the parties will negotiate in good faith an amendment to the Facility Operations Agreement (and other matters set forth in **annexure G**) addressing the matters set out in **annexure G**.
- (b) The parties shall, promptly after they reach agreement on the form of amendment to the Facility Operations Agreement contemplated by **clause 2.3(a)**, which may be before or after the Effective Time, subject to **clause 2.3(c)**, use their commercially reasonable endeavours to seek Macau government approval to amend the Facility Operations Agreement on such terms (including the other matters set forth in **annexure G**) and the parties will cooperate with each other in seeking to obtain such approval.

- (c) Nothing in this clause requires the parties to seek, prior to the Effective Time, approval to any amendment to the Facility Operations Agreement unless such amendment can be sought, and obtained, on the basis that it will not be effective or granted unless and until the Effective Time has occurred.
- (d) The parties acknowledge and agree that the approval of the Macau government to the amendments to the Facility Operations Agreement contemplated by this **clause 2.3** shall not be a condition to completion of the transactions contemplated by this document.

#### **2.4 Certain agreements**

Prior to the Effective Time, the New Cotai Parties must not, and must not cause any Cyber One Group Company to, take any action to cause:

- (a) the Mutual Waiver and Consent Agreement (or the board and shareholder resolutions attached thereto and passed in connection therewith) or the Settlement Deed to become varied, amended, terminated or replaced; or
- (b) the validity or effectiveness of the documents in **clause 2.4(a)** to be challenged by a court or arbitration.

#### **2.5 Document escrow**

- (a) Prior to or simultaneously with the execution and delivery of this document, the parties to the Escrowed Agreements have executed undated versions of such agreements and delivered them to such party's Designated Escrow Counsel to be released and deemed effective at the Effective Time in accordance with **clause 4.5**.
- (b) The parties agree that the Designated Escrow Counsel will have no liability to any person under or in connection with this document and the Escrowed Agreements whatsoever and however arising.

#### **2.6 Cash escrow**

- (a) The parties must, as soon as practicable after the date of this document and in any event prior to the date specified in **clause 2.6(b)**, agree to a third party escrow arrangement with the Escrow Agent on such terms as are customary in Hong Kong and which are acceptable to MCE and New Cotai Holdings in the exercise of their reasonable discretion (**Escrow Agreement**) to hold and pay the amount referred to in **clause 2.6(c)**.
- (b) In addition to such terms as may be agreed under **clause 2.6(a)**, the Escrow Agreement must provide that:
  - (i) the amount deposited under **clause 2.6(c)** must be disbursed to an account designated by New Cotai Holdings immediately upon (or as soon thereafter as agreed to by the Escrow Agent) receipt by the Escrow Agent of confirmation from MCE's bank that it has wired the Purchase Price (as defined in the Cyber One SPA) to East Asia (and MCE must provide irrevocable instructions to its bank to that effect); and

- (ii) if for whatever reason the Effective Time has not occurred on or before the Long Stop Date or this document is otherwise terminated under **clause 3.3**, the amount deposited under **clause 2.6(c)** must be repaid to MCE on or before the date three Business Days after the Long Stop Date (together with all interest payable on that amount).
- (c) Within five Business Days following despatch by eSun of a circular to its shareholders and notice of meeting under clause 3.4(b)(ii) of the Cyber One Sale Agreement, MCE must deposit US\$50 million with the Escrow Agent to be held by that person on the terms of the Escrow Agreement.
- (d) MCE must provide the Escrow Agent irrevocable instructions that the amount deposited under **clause 2.6(c)** must be disbursed at the Effective Time to an account designated by New Cotai Holdings on receipt by the Escrow Agent of confirmation from MCE's bank that it has wired the Purchase Price (as defined in the Cyber One SPA) to East Asia and MCE's bank must be authorized to provide such confirmation without further action by MCE.

## 2.7 Instruction to BVI Counsel

- (a) Prior to or simultaneously with the deposit of funds into escrow as provided in **clause 2.6**, each of New Cotai and MCE Cotai must deliver to the Designated BVI Counsel:
  - (i) copies of the:
    - (A) BVI Shareholders' Resolution;
    - (B) Letter of Instruction; and
    - (C) Amended and Restated Memorandum and Articles of Association,in the case of the BVI Shareholders' Resolution and Letter of Instruction, executed by each of the parties to those documents; and
  - (ii) irrevocable instructions to it to instruct the Registered Agent to file with the British Virgin Island's Registrar of Corporate Affairs at the Effective Time the Amended and Restated Memorandum and Articles of Association.
- (b) If, for whatever reason, the Effective Time has not occurred on or before the Long Stop Date, the BVI Counsel is authorised to destroy the documents provided to them under **clause 2.7(a)** held by them at any time after the Long Stop Date.

## 2.8 Notifications

The parties agree that:

- (a) the first representative of MCE for the purposes of clause 7.3 of the Shareholders' Agreement will be the person notified by MCE to the Company on or about the Effective Time;
- (b) the first MCE Valuation Expert will be the person notified by MCE to the Company on or about the Effective Time; and
- (c) the first Minority Shareholder Valuation Expert will be the person notified by New Cotai Holdings to the Company on or about the Effective Time.

## 2.9 Financing structure

The parties agree that they will work with each other in good faith to develop and implement a restructure plan for the Group (which may include the incorporation of one or more parent entities of the Company) for the purposes of facilitating the financing of the Group.

## 3 Completion of the Cyber One Sale and Termination

### 3.1 Cyber One Sale Agreement

Prior to the date of this document, MCE has delivered to the New Cotai Parties a complete and accurate copy of the Cyber One Sale Agreement.

### 3.2 Notification

- (a) MCE must notify each of the New Cotai Parties promptly upon becoming aware of the satisfaction of all conditions to completion in the Cyber One Sale Agreement and, in any event, not less than five Business Days before the Cyber One Completion is proposed to occur, which notification must include the proposed place, date and time of the Cyber One Completion.
- (b) If, for any reason, Cyber One Completion does not occur on the date notified in **clause 3.1(a)**, (or subsequently notified under this **clause 3.1(b)**), MCE must promptly notify the New Cotai Parties of that fact and notify the New Cotai Parties of the proposed new place, date and time of Cyber One Completion at least five Business Days before such revised Cyber One Completion place, date or time.
- (c) MCE must notify the New Cotai Parties as soon as practicable:
  - (i) upon receipt of any notice under clause 3.4 or clause 3.6 of the Cyber One Sale Agreement;
  - (ii) of any amendment or waiver of any provision of the Cyber One Sale Agreement (including a reasonably detailed description thereof); and
  - (iii) if the Cyber One Sale Agreement has been terminated or has, to the knowledge of MCE, become void for any reason, or if any party thereto alleges that the Cyber One Sale Agreement has been terminated or has become void for any reason.



- (d) MCE must notify the New Cotai Parties that Cyber One Completion has occurred immediately upon the occurrence of such event.
- (e) Despite anything to the contrary in this **clause 3.2**, the date of Cyber One Completion shall not be later than the Long Stop Date.

### **3.3 Termination**

This document may be terminated with immediate effect:

- (a) at any time prior to the Effective Time by mutual written consent of all the parties hereto; or
- (b) by any party by notice to the other parties if the Cyber One Sale Agreement is terminated for any reason or the Cyber One Completion does not occur on or before the Long Stop Date.

### **3.4 Remedies**

If this document is terminated under **clause 3.3**, each party is released from all its obligations under this document other than **clauses 9, 10, 11, and 12**, which shall survive termination, and except for liability in respect of any breach occurring prior to termination.

### **3.5 Cyber One Completion**

- (a) Following satisfaction of the conditions to completion set out in the Cyber One Sale Agreement as in effect on the date of this document, MCE must perform all of its obligations that it is required to perform thereunder to cause the Cyber One Completion to occur, including payment to East Asia of the Purchase Price as defined therein.
- (b) MCE must not waive any conditions to completion in the Cyber One Sale Agreement or otherwise agree to make any material amendments thereto or any amendments that are materially adverse to the rights of the New Cotai Parties under this document as at the Effective Time, in each case without the prior written consent of the New Cotai Parties.

## **4 At the Effective Time**

### **4.1 New Cotai Sale**

- (a) At the Effective Time, New Cotai Holdings must transfer the Sale Securities to the Company, or a subsidiary of the Company that has been mutually agreed by the parties prior to the Effective Time, for nil additional consideration.
- (b) The transfer of the Sale Units shall be made by means of the release and deemed effectiveness of the New Cotai Entertainment Sale Agreement as provided in **clause 4.5**.

- (c) The transfer of the Sale Shares shall be made by means of the execution of the New Cotai Entertainment Macau Sale Agreement by each of the parties to that document before a Macau Notary.
- (d) New Cotai must deliver to MCE at least three Business Days before the proposed date of Cyber One Completion as notified by MCE under **clause 3.1(a)** (or subsequently notified under **clause 3.1(b)**), those items set out in **schedule 4** duly executed by each person that is a party to them.

#### **4.2 Common obligations**

At the Effective Time MCE Cotai and New Cotai must together procure that the Company:

- (a) executes and delivers to each party to that document, the Shareholders' Agreement and the New Cotai Entertainment Sale Agreement;
- (b) executes and delivers the New Cotai Entertainment Macau Sale Agreement, to each of the parties to that document;
- (c) and Cyber Neighbour enter into documents set out in **annexure J** and **annexure K** and file such documents with the relevant Governmental Agencies, as applicable;
- (d) executes and delivers the Registration Rights Agreement to New Cotai;
- (e) executes and delivers the Commitment Letters to each party to those documents;
- (f) adopts, immediately after the Effective Time, the Policy on Related Party Transactions;
- (g) registers MCE Cotai in the register of members of the Company as the holder of the shares purchased by it under the Cyber One Sale Agreement and issues new share certificates for those shares; and
- (h) updates the register of directors of the Company to reflect **clause 4.6**.

#### **4.3 MCE and MCE Cotai obligations**

At the Effective Time:

- (a) MCE Cotai must contribute the amount of the East Asia Loan to the surplus of the Company by surrendering the instrument evidencing the East Asia Loan to the Company; and
- (b) MCE must execute and deliver to the Company the MCE Commitment Letter.

#### **4.4 New Cotai Parties' obligations**

At the Effective Time:

- (a) New Cotai must execute and deliver to each party to that document, the Registration Rights Agreement;

- (b) New Cotai must contribute the amount of the Shareholder Loan to the surplus of the Company by surrendering the instrument evidencing the Shareholder Loan to the Company;
- (c) New Cotai Holdings must execute and deliver, and procure that New Cotai Entertainment executes and delivers, to each of the parties to that document, the New Cotai Entertainment Macau Sale Agreement;
- (d) New Cotai Holdings must, and must procure New Cotai Management must, assign all of their respective rights, title and interest in the Intercompany Loans to the Company, free of all Encumbrances and other third party rights;
- (e) New Cotai Holdings must deliver to New Cotai Entertainment Macau (with a copy to MCE) resignation letters from each of David Friedman and Walt Power duly executed by them resigning their employment with New Cotai Entertainment Macau with effect on or before the Effective Time and releases duly executed by each of those persons releasing each New Cotai Group Company from all claims they have or may have against it, in each case pursuant to and on terms set out in employment separation agreements in the form provided to MCE prior to the date hereof. In addition, New Cotai Holdings must deliver to MCE evidence, in a form reasonably acceptable to MCE, that all amounts owed to each of those persons by any New Cotai Group Company have been paid in full by or on behalf of that New Cotai Group Company (other than amounts owed by New Cotai Holdings to each of David Friedman and Walt Power and which are payable by New Cotai Holdings to each of them in accordance with the terms of their employment separation agreements);
- (f) New Cotai must procure the New Cotai Commitment Letters are duly executed by each of the parties to them and delivered to the Company; and
- (g) New Cotai must deliver to MCE (with a copy to the Company):
  - (i) a written resolution of the shareholders of the Company in the form annexed to Annexure C of the Mutual Waiver and Consent Agreement duly executed by New Cotai only; and
  - (ii) a written resolution of the board of directors of the Company in the form annexed to Annexure D of the Mutual Waiver and Consent Agreement signed by each of the directors of the Company appointed by New Cotai and its Affiliates only.

#### **4.5 Release or destruction of Escrowed Agreements**

- (a) At the Effective Time, the Escrowed Agreements shall be deemed to be executed, delivered and dated the date on which the Effective Time has occurred without further action by any party hereto or thereto and the Designated Escrow Counsel shall be authorized to write such date into the Escrowed Agreements and release them to the applicable parties to such agreements.

- (b) If, for whatever reason, the Effective Time has not occurred on or before the Long Stop Date or this document is otherwise terminated under **clause 3.3**, each of the parties' Designated Escrow Counsel is authorised to destroy the Escrowed Agreements held by them at any time after the Long Stop Date.

#### **4.6 Appointment of Directors**

- (a) Effective as of the Effective Time, MCE Cotai and New Cotai must appoint their respective Directors to the Board in accordance with the Shareholders' Agreement, being in the case of:
- (i) MCE Cotai - Lawrence Yau Lung Ho, Clarence Yuk Man Chung and Todd Nisbet; and
  - (ii) New Cotai - Thomas Banks and Melissa Obegi.
- (b) At the Effective Time, New Cotai Holdings must cause Thomas Banks and MCE must cause Lawrence Yau Lung Ho and Clarence Yuk Man Chung to execute (in each case) a consent to act as a director of New Cotai Entertainment Macau in the form set out in **annexure I** and deliver that duly executed consent to New Cotai Entertainment Macau.
- (c) New Cotai must procure that each of the directors appointed by it to the boards of each Cyber One Group Company prior to the Effective Time (other than those Directors appointed by **clause 4.6(a)**) resign or are terminated effective on the Effective Time and each of those directors release each Cyber One Group Company from all claims they have or may have against each such company in connection with their appointment, resignation, or otherwise.

#### **4.7 Other obligations**

At the Effective Time, New Cotai Holdings must cause all of the Books and Records of each New Cotai Group Company which are in the possession of New Cotai Holdings or its Affiliates (other than the New Cotai Group Companies), to be delivered to New Cotai Entertainment.

#### **4.8 Interdependence of obligations**

- (a) The obligations of the parties at the Effective Time are interdependent.
- (b) All actions at the Effective Time will be deemed to take place simultaneously and no delivery or payment at the Effective Time will be deemed to have been made until all such deliveries and payments have been made.

### **5 Access and accounts**

#### **5.1 Cyber One Group**

- (a) On and prior to the Effective Time, New Cotai must not cause or take any action to permit any Cyber One Group Company to take, and must decline to take actions that, individually or together with actions of the other shareholder of Cyber One would cause to occur, any of the acts set out in **schedule 6** other than in connection with this document and the transactions contemplated hereby (including the transactions contemplated by the Cyber One Sale Agreement) without the prior written consent of MCE (not to be unreasonably withheld, conditioned or delayed).

- (b) New Cotai must, to the extent it is able to do so, provide MCE, its officers, employees and agents on reasonable notice and at reasonable times with access to each Cyber One Group Company, its directors, officers and employees, and any information MCE reasonably requests in relation to the Cyber One Group and its business.

## 5.2 New Cotai Group

New Cotai Holdings must use its commercially reasonable endeavours to procure that on and prior to the Effective Time each New Cotai Group Company:

- (a) carries on its business in the ordinary and normal course;
- (b) does not do any of the acts set out in **schedule 6** other than in connection with this document and the transactions contemplated hereby (including, without limitation, the transactions contemplated by the Cyber One Sale Agreement) without the prior written consent of MCE (not to be unreasonably withheld, conditioned or delayed); and
- (c) provides MCE, its officers, employees and agents on reasonable notice and at reasonable times with access to each New Cotai Group Company, its directors, officers and employees and any information MCE reasonably requests in relation to the New Cotai Group and its business.

## 5.3 Management Accounts

- (a) The New Cotai Parties have on or before the date of this document provided to MCE, Management Accounts for the period from 1 January 2011 to 31 March 2011.
- (b) The New Cotai Parties shall use their commercially reasonable endeavours to procure that on or before Cyber One Completion, the Company prepares and provides to MCE, Management Accounts for the period from 1 April 2011 to the last day of any calendar month falling no less than 10 Business Days and no more than 25 Business Days prior to the Cyber One Completion.
- (c) The New Cotai Parties must use commercially reasonable endeavours to procure that the Company provides to MCE on Cyber One Completion copies of the bank statements for the Cyber One Group for the period 1 January 2011 to the Cyber One Completion.
- (d) The MCE Group Companies acknowledge and agree that the New Cotai Parties shall have no liability or obligation whatsoever to the MCE Group Companies with respect to the contents of the Management Accounts or bank statements provided to MCE under this **clause 5.3** or the accuracy thereof.

6 Consideration

**6.1 Payment**

- (a) In consideration for the transactions contemplated by this document, including the New Cotai Sale, MCE agrees to pay to New Cotai Holdings US\$100 million as follows:
- (i) US\$50 million to be disbursed at the Effective Time from the cash escrow as provided in **clause 2.6**;
  - (ii) subject to **clauses 6.2** and **6.3**, US\$25 million on the date 12 months after the Effective Time; and
  - (iii) subject to **clause 6.2**, US\$25 million on the date that is two years after the Effective Time.
- (b) All amounts in **clause 6.1(a)(ii) and (iii)** must be paid by MCE in immediately available funds by wire transfer to an account that has been notified by New Cotai Holdings to MCE at least three Business Days prior to the applicable payment date.

**6.2 Set-off**

- (a) If prior to the date of payment of an amount under **clause 6.1(a)(ii)** or **6.1(a)(iii)** a Relevant Claim is made by MCE or MCE Cotai and that Relevant Claim becomes a Settled Sum that is unpaid, then the amount payable under those clauses will be reduced by the amount of the Settled Sum, firstly by reducing the amount payable under **clause 6.1(a)(ii)** and if the amount of the Settled Sum exceeds the amount payable under that clause, then **clause 6.1(a)(iii)**.
- (b) Subject to the limitations set out in paragraph 2 of **Schedule 7**, **Clause 6.2(a)** is without prejudice to any rights that MCE and MCE Cotai have under this document at law or in equity with respect to any amount of a Settled Sum that remains unpaid after application of amounts otherwise payable under **clauses 6.1(a)(ii) and 6.1(a)(iii)** as provided in **clause 6.2(a)** (as applicable).

**6.3 Compliance with obligations**

If the Minority Shareholders have not in the aggregate complied in all material respects with their obligations under clause 9.3 of the Shareholders' Agreement on or before the date 12 months after the Effective Time, and if such failure to comply materially and adversely affects the receipt of an amendment to the Land Grant, consistent in all material respects with the development of the MSC Property as set out in the Project Plan, then the payment under **clause 6.1(a)(iii)** may be deferred by MCE until two Business Days after the date of publication of such Land Grant amendment in the Macau Official Gazette, if later.

#### **6.4 Survival**

The provisions of this **clause 6** shall survive completion of the New Cotai Sale.

#### 7 After the Effective Time

##### **7.1 Services agreement**

As part of the services agreement referred to in clause 13.1(b) of the Shareholders' Agreement, the parties agree to procure that the Company will agree to reimburse MCE (for the benefit of the Specified Affiliate) for all costs borne by the Specified Affiliate in respect of Senior Managers under and as defined in the Facility Operations Agreement.

##### **7.2 Conflicts Committee**

The parties agree that they will use commercially reasonable endeavours to procure that, as soon as practicable after the Effective Time, the Company:

- (a) establishes a Conflicts Committee; and
- (b) adopts a Conflicts Committee Charter.

##### **7.3 Joint Venture companies**

The parties agree that, if necessary and to the extent that each is able, they shall:

- (a) co-operate in taking all steps necessary to cause the Joint Venture Companies (as defined in the Settlement Deed) to send the letters and file the consent orders referred to in clause 2 and annexures A to E of the Settlement Deed; and
- (b) undertake all other actions as are reasonably necessary to implement the stays and/or dismissal of the Proceedings and Appeals (as defined in the Settlement Deed) as envisaged in clause 2 of the Settlement Deed.

#### **7.4 Survival**

The provisions of this **clause 7** shall survive completion of the New Cotai Sale.

#### 8 Warranties

##### **8.1 Common Warranties**

- (a) Each of the parties hereto represents and warrants to each of the other parties hereto that each of the Common Warranties is, as it relates to that party, true and accurate as at the date of this document and true and correct in all respects at the Effective Time (or if made as of another specified date, as of such date).
- (b) The Common Warranties made by the New Cotai Parties are qualified by the matters set out in the Common Warranties Disclosure Annex.

## **8.2 New Cotai Group Warranties**

- (a) New Cotai Holdings represents and warrants to MCE and MCE Cotai that each of the New Cotai Group Warranties is true and accurate as at the date of this document and true and correct in all respects at the Effective Time (or if made as of another specified date, as of such date).
- (b) New Cotai Holdings acknowledges that it has given the New Cotai Group Warranties to MCE and MCE Cotai with the intention of inducing them to enter into this document and that MCE and MCE Cotai have entered into this document on the basis of, and in reliance on (among other things), the New Cotai Group Warranties.
- (c) The New Cotai Group Warranties (other than the Fundamental Warranties) are qualified by the facts and circumstances contained in this document and in the Disclosure Materials. The Fundamental Warranties are qualified by the matters set out in the Fundamental Warranties Disclosure Annex.
- (d) MCE and MCE Cotai acknowledge and agree that New Cotai Holdings gives no warranty, representation or undertaking as to (i) the accuracy of any of the forecasts, estimates, projections, or statements of opinion provided by or on behalf of New Cotai Holdings or any of its advisers, representatives or agents to MCE or MCE Cotai or any of their advisers, representatives or agents, (ii) with respect to any Cyber One Group Company, except the Cyber One Warranties, or (iii) with respect to any other matter, except to the extent expressly set forth herein.
- (e) Where a Warranty made by any New Cotai Party is qualified by the expression “to the knowledge of the New Cotai Parties” or similar expression, the New Cotai Parties agree that the New Cotai Parties’ knowledge is after making reasonable inquiries of, and includes the knowledge of, the present Chief Executive Officer of New Cotai Holdings, the present Chief Financial Officer of New Cotai Holdings, and the present Chief Legal Officer of New Cotai Holdings.

## **8.3 Cyber One Warranties**

- (a) New Cotai represents and warrants to MCE and MCE Cotai that each of the Cyber One Warranties is true and accurate as at the date of this document and true and correct in all material respects at the Effective Time (or if made as of another specified date, as of such date).
- (b) New Cotai acknowledges that it has given the Cyber One Warranties to MCE and MCE Cotai with the intention of inducing them to enter into this document and that MCE and MCE Cotai have entered into this document on the basis of, and in reliance on (among other things), the Cyber One Warranties.
- (c) The Cyber One Warranties are qualified by the matters set out in the Cyber One Warranties Disclosure Annex.



#### **8.4 MCE Warranties**

- (a) MCE and MCE Cotai represent and warrant to the New Cotai Parties that each of the MCE Warranties is true and accurate as at the date of this document and true and correct in all respects at the Effective Time.
- (b) MCE acknowledges that it has given the MCE Warranties to the New Cotai Parties with the intention of inducing them to enter into this document and that the New Cotai Parties have entered into this document on the basis of, and in reliance on (among other things), the MCE Warranties.
- (c) MCE and MCE Cotai will not be liable in respect of a Relevant Claim for a breach of Warranty unless notice in accordance with **clause 8.5(b)** is provided by New Cotai Holdings or New Cotai within 18 months after the Effective Time.
- (d) The maximum aggregate liability of MCE and MCE Cotai for all Losses in respect of Relevant Claims for a breach of Warranty, and any other Losses incurred by New Cotai or New Cotai Holdings hereunder for breach by MCE and MCE Cotai, is limited to \$100,000,000 (in aggregate).
- (e) If the same fact, matter, event or circumstance gives rise to more than one Relevant Claim for a breach of Warranty, New Cotai Holdings and New Cotai shall not be entitled to recover more than once in respect of such fact, matter, event or circumstance.
- (f) MCE and MCE Cotai will not be liable for a Relevant Claim for a breach of Warranty to the extent that the fact, matter, event or circumstance giving rise to such Relevant Claim is remediable and is remedied to the reasonable satisfaction of New Cotai Holdings or New Cotai by or at the expense of MCE or MCE Cotai within 15 Business Days of the date on which notice is given under **clause 8.4(c)**.
- (g) Nothing in this **clause 8.4** shall have the effect of limiting or restricting any liability of MCE or MCE Cotai in respect of a Relevant Claim for a breach of Warranty arising as a result of any fraud.

#### **8.5 Limitations**

- (a) New Cotai Holdings' and New Cotai's liability for Relevant Claims is limited or excluded, as the case may be, as set out in **schedule 7**.
- (b) Any notice given by any party of the existence of a Relevant Claim or any other Loss incurred by such party hereunder as a result of a breach by the other party must be delivered within 30 days upon becoming aware of such Relevant Claim or other Loss and must specify in reasonable details the subject matter and basis of the claim and the nature and extent of the alleged Losses.
- (c) Each of the Warranties is to be interpreted independently and (unless this document expressly states otherwise) is not limited by any other provision of this document or any of the other Transaction Documents.

- (d) The parties agree that in determining any Loss suffered by any party hereto, no party shall be entitled to any damages with respect to any consequential, special, indirect, incidental, punitive or exemplary damages, for diminution in value or lost profits or any damages measured by lost profits or a multiple of earnings.
- (e) Despite **clause 8.5(d)**, the parties acknowledge that a breach of a Warranty may not result in any Losses being incurred directly by a party, but rather such party may suffer such Losses indirectly as a holder of shares in the Company and nonetheless shall be entitled to recover for such Losses subject to the limitations set out in this document and after taking into account the size (expressed as a percentage) of such indirect interest from time to time.

## **8.6 Disclosure Materials**

MCE and MCE Cotai acknowledge and agree that New Cotai Holdings shall not be in breach and, thus, MCE and MCE Cotai shall not make a Relevant Claim for breach of (a) the New Cotai Group Warranties (other than the Fundamental Warranties) in respect of, any fact, matter or circumstance to the extent it has been disclosed in the Disclosure Materials, (b) the Fundamental Warranties in respect of, any fact, matter or circumstance to the extent it has been disclosed in the Fundamental Warranties Disclosure Annex, (c) the Common Warranties made by the New Cotai Parties in respect of, any fact, matter or circumstance to the extent it has been disclosed in the Common Warranties Disclosure Annex, or (d) the Cyber One Warranties in respect of, any fact, matter or circumstance to the extent it has been disclosed in the Cyber One Warranties Disclosure Annex, if in each case it is reasonably apparent that such disclosure qualifies the Warranty in which a breach is asserted.

## **9 Notices**

### **9.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

### **9.2 How to give a communication**

A communication shall be given by being:

- (a) personally delivered;
- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by reputable international delivery service for delivery within five days; or
- (d) sent by fax to the party's current fax number for notices, provided that any communication hereunder may also be sent by e-mail (which shall not constitute notice except for the purposes of **clause 3.1(a)** (only)).

### 9.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different than delivery address), (iii) facsimile number for notices, (iv) e-mail address for notices, and (v) designated person of office to whom notices are to be addressed, are as follows:

**Melco Crown Entertainment Limited**

36/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong;

facsimile number: +852-2537-3618

e-mail address: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

attention: Chief Legal Officer

with copy to (which copy will not constitute notice for the purposes of this clause 9)

**Corrs Chamber Westgarth**

Level 36, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

facsimile number: +612 9210 6611

e-mail address: [ian.laughland@corrs.com.au](mailto:ian.laughland@corrs.com.au)

attention: Iain Laughland

**MCE Cotai Investments Limited**

36/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong;

facsimile number: +852-2537-3618

e-mail address: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

attention: Chief Legal Officer

with copy to (which copy will not constitute notice for the purposes of this clause 9)

**Corrs Chamber Westgarth**

Level 36, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

facsimile number: +612 9210 6611

e-mail address: [ian.laughland@corrs.com.au](mailto:ian.laughland@corrs.com.au)

attention: Iain Laughland

**New Cotai, LLC**

c/o New Cotai Holdings, LLC  
Two Greenwich Plaza  
Greenwich, Connecticut 06830  
United States of America

facsimile number: +1 (203) 542-4308  
e-mail address: [ffogel@silverpointcapital.com](mailto:ffogel@silverpointcapital.com)  
attention Frederick Fogel

with copy to (which copy will not constitute notice for the purposes of this clause 9)

Skadden, Arps, Slate, Meagher & Flom LLP  
300 South Grand Avenue, Suite 3400  
Los Angeles, California 90071-3144

facsimile number: + 1 213 621 5288  
email address: [jeffrey.cohen@skadden.com](mailto:jeffrey.cohen@skadden.com)  
attention: Jeffrey Cohen

**New Cotai Holdings, LLC**

Two Greenwich Plaza  
Greenwich, Connecticut 06830  
United States of America

facsimile number: +1 (203) 542-4308  
e-mail address: [ffogel@silverpointcapital.com](mailto:ffogel@silverpointcapital.com)  
attention Frederick Fogel

with copy to (which copy will not constitute notice for the purposes of this clause 9)

Skadden, Arps, Slate, Meagher & Flom LLP  
300 South Grand Avenue, Suite 3400  
Los Angeles, California 90071-3144

facsimile number: + 1 213 621 5288  
email address: [jeffrey.cohen@skadden.com](mailto:jeffrey.cohen@skadden.com)  
attention: Jeffrey Cohen

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

**9.4 Communications by post**

Subject to **clause 9.7**, a communication is deemed given five days after being sent under **clause 9.2(c)**.

**9.5 Communications by fax**

Subject to **clause 9.7**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

**9.6 Communication by email**

Subject to **clause 9.7**, if a communication is emailed, a delivery confirmation report received by the sender, which records the time that the email was delivered to the addressee's last notified email address is prima facie evidence of its receipt by the addressee, unless the sender receives a delivery failure notification, indicating that the electronic mail has not been delivered to the addressee.

**9.7 After hours communications**

If a communication is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

**9.8 Receipt of Notice**

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

**10 Duties, costs and expenses**

**10.1 Fees and costs**

Except as otherwise expressly stated in this document or any other Transaction Document, each party must pay its own legal and other costs and expenses incurred by such party in negotiating, preparing, executing and registering this document and the other Transaction Documents.

**10.2 Duties**

The parties shall procure that, after the Effective Time, the Company pay on behalf of its shareholders, or reimburse them if they are required to pay, all Duty, if any, (including any fine or penalty except where it arises from default by another party) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it.

### 10.3 MCE expenses

After the date hereof, MCE may incur, in anticipation of the Effective Time, certain out-of-pocket costs and expenses in relation to the MSC Project and that will be for the benefit of the MSC Project upon completion (**Pre-Closing Costs**). Pre-Closing Costs may include, among other things, costs of employing certain persons and contractors to, among other things, review design consultancy contracts. Following the Effective Time (but not sooner than amounts are distributed to New Cotai Holdings under **clause 10.4**), Pre-Closing Costs incurred by MCE, not to exceed US\$5 million in aggregate, shall be reimbursed by the Cyber One Group to MCE. If this Agreement is terminated, New Cotai agrees to pay to MCE, promptly following request and reasonable documentation, 40% of the Pre-Closing Costs incurred by MCE up to a maximum of US\$2 million.

### 10.4 New Cotai reimbursement

- (a) New Cotai Holdings confirms it has incurred certain costs in connection with the transactions contemplated by this document.
- (b) Within ten Business Days following the Effective Time, MCE Cotai and New Cotai must procure that Cyber One distribute to New Cotai Holdings US\$10 million to permit New Cotai Holdings to defray the costs referred to in **clause 10.4(a)**.

## 11 Confidentiality

### 11.1 Confidentiality obligation

Subject to **clause 11.2**, each party must treat as confidential, and keep confidential and not disclose, and not permit any of its Affiliates to disclose, any Confidential Information provided to it by, or on behalf of, any other party and must:

- (a) use its commercially reasonable endeavours to protect the confidentiality of the Confidential Information; and
- (b) subject to **clause 11.4**, not make any press or other announcements relating to Confidential Information.

### 11.2 Permitted disclosures

No party may disclose Confidential Information provided to it by any other party other than:

- (a) subject to **clause 11.3**, to its officers, managers, employees, directors (or equivalent), financial, legal, accounting or valuation advisers, or lenders;
- (b) subject to **clause 11.3**, with the prior written consent of the other parties; and
- (c) to the extent:
  - (i) required by:
    - (A) Law;
    - (B) the rules of any stock exchange; or
    - (C) any applicable accounting standards; or

(ii) ordered by any court; or

(iii) reasonably necessary in connection with the exercise of any remedy hereunder,

having, to the extent practicable, except in the case of (c)(iii), consulted with the other party with a view to agreeing upon the form, content, timing and manner of disclosure, and to the maximum extent possible claimed any rights of confidentiality that it might be afforded under such laws, rules, standards or court orders.

### **11.3 Disclosure to other persons**

If a party discloses Confidential Information it must use commercially reasonable endeavours to ensure that no person to whom it disclosed that Confidentiality Information discloses it to any other person, except as permitted hereby.

### **11.4 Announcement**

Subject to **clause 11.2**, none of the parties may, before or after the Effective Time, make or issue a public announcement, communication or circular concerning the transactions referred to in this document unless it has first obtained the other parties' written consent, which may not be unreasonably withheld, delayed or conditioned.

## **12 General**

### **12.1 Obligation to procure**

- (a) Where any obligation is required to be performed by MCE Cotai under this document, MCE must procure that MCE Cotai performs the relevant obligation on or before the time required for performance.
- (b) Where any obligation is required to be performed by New Cotai under this document, New Cotai Holdings must procure that New Cotai performs the relevant obligation on or before the time required for performance.

### **12.2 Liability**

Any obligation imposed under this document:

- (a) on the New Cotai Parties is imposed on those parties jointly and not severally; and
- (b) any obligation imposed under this document on MCE and MCE Cotai is imposed on those parties jointly and not severally.

### **12.3 Amendment**

No amendment to this document will be effective unless it is in writing and signed by each of the parties hereto.

#### **12.4 Counterparts**

This document may consist of a number of counterparts and if so the counterparts taken together constitute one document.

#### **12.5 Assignment**

- (a) Except to the extent expressly permitted under this document, a party must not assign, charge, declare a trust over or otherwise deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported assignment, charge, declaration of trust or dealing in breach of this **clause 12.5** is of no effect.

#### **12.6 Entire understanding**

- (a) This document together with the other Transaction Documents constitutes the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
  - (i) affects the meaning or interpretation of this document; or
  - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

#### **12.7 Further steps**

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document (including voting their Securities in favour of any resolution).

#### **12.8 Attorneys**

Each of the attorneys executing this document declares that the attorney has no notice of the revocation of the power of attorney under which the attorney executes this document.

#### **12.9 Relationship of parties**

This document is not intended to create a partnership, joint venture, fiduciary or agency relationship between the parties.

#### **12.10 Rights cumulative**

Except as otherwise expressly stated in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.



### 12.11 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.
- (c) A right relating to this document may only be waived in writing signed by the party or parties waiving the right.

### 12.12 Consent

Unless this document expressly provides otherwise, a party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion.

### 12.13 Equitable relief

The parties acknowledge that a party is entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by a party of this document, in addition to any other remedies available to them at law or in equity.

### 12.14 Governing law and dispute resolution

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong.
- (b) If a dispute (**Dispute**) arises out of or relates to this document (including any dispute as to the existence, breach or termination of this document or as to any claim in tort, in equity or pursuant to any statute) a party to the document may only commence arbitration proceedings relating to the Dispute if the procedures set out in **clauses 12.14(c) to 12.14(i)** have been fulfilled.
- (c) A party to this document claiming the Dispute has arisen under or in relation to this document must give written notice (**Dispute Notice**) to the other parties to the Dispute specifying the nature of the Dispute.
- (d) On receipt of that notice by the other parties, all the parties to the Dispute (**Disputing Parties**) must endeavour in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques such as mediation, expert evaluation or determination or similar techniques agreed by them.
- (e) If the Disputing Parties do not resolve the Dispute within 28 days of receipt of the Dispute Notice the Dispute shall be determined by way of arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in force on the date when the notice of arbitration is submitted in accordance with these rules.

- (f) The number of arbitrators shall be three and the nationality or residence of the chairman of the arbitral tribunal shall not be the United States, Hong Kong or Macau.
- (g) The arbitral proceedings shall be conducted in the English language and the place of arbitration shall be Hong Kong.
- (h) By agreeing to arbitration pursuant to **clause 12.14(e)**, the parties do not intend to deprive any court of its jurisdiction to issue an interim injunction or other interim relief in aid of the arbitration proceedings, provided that the parties agree that they may seek only such relief as is consistent with their agreement to resolve the Dispute by way of arbitration. Without prejudice to such relief that may be granted by a national court, the arbitral tribunal shall have full authority to grant interim or provisional remedies or to order a party to seek modification or vacation of the relief granted by a national court. For purposes of this **clause 12.14(h)**, the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Hong Kong and any courts which have jurisdiction to hear appeals from those courts and waive any right to object to any proceedings being brought in those courts.
- (i) Any dispute that arises under this document must be resolved in accordance with this **clause 12.14**.

Executed as an agreement

SIGNED by )

Lawrence Ho )

for and on behalf of )

**MCE COTAI INVESTMENTS LIMITED** )

as its authorised representative )

with authority from the board )

in the presence of: )

/s/ Lawrence Ho

Authorised Representative

Pamela Yeung

Name of witness: Pamela Yeung

Title of witness: Executive Assistant

SIGNED by )

Lawrence Ho )

for and on behalf of )

**MELCO CROWN ENTERTAINMENT LIMITED** )

as its authorised representative )

with authority from the board )

in the presence of: )

/s/ Lawrence Ho

Authorised Representative

Pamela Yeung

Name of witness: Pamela Yeung

Title of witness: Executive Assistant

*Signature Pages of the Implementation Agreement*

**SIGNED** by )  
Thomas R. Banks )  
for and on behalf of )  
**NEW COTAI, LLC** )  
as its authorised representative )  
with authority from the board )  
in the presence of:

/s/ Thomas R. Banks  
Authorised Representative

Karla Beauregard  
Name of witness: Karla Beauregard  
Title of witness: Administrative Assistant

**SIGNED** by )  
Thomas R. Banks )  
for and on behalf of )  
**NEW COTAI HOLDINGS, LLC** )  
as its authorised representative )  
with authority from the board )  
in the presence of:

/s/ Thomas R. Banks  
Authorised Representative

Karla Beauregard  
Name of witness: Karla Beauregard  
Title of witness: Administrative Assistant

Common Warranties

1 Capacity and authority

- (a) It has full corporate or limited liability company power and authority to enter into this document and has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- (b) This document constitutes the legally valid and binding obligations of the party enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights' generally and by general principals of equity (regardless of whether enforcement is sought at a proceeding at law or in equity).
- (c) The execution, delivery and performance by the party of this document will not violate any provision of:
  - (i) any Law or any order or decree of any Governmental Agency or any state or territory or relevant jurisdiction to which the party is subject;
  - (ii) the constitution of the party or equivalent constituent documents; or
  - (iii) any other document which is binding on the party and does not and will not result in the creation or imposition of any Encumbrance or restriction of any nature over any of its assets or the acceleration of the date of payment of any obligation existing under any Encumbrance or other document which is binding on the party;except in the case of clauses (c)(i) and (c)(iii) for any violations that are not material.
- (d) The party is duly formed, incorporated or organised and subsisting under the laws of its place of formation, incorporation or organisation, as applicable.
- (e) The party is duly registered and authorised to do business in those jurisdictions which, by the nature of its business, makes registration or authorisation necessary, except where the failure to be so registered in any such jurisdiction (individually or in aggregate) is not material.

## Solvency

No corporate action, legal proceedings or other procedure or step has been taken in relation to:

- (a) 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 the party;
- (b) a composition, compromise, assignment or arrangement generally with any creditor of the party;
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the party or its assets; or
- (d) or any analogous procedure or step in any jurisdiction;

except that, in certain circumstances following the Effective Time, New Cotai Holdings may be required to liquidate its assets and distribute them to its members under the terms of its Limited Liability Company Agreement as it is in effect as at the date of this document.

Cyber One Warranties

1 Securities

- (a) New Cotai is the sole legal and beneficial owner of the Cyber One Shares free from all Encumbrances.
- (b) To the knowledge of the New Cotai Parties, the Cyber One Shares comprise forty percent of the Company's allotted and issued shares and are fully paid or credited as fully paid.
- (c) Except as set forth in the 2006 JV Agreement (which will be terminated by operation of the Settlement Deed) and the Memorandum and Articles of Association of the Company (which will be amended and restated immediately after the Effective Time as provided in this document), there are no options, agreements, or understandings (whether exercisable now or in the future and whether contingent or otherwise) which entitle or may entitle any person to call for the purchase or transfer of any of the Cyber One Shares.
- (d) Except as set forth in the 2006 JV Agreement (which will be terminated by operation of the Settlement Deed) and the Memorandum and Articles of Association of the Company (which will be amended and restated immediately after the Effective Time as provided in this document), none of the New Cotai Parties or any of their Affiliates has any right to be issued with, or call for the transfer of, any securities in any Cyber One Group Company.

## Schedule 3

### New Cotai Group Warranties

#### 1 Securities

- (a) New Cotai Holdings is the sole legal and beneficial owner of the Sale Securities free of all Encumbrances (other than restrictions on transfer under applicable securities laws (if any) which do not prohibit the transactions hereunder).
- (b) The Sale Units comprise all of the issued and outstanding securities of New Cotai Entertainment.
- (c) The Sale Shares comprise one quota of MOP1,000 representing one percent of the issued share capital of New Cotai Entertainment Macau, and are fully paid and no money is owing in respect of them.
- (d) The Sale Shares, together with the shares held by New Cotai Entertainment in New Cotai Entertainment Macau, comprise all the issued share capital of New Cotai Entertainment Macau.
- (e) There are no options, agreements, or understandings (whether exercisable now or in the future and whether contingent or otherwise) which entitle or may entitle any person to call for the purchase or transfer of any of the Sale Securities or any other securities in any of the New Cotai Group Companies.
- (f) None of the New Cotai Parties or any of their Affiliates has any right to be issued with, or call for the transfer of, any securities in any New Cotai Group Company.
- (g) New Cotai Holdings and New Cotai Management are the legal and beneficial owners of the Intercompany Loans free of all Encumbrances and all other third party rights (including any options, agreements or understandings, whether exercisable now or in the future and whether contingent or otherwise).

#### 2 Insolvency and Winding Up

No corporate action, legal proceedings or other procedure or step has been taken in relation to:

- (a) 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 New Cotai Group Company;



- (b) a composition, compromise, assignment or arrangement generally with any creditor of any New Cotai Group Company;
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of New Cotai Group Company or any of its assets; or
- (d) or any analogous procedure or step in any jurisdiction,

except that, in certain circumstances following the Effective Time, New Cotai Holdings may be required to liquidate its assets and distribute them to its members under the terms of its Limited Liability Company Agreement in effect as at the date of this document.

### 3 Corporate information

#### 3.1 Incorporation and existence

Each New Cotai Group Company:

- (a) is duly formed or incorporated and subsisting under the laws of its place of formation or incorporation, as applicable;
- (b) is duly registered and authorised to do business in those jurisdictions which, by the nature of its business, makes registration or authorisation necessary, except where the failure to be so registered or authorized in any such jurisdiction is not material to such New Cotai Group Company; and
- (c) has full corporate or limited liability company power to own its assets and its business and to carry on business as it is currently conducted.

#### 3.2 Group details

- (a) The information set forth on **Schedule 8** is true and complete in all material respects.
- (b) No New Cotai Group Company has an interest in, or has agreed to acquire an interest in, any securities of any body corporate other than New Cotai Entertainment's interest in New Cotai Entertainment Macau.
- (c) There is no Encumbrance and there is no agreement, arrangement or obligation to create an Encumbrance in relation to any securities in any New Cotai Group Company or to issue any securities in any New Cotai Group Company.

#### 3.3 Related Party Transactions

Other than the Intercompany Loans, the MOU (which will be terminated with effect from the Cyber One Completion) and employment-related agreements (details of which are disclosed in the Disclosure Materials), there are no agreements among any New Cotai Group Company (on one hand) and any of the New Cotai Parties, their respective Affiliates, or any of their directors, officers, employees or agents (on the other).

### **3.4 Brokerage**

No person is entitled to recover from New Cotai Holdings any brokerage, fee or commission in relation to this document or any transaction contemplated by this document.

## **4 New Cotai Accounts**

### **4.1 New Cotai Accounts**

- (a) The New Cotai Accounts were prepared in accordance with GAAP, subject to the absence of footnote disclosures, and, except as described therein, have been prepared on a basis consistent in all material respects with the practices and procedures applied by New Cotai Holdings in the past three years.
- (b) The New Cotai Accounts fairly present in all material respects the financial condition and operating results of each New Cotai Group Company at the relevant Accounts Date and for the period ended on the relevant Accounts Date.
- (c) All the accounting records of each New Cotai Group Company are in the possession of the New Cotai Group Companies, New Cotai Holdings or New Cotai Management.
- (d) As at the date of this document, the New Cotai Group has no money on deposit with financial institutions and no bank accounts.

### **4.2 Since the Last Accounts Date**

Since the Last Accounts Date the business of each New Cotai Group Company has been carried on in the usual course (other than in connection with this document and the transactions contemplated hereby) and no New Cotai Group Company has (other than in connection with this document and the transactions contemplated hereby):

- (a) acquired or disposed of, or agreed to acquire or dispose of, any material asset with a value in excess of US\$50,000;
- (b) assumed or incurred, or agreed to assume or incur, any material liability, expenditure or obligation in excess of US\$50,000 other than expenses incurred in the ordinary course of business or in connection with the Shareholder Litigation (which, in the case of expenses incurred in connection with the Shareholder Litigation, will be satisfied and discharged in full at or prior to the Effective Time by New Cotai Holdings);

- (c) entered into any agreements or commitments having an aggregate value in excess of US\$50,000; or
- (d) paid any dividend or made any distribution.

5 Assets and Liabilities

5.1 **Ownership**

- (a) All of the assets of each New Cotai Group Company reflected in the New Cotai Accounts are legally and beneficially owned by the relevant New Cotai Group Company free of all Encumbrances (other than Permitted Encumbrances).
- (b) All of the assets of each New Cotai Group Company reflected in the New Cotai Accounts are fully paid for.
- (c) No New Cotai Group Company has any liability under any lease, rental or occupancy agreement, instalment or conditional sale agreement or other agreement affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any of its assets.
- (d) Other than this document and the other Transaction Documents, there are no options or other agreements outstanding which provide for the sale, transfer or lease to any person of or the right to require the creation of any mortgage, charge, pledge, lien or other security or encumbrance over any business or assets of any New Cotai Group Company.

5.2 **Intellectual Property**

- (a) The Disclosure Materials contain correct and complete copies of all material agreements and material licenses under which the New Cotai Group Companies have the right to use any Intellectual Property Rights (**Third Party Rights**) other than Third Party Rights related to readily available commercial software.
- (b) The Third Party Rights comprise all of the material Intellectual Property Rights used or required to be used in the business of the New Cotai Group as it is conducted as at the date of this document and as it is currently expected to be conducted at the Effective Time.
- (c) No New Cotai Group Company:
  - (i) has received any notice in writing that any New Cotai Group Company is or has infringed the Intellectual Property Rights of any person; or
  - (ii) is, to the knowledge of the New Cotai Parties, materially infringing any of the Intellectual Property Rights of any third party.

### 5.3 Indebtedness

- (a) No New Cotai Group Company owes any money to, or has borrowed any money from, any person other than (i) trade creditors in the ordinary course of business, (ii) in connection with reimbursable business expenses incurred in the ordinary course of business, (iii) in connection with the Intercompany Loans (which will be assigned to the Company at the Effective Time) and (iv) in connection with the Shareholder Litigation (which will be satisfied and discharged in full at or prior to the Effective Time by New Cotai Holdings).
- (b) No New Cotai Group Company has any liability to secure, or otherwise incur obligations with respect to, indebtedness of a third party.

### 5.4 Real Property

No New Cotai Group Company owns any real property or leases, occupies, or licences, or has entered into any agreement to lease, licence or occupy any real property other than pursuant to the Option Deed or the MOU (which will be terminated by operation of the Settlement Deed).

### 6 Tax

- (a) The New Cotai Accounts contain adequate provision in accordance with GAAP for all taxation liable to be assessed on each New Cotai Group Company for the accounting period ended on the relevant Accounts Date and all contingent liabilities for taxation have been provided for or disclosed in the New Cotai Accounts to the extent required by GAAP.
- (b) All material returns, reports and declarations (collectively, the **Returns**) of each New Cotai Group Company made for taxation purposes have been duly filed, and none of the Returns is subject to any dispute of any type and, to the knowledge of the New Cotai Parties, there is no matter which would reasonably be expected to result in any such dispute.
- (c) Each New Cotai Group Company has paid all taxation for which it is liable on the due date for payment.
- (d) New Cotai Entertainment Macau is resident for tax purposes only in the place in which it was incorporated.
- (e) None of the physical register of members or unit holders (as the case may be) and the physical branch register of members/unit holders (if any) for each New Cotai Group Company has been kept in Hong Kong.

### 7 Material agreements

- (a) The Disclosure Materials contain a true and complete copy of all material contracts to which any New Cotai Group Company is a party and which have not been fully performed at the Effective Time (**Contract**).

- (b) No New Cotai Group Company is in breach of any Contract, nor would it be in breach of any Contract, but for the requirements of notice or lapse of time, except for any breach that (individually or in aggregate) would not reasonably be expected to have a material adverse effect on the business, financial condition or assets of such New Cotai Group Company.
- (c) No New Cotai Group Company has received any written notice which may adversely affect in any material respect any of its rights in respect of any Contract.
- (d) Except for offers, tenders and quotations made in the ordinary course of business, no New Cotai Group Company has made any offers, tenders or quotations which are:
  - (iii) outstanding; and
  - (iv) capable of acceptance by a third party,which would give rise to a contractual obligation binding on and material to the relevant company.

8 Employees

- (a) No New Cotai Group Company has any employees or consultants other than David Friedman and Walter Power, whose employment terms are as set out in their respective employment agreements, which are part of the Disclosure Materials and will cease or be terminated on the Effective Time and with effect from that time no New Cotai Group Company will have any liability to any such person.
- (b) There is not in existence any employment contract between a New Cotai Group Company and any person which has been terminated but which is capable of being revived or enforced or in respect of which a New Cotai Group Company has any continuing obligation.
- (c) There are no amounts owing by any New Cotai Group Company to any present or former director or employee of a New Cotai Group Company and no New Cotai Group Company has incurred any liabilities arising from the termination of any employment contract or consultancy agreement, in each case, that will not be fully satisfied and discharged at the Effective Time (other than amounts owed by New Cotai Holdings to each of David Friedman and Walt Power and which are payable by New Cotai Holdings to each of them in accordance with the terms of their employment separation agreements).
- (d) No New Cotai Group Company is a party to any industrial agreements with any union.

- (e) There is no existing or, to the knowledge of the New Cotai Parties, threatened claim or litigation against any New Cotai Group Company by any employee engaged by any New Cotai Group Company.
- (f) Other than pursuant to legal requirements in Macau, there are no retirement benefit schemes, pension schemes or other pension arrangements (whether legally enforceable or not) relating to the employees of the New Cotai Group Companies to which contributions are made by any New Cotai Group Company.
- (g) The New Cotai Group Companies are not liable to pay any pension benefit or other allowance or deferred retirement compensation to any person.

9 Permits, litigation and compliance with Law

**9.1 Permits**

- (a) Each New Cotai Group Company has obtained and complied in all material respects with the terms of all material Permits required by it for the conduct of its activities from time to time and all such Permits in effect as of the date of this document are valid and subsisting.
- (b) No New Cotai Group Company has received written notice of any breach of any material Permit, or is in breach of the material terms of any such Permits.
- (c) To the knowledge of the New Cotai Parties, there are no facts or circumstances indicating that any of the material Permits held by a New Cotai Group Company would or might be revoked, suspended, cancelled, varied or not renewed.

**9.2 Litigation and investigations**

- (a) Other than the Shareholder Litigation (which will be settled in full by operation of the Settlement Deed), no New Cotai Group Company is a party, or has during the 3 years ending on the date of this document been a party, in any claim, action, suit, litigation or arbitration proceedings.
- (b) Other than the Shareholder Litigation (which will be settled in full by operation of the Settlement Deed) and any other claim, action, suit, litigation or arbitration proceedings involving East Asia and/or any of its Affiliates and arising from the same set of facts and circumstances, to the knowledge of the New Cotai Parties, no New Cotai Group Company has received any notice in writing threatening any claim, action or arbitration proceedings.
- (c) There is no unsatisfied order or award outstanding against any New Cotai Group Company.

- (d) There are no governmental or other investigations or enquiries concerning any New Cotai Group Company and, to the knowledge of the New Cotai Parties, there are no circumstances which are reasonably likely to give rise to any such investigations or enquiries.

### **9.3 Compliance with Law**

Each New Cotai Group Company has at all times complied in all material respects with Law.

10 Constitution, registers etc.

### **10.1 Records**

All of the Business Records of each New Cotai Group Company are in the possession of the New Cotai Group Companies, New Cotai Holdings or New Cotai Management and are accurate and up to date in all material respects.

### **10.2 Constituent documents**

- (a) The Disclosure Materials contain complete and accurate copies of the memorandum and articles of association of each New Cotai Group Company or other constituent documents (as applicable).
- (b) Each New Cotai Group Company has at all times carried on its business and affairs in all material respects in accordance with its constituent documents.

### **10.3 Delivery of documents**

All documents required to be delivered by each New Cotai Group Company to a governmental or other authority in any jurisdiction in which it carries on business have been properly prepared and delivered, except where the failure to prepare or deliver any such documents (individually or in aggregate) would not reasonably be expected to have a material adverse effect on the business, financial condition or assets of such New Cotai Group Company.

### **10.4 Powers of attorney and authorities**

There is no material power of attorney or other authority given by any New Cotai Group Company in force.

11 Information

None of the information set out in the Disclosure Materials is, to the knowledge of the New Cotai Parties, inaccurate or misleading in any material respect.

Completion Items

Consist of the following:

- (a) New Cotai Entertainment board resolutions in the form set out in **annexure L**.
- (b) New Cotai Holdings board resolution in the form set out in **annexure L**.
- (c) The Company board resolution in the form set out in **annexure L**.
- (d) Resignation letter for all directors in New Cotai Entertainment Macau effective as of Effective Time, duly notarised by a Macau Notary in the form set out in **annexure L**.
- (e) Resignation letter of the Secretary of New Cotai Entertainment Macau effective as of Effective Time, duly notarised by a Macau Notary in the form set out in **annexure L**.
- (f) Resignation letter of the New Cotai appointed directors' in PropCo duly notarised by a Macau Notary in the form set out in **annexure L**.



[Intentionally omitted]

Prohibited actions

- (a) Create, allot, issue, acquire, repay or redeem or buy back any of its securities or acquire, an interest in securities of any body corporate.
- (b) Amalgamate, merge or consolidate any New Cotai Group Company or Cyber One Group Company with any other entity.
- (c) Enter into any transaction with the Oaktree Funds, the Silver Point Funds, New Cotai, New Cotai Holdings or any of their respective Affiliates, directors, officers or employees other than those transactions contemplated by this document, the Settlement Deed, and the Mutual Waiver and Consent Agreement and, solely with respect to the New Cotai Group Companies, other than those transactions that are for the benefit of the New Cotai Group Companies or do not survive the Effective Time (including with respect to any liabilities or obligations created under those transactions).
- (d) Carry on business other than in the usual course.
- (e) Make any capital or operational expenditure in excess of US\$20,000 other than Permitted Payments.
- (f) Make any tax election.
- (g) Acquire or dispose of any asset with a value in excess of US\$20,000 or assume or incur any liability, expenditure or obligation in excess of US\$20,000.
- (h) Enter into any agreement or commitment having an aggregate value in excess of US\$20,000.
- (i) Declare, pay or make any dividend or distribution.
- (j) Amend in any material respect the terms of any borrowing or indebtedness in the nature of borrowing or create or incur any borrowing or indebtedness in the nature of borrowing.
- (k) Create any Third Party Right over any of its assets or redeem any existing Third-Party Right over any of its assets.
- (l) Give any guarantee, indemnity or other agreement to secure, or otherwise incur financial obligations with respect to, indebtedness of a third party.
- (m) Enter into any contract of employment with any employee or contractor (or amend the terms of employment of any such person).

- (n) Institute, compromise or settle any litigation, arbitration or other dispute proceedings having a value in excess of US\$20,000 except as contemplated by the Transaction Documents.
- (o) Terminate, settle or compromise any W Agreement or Design and Construct Contract except in accordance with **clause 2.2**.
- (p) Alter any of its constituent documents.
- (q) Agree to do any of the above.

**1 Time Limits**

- (a) New Cotai Holdings and New Cotai (as applicable) will not be liable in respect of a Relevant Claim for a breach of Warranty unless:
- (i) in the case of a Relevant Claim for a breach of the New Cotai Group Warranties (other than Fundamental Warranties), notice in accordance with **clause 8.5(b)** is provided by MCE or MCE Cotai to New Cotai Holdings on or before the date which is 18 months after the Effective Time;
  - (ii) in the case of a Relevant Claim for breach of the Fundamental Warranties, notice in accordance with **clause 8.5(b)** is provided by MCE or MCE Cotai to New Cotai Holdings on or before the date which is four years after the Effective Time; and
  - (iii) in the case of a Relevant Claim for breach of the Common Warranties or the Cyber One Warranties, notice in accordance with **clause 8.5(b)** is provided by MCE or MCE Cotai to New Cotai on or before the date which is four years from the Effective Time.
- (b) A Relevant Claim for a breach of Warranty will be deemed to be withdrawn (if it has not been previously satisfied, settled or withdrawn) unless legal proceedings in respect of that claim have been commenced within six months of the giving of notice of the Relevant Claim under paragraph 1(a).

**2 Upper Limits**

The maximum aggregate liability of New Cotai Holdings and New Cotai for all Losses in respect of Relevant Claims for a breach of Warranty and any other Losses incurred by MCE or MCE Cotai in respect of any breach of this document shall not exceed (in aggregate) (i) in the case of Relevant Claims for breach of Warranties (other than Fundamental Warranties and Cyber One Warranties) US\$30 million, and (ii) in the case of Relevant Claims for breach of any other provision of this document by New Cotai Holdings or New Cotai, or in respect of any other Losses incurred by MCE or MCE Cotai in respect hereof, US\$100 million (provided that, Losses in excess of US\$50 million will only be payable by New Cotai Holdings and New Cotai to the extent of amounts actually paid by MCE to New Cotai Holdings under **clauses 6.1(a)(ii)** and **6.1(a)(iii)**, at which time the applicable portion of such Losses shall be immediately due and payable).

3 Lower Limits

- (a) New Cotai Holdings is not liable for Losses in respect of Relevant Claims for breach of Warranty unless (i) the amount of Losses in respect of any particular Relevant Claim exceeds US\$50,000 (**Threshold**) and (ii) the aggregate amount of Losses in respect of all Relevant Claims exceeds US\$5,000,000 (**Deductible**), at which time New Cotai Holdings shall only be liable for all such Losses (subject to the Threshold) in excess of the Deductible.
- (b) For the avoidance of doubt, the limitations in paragraph 3(a) do not apply to any Relevant Claim for breach of the Cyber One Warranties or Fundamental Warranties.

4 Double Claims

If the same fact, matter, event or circumstance gives rise to more than one Relevant Claim for a breach of Warranty, MCE or MCE Cotai shall not be entitled to recover more than once in respect of such fact, matter, event or circumstance.

5 Remediable Breaches

- (a) Subject to paragraph 5(b), New Cotai Holdings and New Cotai will not be liable for a Relevant Claim to the extent that the fact, matter, event or circumstance giving rise to such Relevant Claim is remediable and is remedied to the reasonable satisfaction of MCE by or at the expense of New Cotai Holdings or New Cotai within 15 Business Days of the date on which notice is given to New Cotai Holdings and New Cotai under paragraph 1(a) above.
- (b) Paragraph 5(a) does not apply to any Relevant Claim for a breach by New Cotai Holdings or New Cotai of any of their obligations as at the Effective Time.

6 Specific Limitation

New Cotai Holdings and New Cotai will not be liable in respect of a Relevant Claim to the extent that the matter giving rise to the Relevant Claim relates to an amount for which any New Cotai Group Company or any Cyber One Group Company has a right of recovery against, or an indemnity from, a person other than a New Cotai Party, as applicable, whether under a provision of applicable law, insurance policy or otherwise howsoever (but then only in respect of the amount actually recovered).

7 Mitigation

- (a) Nothing in this **schedule 7** (except paragraph 7(b)) shall have the effect of limiting or restricting the general obligation of MCE or MCE Cotai and each Cyber One Group Company at law to mitigate any loss or damage which it may incur in consequence of a matter giving rise to a Relevant Claim.
- (b) Paragraph 7(a) does not apply to any Relevant Claim for a breach by New Cotai Holdings or New Cotai of any of the obligations required to be performed by them at the Effective Time.

8 General

Nothing in this **schedule 7** shall have the effect of limiting or restricting any liability of New Cotai Holdings or New Cotai in respect of a Relevant Claim for a breach of Warranty arising as a result of any fraud.

New Cotai Group Companies

**New Cotai Entertainment**

Place of organisation: Delaware  
Number of registration: 4131818  
Address of registered office: National Corporate Research, Ltd, 615  
South DuPont Highway Dover, DE 19901  
County of Kent, Delaware, USA  
Managers: Michael Gatto, Thomas Banks, Shawn  
Creedon, Melissa Obegi, David Friedman  
Issued units: 100 units  
Unit holder: New Cotai Holdings, LLC

**New Cotai Entertainment Macau**

Place of incorporation: Macau  
Number of registration: 27610  
Address of registered office: Avenida da Praia Grande, n. 429, Edifício  
Centro Comercial da Praia Grande, 25.o  
andar, Macau  
Directors\*: Vitaly Umansky, David Friedman  
Secretary\*: Robert Barry Goldberg  
Authorised share capital: MOP 100,000.00  
Issued share capital: MOP 100,000.00  
Shareholders: New Cotai Holdings, LLC (MOP 1,000.00);  
New Cotai Entertainment, LLC (MOP  
99,000.00)

\* It is anticipated that Thomas Banks will be appointed as a director and the secretary of New Cotai Entertainment Macau effective shortly after the date of this document (and in any event prior to the Effective Time), and that Mr. Goldberg would resign as secretary at such time.

MCE Warranties

1 Securities

As at the Effective Time, but subject to the terms and conditions of the Cyber One Sale Agreement, MCE Cotai will have acquired all of the shares held by East Asia in the Company, free of all Encumbrances.

2 Subconcession

- (a) The Specified Affiliate is a party to the trilateral agreement dated 8 September 2006 (**MCE Subconcession**) entered into by and between the Macau government, Wynn Resorts (Macau), S.A. (**Wynn Macau**) (as concessionaire for the operation of casino games of chance and other casino games in Macau, under the terms of a concession contract dated 24 June 2002 between Macau and Wynn Macau, as amended on 8 September 2006) and the Specified Affiliate pursuant to which the Specified Affiliate is authorised to operate games of fortune and chance in casino in Macau.
- (b) To the best of knowledge of MCE, the MCE Subconcession is in full force and effect and has not been revoked, suspended, cancelled, rescinded or terminated and has not expired, and the Specified Affiliate is in compliance in all material respects with the terms thereof.

3 Cyber One Sale Agreement

Subject to the terms and conditions of the Cyber One Sale Agreement, upon Cyber One Completion, East Asia will not own any direct or indirect interest in any of the shares in the Company.



## Bank Account

<u>Accountholder</u>	<u>Name of Bank</u>	<u>Type of account</u>	<u>Account Number</u>
Macao Studio City	Hang Seng	Current	773-408091-001
(Hong Kong) Limited	Bank	account	
Macao Studio City	Hang Seng	Savings	773-408091-668
(Hong Kong) Limited	Bank	account	
Macao Studio City	Hang Seng	Savings	773-408091-669
(Hong Kong) Limited	Bank	account	
Macao Studio City	Hang Seng	Savings	773-408091-670
(Hong Kong) Limited	Bank	account	
Macao Studio City	Hang Seng	Current	773-408091-222
(Hong Kong) Limited	Bank	account	
Macao Studio City	Hang Seng	Savings	773-408091-201
(Hong Kong) Limited	Bank	account	
東亞衛視有限公司	Bank of China	Current	01-112-384790-7
(East Asia-Televisao	Macau Branch	account	
Por Satelite, Limitada)			
東亞衛視有限公司	Bank of China	Savings	01-11-10-142284
(East Asia-Televisao	Macau Branch	account	
Por Satelite, Limitada)			
東亞衛視有限公司	Bank of China	Current	01-012-078866-9
(East Asia-Televisao	Macau Branch	account	
Por Satelite, Limitada)			
東亞衛視有限公司	Bank of China	Savings	01-01-10-066764
(East Asia-Televisao	Macau Branch	account	
Por Satelite, Limitada)			
東亞衛視有限公司	Tai Fung Bank	Current	113-1-00661-5
(East Asia-Televisao		account	
Por Satelite, Limitada)			
東亞衛視有限公司	Tai Fung Bank	Savings	113-2-04731-5
(East Asia-Televisao		account	
Por Satelite, Limitada)			
東亞衛視有限公司	Tai Fung Bank	Current	213-1-00520-2
(East Asia-Televisao Por Satelite,			
Limitada)		account	



# IMPLEMENTATION AGREEMENT - DATA ROOM INDEX

## TITLE

### I. Casino Design

- 1 001 2007-11-13\_BOOK\_High\_Limit\_Casino\_Present.pdf
- 2 002 PSDG Casino Design Presentation.pdf

### II. Joint Venture Documents

- 1 003 Entertainment Use of Commercial Space Option Deed.pdf (Option Deed)
- 2 004 Consent of New Cotai Entertainment LLC dated 6-12-06.pdf
- 3 005 Announcement re signing of Share Purchase Agreement.pdf
- 4 Cyber One Memorandum and Articles of Association dated 8-05-07 (Clifford Chance Doc. # 1.01.02)
- 5 JV Agreement (Clifford Chance Doc. # 1.01.04)
- 6 JV Agreement annexing final form of Share Purchase Agreement between, inter alios, CapitalLand, East and eSun dated 03 December 2007 (Clifford Chance Doc. # 1.01.05)
- 7 Letter from the DSSOPT to PropCo dated 13 January 2009 (Clifford Chance Doc. # 9.01.23)
- 8 Letter from Dr. Alves to Director Carion dated 27 April 2009 (Clifford Chance Doc. # 9.01.23.01)
- 9 Memorandum of meeting from Direction Carion to Dr. Alves dated 08 May 2009 (Clifford Chance Doc. # 9.01.23.02)
- 10 Letter from eSun to the Chief Executive of the Macau Government dated 10 March 2010 (Clifford Chance Doc. # 9.01.25)
- 11 Letter from New Cotai to the Chief Executive of the Macau Government dated 13 April 2010 (Clifford Chance Doc. # 9.01.26)
- 12 Letter from Macau Government to PropCo dated 14 April 2010 (Clifford Chance Doc. # 9.01.26.01)
- 13 Letter from New Cotai to Director Carion (Clifford Chance Doc. # 9.01.26.02)
- 14 Letter from East to Director Carion dated 17 May 2010 (Clifford Chance Doc. # 9.01.26.03)
- 15 Letter from East to the Chief Executive of the Macau Government 20 September 2010 (Clifford Chance Doc. # 9.01.27)
- 16 Letter from New Cotai to the Chief Executive of the Macau Government dated 27 September 2010 (Clifford Chance Doc. # 9.01.28)
- 17 Share Purchase Agreement dated 04 August 2006 (together with a copy of Letter of Restatement by way of acknowledgement 04 December 2006) (Clifford Change Doc. # 1.01.07)
- 18 Side Agreement to Share Purchase Agreement dated May 2006 (Clifford Change Doc. # 1.01.08)
- 19 Side Letter to Share Purchase Agreement dated 12 April 2006 (Clifford Change Doc. # 1.01.09)

### III. Employment Contracts

- 1 006 David Friedman — Macau Employment Contract.pdf
- 2 007 David Friedman — Side Agreement.pdf
- 3 008 Walt Power — Assignment and Assumption Agreement.pdf
- 4 009 Walt Power — Employment Contract.pdf

### IV. Equity Incentive Plan Grants

- 1 010 Award Agreement for Walter Power.pdf
- 2 011 Macao Tax Filing re Award Agreement for Walter Power.pdf

### V. Financials

- 1 012 2008\_NCE (Macao)\_Financials\_draft.pdf
- 2 013 2009\_NCE (Del)\_Financials\_draft.pdf
- 3 014 2009\_NCE (Macao)\_Financials\_draft.pdf

- 4 015 2010\_NCE (Del)\_Financials\_draft.pdf
- 5 016 2010\_NCE (Macao)\_Financials\_draft.pdf
- 6 017 2008\_NCE (Del)\_Financials\_draft.pdf

**VI. List of Directors and Officers**

- 1 018 List of Managers, Directors and Officers.pdf

**VII. Memorandum of Understanding**

- 1 019 Memorandum of Understanding.pdf (MOU)
- 2 020 Amendment to Memorandum of Understanding.pdf (to MOU)
- 3 021 Letter to Linklaters of 16 Oct 08 Enclosing Notice of Termination.pdf
- 4 022 Letter to Linklaters of 16 Oct 08.pdf

**VIII. Miscellaneous**

- 1 023 Barclays — Confidentiality Agreement.pdf
- 2 024 Yim — Confidentiality Agreement.pdf
- 3 025 New Cotai Entertainment — PSDG Authorization to Proceed.pdf
- 4 026 Trademark Registration.pdf

**IX. MPBL Transaction**

- 1 027 MPBL — Approval (Translated).pdf
- 2 028 MPBL — DICJ Approval.pdf
- 3 029 MPBL — Services Agreement.pdf (Original).pdf (Casino Management Agreement)
- 4 030 MPBL — Services Agreement (signature pages).pdf (Casino Management Agreement)
- 5 031 MPBL — Services Agreement (Translated).pdf (Casino Management Agreement)
- 6 032 MPBL — Exhibit C of Services Agreement.pdf (of Casino Management Agreement)

**X. New Cotai Entertainment (Macau) Limited**

- 1 033 New Cotai Entertainment (Macau) Limited — Company Registration.pdf
- 2 034 English Translation of the Company Registry.pdf
- 3 035 Declaration (Umansky).pdf
- 4 036 Resignation Letters (Moross and Vora).pdf
- 5 037 Translation of Commercial Certificate.pdf
- 6 Robert Goldberg resignation as Director — 29 April 2011
- 7 Robert Goldberg resignation as Director — 13 June 2011

**XI. New Cotai Entertainment, LLC**

- 1 038 New Cotai Entertainment LLC Agreement — 12 June 2006.pdf
- 2 039 New Cotai Entertainment, LLC — Certificate of Formation.pdf
- 3 Robert Goldberg resignation as Manager — 29 April 2011
- 4 Appointment of Michael Gatto, Thomas Banks, Shawn Creedon and Melissa Obegi as Managers — 24 May 2011
- 5 Appointment of Michael Gatto and Thomas Banks as Authorized Representatives — 8 June 2011

**XII. Resolutions**

- 1 040 NCE Baker Resignation — 28 June 2007.pdf
- 2 041 NCE Gatto Resignation — 28 June 2007.pdf
- 3 042 NCE Moross Resignation — 28 June 2007.pdf

- 4 043 NCE Vora Resignation — 28 June 2007.pdf
- 5 044 NCE Macau Shareholder Resolution — 28 June 2007.pdf
- 6 045 NCE Resolution of Board of Managers — 6 December 2006.pdf
- 7 046 NCE Resolution of Board of Managers — 7 April 2006.pdf
- 8 047 NCE Resolution of Board of Managers — 27 June 2007.pdf
- 9 048 NCE Resolution of Board of Managers — 28 June 2007.pdf
- 10 049 NCE Shareholder Resolution — 28 June 2007.pdf
- 11 050 NCE Macau Shareholder Resolution — 25 March 2008.pdf

**XIII. Tax Filings for New Cotai Entertainment (Macau) Limited**

- 1 051 2007\_Form 8858 (IRS)\_NCE Macao.pdf
- 2 052 2008\_Form 8858 (IRS)\_NCE Macao.pdf
- 3 053 2009\_Form 8858 (IRS)\_NCE Macao.pdf
- 4 054 M1\_Complementary Tax 2007.pdf
- 5 055 New Cotai Entertainment (Macau) Limited — Form 8832.pdf
- 6 056 New Cotai Entertainment (Macau) Limited EIN.pdf

**XIV. Tax Notices**

- 1 057 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2007\_NOTICE.pdf
- 2 058 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2008\_M1 FORM.pdf
- 3 059 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2008\_NOTICE.pdf
- 4 060 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2009\_M1 FORM.pdf
- 5 061 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2009\_NOTICE.pdf
- 6 062 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2010\_M1 FORM.pdf
- 7 063 NCE\_MACAU\_INDUSTRIAL TAX\_2007\_M1.pdf
- 8 064 NCE\_MACAU\_INDUSTRIAL TAX\_2008\_NOTICE\_7 JAN 08.pdf
- 9 065 NCE\_MACAU\_INDUSTRIAL TAX\_2009\_NOTICE\_9 JAN 09.pdf
- 10 066 NCE\_MACAU\_INDUSTRIAL TAX\_2010\_NOTICE\_8 JAN 10.pdf
- 11 067 NCE\_MACAU\_INDUSTRIAL TAX\_2011\_NOTICE\_7 JAN 11 (TRANSLATION).pdf
- 12 068 NCE\_MACAU\_INDUSTRIAL TAX\_2011\_NOTICE\_7 JAN 11.pdf
- 13 069 NCE\_MACAU\_COMPLIMENTARY TAX (PROFIT TAX)\_2009\_NOTICE\_TRANSLATION.pdf

**XV. Other**

- 1 Response to 'Preliminary Enquiries' in regard to NCE and NCE (Macau)
- 2 Response to 'Project Eagle: New Cotai Q&A - Legal'
- 3 E-mail sent 22 April 2011 regarding 'RE: Project Eagle - Further Due Diligence Q&A'
- 4 E-mail sent 26 April 2011 regarding 'RE: Project Eagle - Further Due Diligence Q&A'
- 5 New Cotai Entertainment Macau has not yet fulfilled its obligations set forth in the letter from the Director of the DICJ dated 25 April 2007 regarding the Casino Management Agreement.
- 6 In certain circumstances following the Effective Time, New Cotai Holdings may be required to liquidate its assets and distribute them to its members under the terms of its Limited Liability Company Agreement as it is in effect as at the date of the Implementation Agreement.
- 7 All claims, actions, suits, litigation and/or arbitration proceedings related to the Shareholder Litigation. All such claims, actions, suits, litigation and/or arbitration proceedings will be dismissed by operation of the Settlement Deed.
- 8 East Asia has claimed (among other things) that New Cotai has not fully paid East Asia for the Cyber One shares purchased by New Cotai. This claim will be dismissed by operation of the Settlement Deed.
- 9 East Asia and certain of its affiliates have threatened, among other things, to bring additional claims, actions, suits, litigation and/or arbitration proceedings arising from the same facts and circumstances as the Shareholder Litigation in additional jurisdictions. Any such additional claims, actions, suits, litigation and/or arbitration proceedings, if brought, would be dismissed (or barred, as applicable) by operation of the Settlement Deed.
- 10 New Cotai Holdings, LLC LLC Agreement — 28 November 2007
- 11 Separation and General Release Agreement between New Cotai Holdings, LLC and David Friedman - (execution version)

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- 12 Transaction Agreement between New Cotai Holdings, LLC and David Friedman (execution version)
  - 13 Sea Development Transaction Agreement between New Cotai Holdings, LLC and Sea Development (execution version)
  - 14 Action by Written Consent of the Members of New Cotai Holdings, LLC — 15 June 2011 (execution version)
  - 15 Separation and General Release Agreement between New Cotai Holdings, LLC and Walt Power (execution version)

## Design and Construct Contracts

	<u>Company</u>	<u>Contract</u>
1	ABB (Hong Kong) Limited	Letter from RDL Asia Limited to ABB (Hong Kong) Limited dated 8 June 2007 / Agreement and Schedule of Conditions of Building Contract for use in Hong Kong Special Administrative Region between East Asia Satellite Television Limited and ABB (Hong Kong) Limited (undated and unexecuted).
2	Aconex (HK) Limited	Services Order from Cyber One Agents Limited to Aconex (HK) Limited dated 31 March 2008 for Aconex to provide, maintain and vision of training & data conversion by Aconex System.
3	Arup Communications	Letter from Cyber One Agents Limited to Arup Communications dated 11 June 2007
4	Asia Engineering Services Ltd (Jaya Jesudason's company prior to joining Melco-Crown (COD) Development Ltd in 2006/2007)	Consultancy services for developing project management options (incomplete set of contract agreements provided (missing acceptance/authorisation documentation))
5	Bates Asia Hong Kong Limited	Service Agreement between East Asia Satellite Television Limited and Bates Asia Hong Kong Limited dated 1 September 2006 for marketing, branding and public relations services / Addendum #1 to Service Agreement dated 13 March 2007 between Bates Asia Hong Kong Limited, East Asia Satellite Television Limited and Bestwood Enterprises Limited / Addendum #2 to Service Agreement dated 1 June 2007 between Bates Asia Hong Kong Limited and Bestwood Enterprises Limited / Addendum #3 to Service Agreement dated 1 November 2008 between Bates Asia Hong Kong Limited, East Asia Satellite Television Limited and Macao Studio City (Hong Kong) Limited
6	Benaim (China) Limited	Letter dated from Cyber One Agents Limited to Benaim (China) Limited 16 October 2007 for Consultancy Services for Preliminary Peer Review of Geotechnical & Structural System.
7	Benoy Ltd	Consultant's Deed of Engagement dated 11 March 2008 between Cyber One Agents Limited and Benoy Limited for retail component interior design consultant services.

	<u>Company</u>	<u>Contract</u>
8	CAD International, Inc	Consultant's Deed of Engagement between East Asia Satellite Television Limited and CAD International, Inc (as amended) dated 10 January 2008 for W Hotel Interior Designer.
9	Cairncross Martin Limited	Consultant's Deed of Engagement dated 4 February 2008 between East Asia Satellite Television Limited and Cairncross Martin Limited for FF&E and OS&E procurement services provider / Letter dated 29 May 2008 from East Asia Satellite Television Limited to Cairncross Martin Limited / Letter dated 9 October 2008 from East Asia Satellite Television Limited to Cairncross Martin Limited
10	Davis Langdon & Seah (Quantity Surveyor)	Consultant's deed of engagement dated 20 June 2007 between East Asia-Televisao por Satelite Limitada and Davis Langdon & Seah Macau Limited and amended by letters dated 3 December 2008, 22 June 2009 and 3 May 2010
11	EWA Project Consultants (Statutory Architect)	Letter from Cyber One Agents Limited to EWA Project Consultants Ltd dated 15 December 2006
12	Food Services Consultants, Ltd	Letter from Food Services Consultants, Ltd to Cyber One Agents Limited dated 5 March 2007/Letter from Cyber One Agents Limited to Food Services Consultants, Ltd dated 23 March 2007/ Letter from Food Services Consultants, Ltd to Macau Studio City dated 2 May 2007 for kitchen design services.
13	Food Services Consultants, Ltd	Letter from Cyber One Agents Limited to Food Service Consultants, Ltd dated 18 July 2007 for additional services
14	Francis Krahe & Associates	Letter from Cyber One Agents Limited to Francis Krahe & Associates dated 14 December 2006 for Lighting Design Services / Agreement between Cyber One Agents Limited and Francis Krahe & Associates Inc dated 15 December 2006
15	Francis Krahe & Associates	Consultant's Deed of Engagement dated 24 July 2007 between East Asia Satellite Television Limited and Francis Krahe & Associates Inc for lighting consultant and designer / Letter dated 17 June 2008 from Cyber One Agents Limited to Francis Krahe & Associates Inc for additional service – exterior lighting design
16	Francis Krahe & Associates	Consultant's Deed of Engagement dated 18 January 2008 between East Asia Satellite Television Limited and Francis Krahe & Associates Inc for retail mall interior lighting consultant and designer
17	Franklin & Andrews (Hong Kong) Limited	Letter from Cyber One Agents Limited to Franklin & Andrews (Hong Kong) Limited dated 14 March 2007
18	Geomatic Surveyors Limited	Letter from East Asia Satellite Television Limited to Geomatic Surveyors Limited dated 1 September 2008 to conduct Topographic & Existing Condition Survey.



	<u>Company</u>	<u>Contract</u>
19	Grey Wong & Associates Limited	Letter from East Asia Satellite Television to Grey Wong & Associates Limited dated 14 August 2009 for the Provision of Consultancy Services for Contractor's Remedial Proposal Structural Safety Assessment for Column Reinforcement Starter Bars.
20	HBA International	Letter from Cyber One Agents Limited to HBA International dated 28 January 2008 for Consultancy Service for Concept Phase Interior Design, Tang Hotel
21	Hill & Associates	Letter from Cyber One Agents Limited to Hill & Associates Limited dated 31 August 2007 for Site Security Consultancy Service
22	Hill & Associates	Letter from Cyber One Agents Limited to Hill & Associates dated 12 June 2007 for Security Consultancy Service
23	IPP Consulting (Asia) Limited	Letter from Cyber One Agents Limited to IPP Consulting (Asia) Limited dated 31 August 2007
24	J Roger Preston (Macau) Ltd	Consultant's Deed of Engagement dated 27 November 2007 between East Asia Satellite Television Limited and J Roger Preston (Macau) Ltd for independent verifier for fire and life safety engineering
25	Jardine Lloyd Thomson Ltd	Letter dated 31 July 2007 from Cyber One Agents to Jardine Lloyd Thomson Ltd for bond insurance coverage for the Macao Studio City Project
26	Jones Lang LaSalle	Letter from Cyber One Agents Ltd to Jones Lang LaSalle Hotels Limited dated 24 August 2006
27	Kin Sun (Macau) Limitada	Letter from RDL Asia Limited to Kin Sun (Macau), Limitada dated 8 November 2006 for Site Investigation Works.
28	McKinsey & Company	Letter from McKinsey & Company to Ronald Issen dated 1 August 2006 in respect of fee arrangements for "Integrating Entertainment DNA" Project
29	Maunsell Consultants Asia Ltd	Letter from Maunsell Consultants Asia Ltd to Cyber One Agents Limited dated 23 August 2007 for Project Management Support Services (secondment of Mr Cedric Tam to Macau Studio City).
30	Maunsell Structural Consultants Limited	Letter from Cyber One Agents Limited to Maunsell Structural Consultants Limited dated 23 October 2007 for Peer Review.
31	Meinhardt Facade Technology (HK) Ltd	Agreement between East Asia Satellite Television Limited and Meinhardt Facade Technology (HK) Ltd dated 27 August 2007.

	<u>Company</u>	<u>Contract</u>
32	Meinhardt (M&E) Ltd (Building Services Engineer)	Agreement between East Asia Satellite Television Limited and Meinhardt (M&E) Ltd dated 17 July 2007 for MEP, fire, life and safety engineering consultant.
33	Melchers Project Management Pte Ltd	Letter from East Asia Satellite Television Limited to Melchers Project Management Pte Ltd dated 9 March 2007 for Consultancy Services – Structural Evaluation and Cost Planning for The 8 Macao Studio City Phase 1, Macao – Lucky * Feasibility Study.
34	Morgan Stanley	Engagement letter between Cyber One Agents Ltd, New Cotai Investments, LLC, New Cotai Holdings, LLC, East Asia Satellite Television (Holdings) Limited and Morgan Stanley & Co. Incorporated dated 17 August 2006
35	Most Well Decoration Engineering Limited	Letter from East Asia Satellite Television Limited to Most Well Decoration Engineering Limited dated 28 November 2008 for Mud Removal and Replacement of Old Hoarding.
36	Mott MacDonald Hong Kong Ltd	Letter from East Asia Television Limited to Mott MacDonald Hong Ltd dated 22 April 2009 for the provision of consultancy services for structural safety assessment.
37	MTech Engineering	Consultant’s Deed of Engagement dated 27 November 2007 between Cyber One Agents Limited and MTech Engineering Co., Ltd for design coordination of architectural, structural, mechanical, electrical and all major services using 3-dimensional modelling
38	MVA Hong Kong Ltd (Traffic Engineer)	Agreement between East Asia Satellite Television Limited and MVA Hong Kong Ltd dated 12 June 2007
39	Nam Fong Construction & Real Estate Co., Ltd	Letter from East Asia Satellite Television Limited to Nam Fong Construction & Real Estate Co., Ltd dated 20 August 2009 for Site Maintenance Works.
40	Nam Fong Construction & Real Estate Co., Ltd	Letters from East Asia Satellite Television Limited to Nam Fong Construction & Real Estate Co., Ltd dated 15 November 2010 and 25 November 2010 for Site Monitoring and Starter Bar Protection Works.
41	O’Brien Lighting, Inc.	Letter from Cyber One Agents Limited to O’Brien Lighting, Inc. dated 30 August 2007 for Consultancy Services – Lighting Design Services
42	Ove Arup & Partners Limited	Letter from Cyber One Agents Limited to Ove Arup & Partners dated 11 January 2008 for Peer Review on Cooling Capacity of Chiller Plant.

	<u>Company</u>	<u>Contract</u>
43	Paul Steelman Design Group Asia Limited (Design Architect)	Agreement between East Asia Satellite Television Limited and Paul Steelman Design Group Asia Limited dated 6 August 2007 for Interior Design and Interior Lighting Design
44	Paul Steelman Design Group Asia Limited (Design Architect)	Letter from Cyber One Agents Limited to Paul Steelman Design Group Asia dated 2 November 2007 for consultancy services for interior design, architectural lighting and theatrical design for multi-purpose hall.
45	Paul Y	Letter from Cyber One Agents Limited to Paul Y Construction Company Limited dated 3 May 2007
46	Poly U Technology and Consultancy Co., Ltd	Letter from Cyber One Agents Limited to Poly U Technology and Consultancy Co., Ltd dated 3 May 2007
47	RDL Asia Limited (Architect)	Agreement between East Asia Satellite Television Limited and RDL Asia Limited dated 24 November 2007
48	Red Consultants Limited	Agreement between East Asia Satellite Television Limited and Red Consultants Limited dated 19 July 2007
49	Romero Thorsen Design	Letter from Cyber One Agents Limited to Romero Thorsen Design dated 15 August 2007
50	Scott Architectural Graphic, Inc	Letter from Cyber One Agents Limited to Scott Architectural Graphic, Inc dated 20 August 2007 (relates to fee proposal dated 15 August 2007)
51	Scott Architectural Graphic, Inc	Letter from Cyber One Agents Limited to Scott Architectural Graphic, Inc dated 15 August 2007 (relates to fee proposal dated 6 August 2007)
52	Shen Milsom & Wilke Limited	Agreement between East Asia Satellite Television Limited and Shen Milsom & Wilke Limited dated 20 June 2007
53	Shen Milsom & Wilke Limited	Letter from Cyber One Agents Limited to Shen Milsom & Wilke Limited dated 26 January 2007 for technical advisory services.
54	Shen Milsom & Wilke Limited	Letter from Cyber One Agents Limited to Shen Milsom & Wilke Limited dated 7 May 2007 for consultancy services – Macau Dome acoustic review.
55	Shen Milsom & Wilke Limited	Letter from Cyber One Agents Limited to Shen Milsom & Wilke Limited dated 21 April 2008 for audio video consultancy services.
56	Shui Ho Human Resources Consultant Ltd	Letter from East Asia Satellite Television Limited to Shui Ho Human Resources Consultant Ltd dated 2 January 2009

	<u>Company</u>	<u>Contract</u>
57	Shui Ho Human Resources Consultant Ltd	Letter from East Asia Satellite Television Limited to Shui Ho Human Resources Consultant Ltd dated 27 February 2009
58	Siu Yin Wai & Associates (Consulting Engineer)	Agreement between East Asia Satellite Television Limited and Siu Yin Wai & Associates (International) Limited dated on or about July 2007
59	Siu Yin Wai & Associates (Consulting Engineer)	Letter from Cyber One Agents Limited to Siu Yin Wai & Associates (International) Limited dated 9 July 2007 for consultancy services for a technical director
60	SMC Alsop (Ride Design Architect)	Letters from Cyber One Agents Limited to SMC ALSOP dated 20 September 2006 and 5 December 2006
61	Steelman Architecture Asia, Limited	Letter from Cyber One Agents Limited to Steelman Architecture Asia, Ltd dated 5 March 2008 for Play Boy Mansion Space Planning Consultancy Services
62	Steelman Architecture Asia, Limited	Letter from Cyber One Agents Limited to Steelman Architecture Asia, Ltd dated 6 May 2008 for Facade design
63	St Legere Design International Ltd	Consultant's Deed of Engagement dated 30 January 2008 between East Asia Satellite Television Limited and St Legere Design International Ltd for landscape architect.
64	St Legere Design International Ltd	Letter from Cyber One Agents Limited to St Legere Design International Ltd dated 10 September 2008 for additional services in relation to landscape architecture.
65	Stanger Asia Limited	Letter from RDL Asia Limited to Stanger Asia Limited dated 12 February 2007 for Testing on the Existing Piles.
66	Stanger Asia Limited	Letter from RDL Asia Limited to Stanger Asia Limited dated 4 March 2008 for Site Investigation Works.
67	Studio Gaia Inc	Letter from Cyber One Agents Limited to Studio Gaia Inc dated 1 August 2007 for Playboy interior design consultancy services.
68	Taubman Macau Limited	Development Services Agreement between East Satellite Television Limited and Taubman Macau Limited dated 1 February 2007
69	Theatre Consultants Limited	Letter from Cyber One Agents Limited to Theatre Projects Consultants Limited dated 23 May 2007

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	<u>Company</u>	<u>Contract</u>
70	Vibro (Macau) Limited	Contract Documents for Foundation Works (Engineer's Design) for Macau Studio City at Cotai, Macau dated 10 May 2007 between East Asia Satellite Television Limited and Vibro (Macau) Limited
71	Wilson Associates	Letters from Cyber One Agents Limited to Wilson Associates dated 12 July 2007 and 6 August 2007 for Marriott Interior Design Consultancy Services
72	Wilson Associates	Letter from Cyber One Agents Limited to Wilson Associates dated 18 July 2007 for Ritz Interior Design Consultancy Services
73	Wilson Associates	Letter from Cyber One Agents Limited to Wilson Associates dated 5 February 2008 for Playboy Interior Design Services
74	Woods Bagot	Letter from MSCT Limited to Woods Bagot dated 20 February 2008 for interior design services for Macao Studio City marketing and leasing suite.

[Intentionally omitted]



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**MCE Cotai Investments Limited**

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**New Cotai, LLC**

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**and Others**

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**Shareholders'  
Agreement**



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## Date

### Parties

**MCE Cotai Investments Limited**, a company incorporated in the Cayman Islands, of Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands (**MCE Cotai**)

**New Cotai, LLC**, a limited liability company formed in Delaware, United States of America, c/o New Cotai Holdings, LLC, of Two Greenwich Plaza, Greenwich, Connecticut 06830, United States of America (**New Cotai**)

**Melco Crown Entertainment Limited**, a company incorporated in the Cayman Islands, of Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands (**MCE**)

**Cyber One Agents Limited**, a company incorporated in the British Virgin Islands, with its registered office at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands (**Company**)

### Background

- A MCE Cotai and New Cotai have agreed to enter into this document to govern their relationship in connection with, and the conduct and operations of, the Group.
- B MCE Cotai and New Cotai have agreed to invest further capital in the Company on the terms of this document.

#### Agreed terms

- 1 Interpretation

#### 1.1 Definitions

In this document:

**Accounting Standards** means the applicable accounting standards under US GAAP or such other accounting standards (including Hong Kong IFRS and IFRS) as may be implemented by the Board from time to time.

**Additional Capital Notice** has the meaning given to that term in **clause 19.3(b)**.



**Affiliate** means in relation to a person (**First Person**), any other person:

- (a) directly or indirectly controlling, controlled by, or under direct or indirect common control with, the First Person;
- (b) who is a director or officer of the First Person or any Subsidiary of the First Person or of any person referred to in paragraph (a) of this definition; or
- (c) who is a spouse or any person cohabiting as a spouse, child or stepchild, parent or step-parent, parent-in-law, grandchild, and grandparent of the First Person or of a person described in paragraph (b) of this definition.

**Appointing Shareholder** means a Minority Shareholder from time to time that:

- (a) is the Largest Minority Shareholder; and
- (b) holds at least 20% of the Securities on issue.

**Appointment Date** has the meaning given to that term in **clause 10.2(a)**.

**Audited Accounts** means the annual audited accounts for the Group incorporating:

- (a) a statement of financial performance for the Financial Year;
- (b) a statement of financial position as at the last day of the Financial Year;
- (c) a statement of cash flows for the Financial Year; and
- (d) any notes, statements and reports attached to and forming part of those statements, including the certification of independent certified public accountants of recognized international standing selected by the Board, to the effect that, except as set forth therein, such statements have been prepared in accordance with Accounting Standards, applied on a basis consistent with prior years and fairly present in all material respects the financial condition of the Company as of the dates thereof and the results of its operations and changes in its cash flows for the periods covered thereby.

**Authorisation** means:

- (a) any consent, permit, license, or authorisation; or
- (b) exemption,

from, by, or with, a Governmental Agency.

**Board** means the board of Directors from time to time.

**Business Day** means a day which is not a Saturday, Sunday or bank or public holiday in Hong Kong or New York, nor a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9.00am and 5.00pm.

**Business Plan** means the Group business plan as set out in section II of the Project Plan and as amended from time to time subject to **clause 7.2(a)**.

**Call Notice** has the meaning given to that term in **clause 17.3(a)**.

**Calling Shareholder** has the meaning given to that term in **clause 17.2(c)**.

**Capital Call** means a call on the Shareholders to contribute capital to the Company in exchange for Securities under **clause 17**.

**Capital Issue Notice** has the meaning given to that term in **clause 20.7**.

**Casino Management Agreement** means the services and right to use agreement between Melco Crown Gaming (Macau) Limited, New Cotai Entertainment, LLC and New Cotai Entertainment (Macau) Limited dated 11 May 2007.

**Cause** means, in respect of a person, the person's:

- (a) conviction for fraud, embezzlement, any other serious criminal act or any other actions subject to serious civil or administrative actions by any Governmental Agency; or
- (b) gross misconduct, willful act or omission not done in good faith or done without reasonable belief that the action was in furtherance of the interests or business of the relevant Group Company.

**Chairperson** means the chairperson of the Board appointed from time to time pursuant to **clause 3.6**.

**Commitment Letters** means the letter agreements from MCE, the Silver Point Funds, and the Oaktree Funds to the Company attached to this document as **Annexures F-1, F-2, and F-3**.

**Company Subsidiary** means any company which is or becomes a Subsidiary of the Company from time to time.

**Competitor** means:

- (a) any person or entity (other than MCE and its Affiliates (under clause (a) of that definition, but not clause (b) or (c) thereof)) holding a gaming concession or subconcession to operate games of fortune and chance in a casino in Macau;
- (b) any person or entity holding a direct or indirect interest in any person specified in **paragraph (a)** of this definition and having the right to appoint a director on the board of any such entity; or
- (c) any subsidiary of any person specified in **paragraph (a)** of this definition.

**Confidential Information** means:

- (a) any confidential, non-public or proprietary information relating to the business, assets or affairs of the Group (and includes any information provided under **clauses 30.1, 30.2 or 30.4**); and
- (b) any information relating to this document and the transactions contemplated by it including the existence of this document and the transactions contemplated by it and of the negotiations which preceded it;

provided, however, that Confidential Information shall not include information that:

- (a) is or becomes generally available to the public other than as a result of disclosure in violation of this document;
- (b) is or becomes available to the receiving person on a non-confidential basis prior to its disclosure to such person;
- (c) is or has been independently developed or conceived by the receiving person without use of Confidential Information; or
- (d) becomes available to the receiving person on a non-confidential basis from a source other than the Company; provided, that such source is not known by such person to be bound by a confidentiality agreement with the Company.

**Confidentiality Deed** means the confidentiality deed attached to this document as **Annexure C**.

**Conflicts Committee** means a committee to approve certain transactions between any Group Company and any of the Shareholders, their Affiliates or Connected Persons.

**Conflicts Committee Charter** means guidelines for the membership and operations of the Conflicts Committee.

**Connected Person** has the meaning given to that term in the Rules.

**Contracts** means agreements, contracts, arrangements or understandings, whether formal or informal, written or oral.

**control** means, in relation to a person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the person, whether through the ownership of voting securities, by contract, or otherwise.

**Covered Persons** means any Shareholder, any holder of Upstream Securities in that Shareholder, and any of their Affiliates (respectively), and in the case of any such persons that are investment funds, any funds managed by them or by any of their Affiliates.

**D&O Policy** means a directors and officers insurance policy taken out by the Company from time to time with a reputable insurer.

**Deed of Accession** means a deed of accession substantially in the form contained in **Annexure B**.

**Defaulting Loan** has the meaning given to that term in **clause 18.1(b)**.

**Defaulting Securities** has the meaning given to that term in **clause 18.2(a)**.

**Defaulting Shareholder** has the meaning given to that term in **clause 18.1**.

**Demanding Shareholder** has the meaning given to that term in **clause 29.1(a)**.

**Development and Pre-Opening Services Agreement** means an agreement proposed to be entered into between MCE and one or more of its Affiliates, on the one hand, and one or more of the Group Companies, on the other, in relation to provision of services to the Group Companies related to the development, construction, design, fit-out, and completion of the MSC Property, and the Opening, and the payment and the reimbursement of Development and Pre-Opening Services Costs.

**Development and Pre-Opening Services Costs** means the following categories of service fees to be charged by MCE to the Company and the costs and expenses incurred by MCE on behalf of the Company in relation to the development, construction, design, fit-out, installation, completion and pre-opening of the MSC Property, and the Opening including:

- (a) supervisory and project management costs directly involved with the development, construction, design, fit-out, installation, completion and pre-opening of the MSC Property and the Opening which are contained in the Project Budget;
- (b) development capital expenditures;
- (c) out of pocket costs & expenses under construction contracts;
- (d) design and construction consultancy fees;
- (e) other advisory fees and out of pocket costs and expenses in relation to MCE service fees;
- (f) costs and expenses incurred in relation to the operations of the MSC Property prior to the Opening or in connection with the Opening;
- (g) payroll costs including costs related to: payroll processing, management labour, City of Dreams employee dining room usage, employee shuttle usage, investigation cost for new employees, relocation accommodation for senior expatriate employees or corporate hotel room rates, and procurement costs;
- (h) MCE recruitment services fees and out of pocket costs and expenses;
- (i) marketing fees and out of pocket costs and expenses related to: pre-opening event, pre-opening launch (marketing and advertising), initial photography, website development, branding development, premium customer entertainment and visits;
- (j) rental costs including preopening offices if required and shared space;
- (k) office supplies;
- (l) travel and entertainment including: factory visits, key market launches and regulatory meetings;
- (m) transportation costs to site including MCE vehicle fleet;
- (n) external legal fees and expenses and in-house legal costs; and

(o) accounting services including accounts payable and other finance processing.

**Development Plan** means the plan for the construction and development of the MSC Property as set out in section I of the Project Plan and as amended from time to time subject to **clause 7.2(a)**.

**Director** means a member of the Board of the Company from time to time.

**Disagreement** has the meaning given to that term in **clause 7.3(a)**.

**Disagreement Notice** has the meaning given to that term in **clause 7.3(a)**.

**Disclosing Shareholder** has the meaning given to that term in **clause 31.7(a)**.

**Dispute** has the meaning given to that term in **clause 37.1(a)**.

**Dispute Notice** has the meaning given to that term in **clause 37.1(b)**.

**Disputing Parties** has the meaning given to that term in **clause 37.1(c)**.

**Drag Along Notice** has the meaning given to that term in **clause 26.4**.

**Drag Along Right** has the meaning given to that term in **clause 26.1**.

**Dragged Securities** has the meaning given to that term in **clause 26.1**.

**Dragged Shareholders** has the meaning given to that term in **clause 26.1**.

**Dragging Shareholder** has the meaning given to that term in **clause 26.1**.

**Duty** means any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount in respect of the above.

**Effective Interest in Securities** means the interest of a person or entity (the **Person**) in Securities calculated as the sum of:

(a) the number of Securities on issue for which the Person is the registered holder; plus

(b) the product of:

(i) the fraction that is determined by multiplying the economic interest in the equity of an entity (the **First Entity**) held by the Person (expressed as a fraction of all the economic interests in the equity of the First Entity) by the economic interest in the equity of each other entity within the chain of entities between the First Entity and the Registered Holder (in each case expressed as a fraction of all the economic interests in the equity of each such entity) and, where the Person has an interest in Securities through more than one First Entity, the interest that is obtained by aggregating such Person's fractional interest in all such First Entities, and

(ii) the number of Securities on issue that are held by registered holders of Securities in which the Person holds an interest through the chain or chains of entities in **paragraph (b)(i) (Registered Holder)**; and

expressed as a percentage of all the Securities on issue.

For the purposes of this definition, “economic interest in the equity of an entity” excludes any derivative or synthetic security that represents an interest in the underlying equity securities of such entity.

**Encumbrance** means an interest or power:

- (a) reserved in or over an interest in any asset; or
- (b) created or otherwise arising in or over any interest in any asset under any mortgage, charge, pledge, lien, hypothecation, trust or bill of sale, by way of security for the payment of a debt or other monetary obligation or the performance of any other obligation.

**Entertainment Agreement** has the meaning given to that term in **clause 13.2(a)**.

**Entertainment Service Provider** means eSun or any of its Affiliates.

**eSun** means eSun Holdings Limited.

**Expert** means an expert appointed under **clause 7.3** or **26.3**, as applicable.

**Expert Request** has the meaning given to that term in **clause 7.3(e)**.

**Fair Market Value** is the value determined in accordance with **clause 34**.

**Fairness Opinion** has the meaning given to that term in **clause 26.3(d)**.

**Finance Director** means the most senior finance executive of the Group from time to time and having whatever title or designation as the Company may confer from time to time.

**Financial Interest** means:

- (a) in respect of an initial Shareholder, that number set out opposite the Shareholder’s name in column 2 of the table in **schedule 1** as may be increased or decreased under **clause 22.5**; and
- (b) in respect of any successor Shareholder who has entered into a Deed of Accession, the interest specified in that deed as may be increased or decreased under **clause 22.5**.

**Financial Support** has the meaning given to that term in **clause 20.1(b)**.

**Financial Supporter** has the meaning given to that term in **clause 20.4(a)**.

**Financial Support Fee** has the meaning given to that term in **clause 20.3(a)**.

**Financial Support Loan** has the meaning given to that term in **clause 20.4(a)**.

**Financial Year** means:

- (a) the period commencing on the date of this document and ending on 31 December; and
- (b) each subsequent 12 month period.

**Financing and Funding Schedule** means the funding and financing schedule of the Group as set out in sections V and VI (respectively) of the Project Plan and as amended from time to time subject to **clause 7.2(a)**.

**Force Majeure** means:

- (a) any change in Law or rules or regulations of a Governmental Agency; or
- (b) any of the following (but only to the extent outside the control of the Group):
  - (i) any act of God;
  - (ii) any political conditions, including acts of war, armed hostilities or terrorism;
  - (iii) any conditions resulting from natural disasters;
  - (iv) any deterioration in global market conditions or the market conditions in Hong Kong, Macau or the People's Republic of China (except to the extent such deterioration has a significantly disproportionate impact on MCE and its Affiliates when taken as a whole relative to other participants in the gaming industry in Macau);
  - (v) any crisis or material disruption in the global financial system or the financial systems of Hong Kong, Macau or the People's Republic of China;
  - (vi) any pandemic;
  - (vii) any labour shortage, or any labour or industrial action of any kind (stoppage, strike, slowdown or interruption of any kind) not specific to the MSC Property; or
  - (viii) any failure to obtain any Authorisation, despite the Company having used commercially reasonable endeavours to obtain any such Authorisation.

**Further Capital Notice** has the meaning given to that term in **clause 19.6**.

**Future Funding Date** has the meaning given to that term in **clause 19.6(b)**.

**Gaming Authorisation** means any gaming concession, subconcession, licensing or regulatory Authorisation to conduct gaming business in any jurisdiction.

**Gaming Promoter** means any gaming promoter duly licensed by the Macau government to act in any such capacity, and whose activity is to promote gaming in casinos in Macau by providing (among other things) amenities such as transport, lodgement, food and beverage and entertainment to patrons.

**Gaming Regulator** means any Governmental Agency responsible for the regulation of gaming, wagering or betting in any jurisdiction.

**Governmental Agency** means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office, or minister of a government acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary, regulatory, fiscal or tax authority, whether statutory or not.

**Group** means the Company and the Company Subsidiaries from time to time and the expressions **member of the Group** or **Group member** or **Group Company** mean any one of them.

**HKIAC** has the meaning given to that term in **clause 7.3(f)(iii)**.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**Implementation Agreement** means the agreement entered into between MCE, MCE Cotai, New Cotai and New Cotai Holdings, LLC dated June, 2011.

**IPO** means an initial public offering of any class of equity securities by the Company (or a new holding company formed as a special purpose vehicle for the initial public offering (**IPO HoldCo**)) provided that, as part of, or immediately after such offering, a Shareholder has the right, at its sole option, to cause the Company to exchange any or all of its Securities for equity securities of the class offered in such offering) in conjunction with a listing or quotation of those equity securities on a Recognised Stock Exchange.

**Land** means a plot of land situated in Macau, at the Cotai reclaimed land area, with gross area of 140,789 square meters, described at the Macau Immovable Property Registry under n.º 23059, comprised by lots G300, G310 and G400, denoted by the letter "A" on map no. 5899/2000 issued by Macao Cartography and Cadastre Bureau on 22 January 2001.

**Land Grant** means the land concession by way of lease, for the Land, for a period of 25 years as of 17 October 2001, renewable for successive periods of ten years up to 19 December 2049, registered with the Macau Immovable Property Registry in PropCo's name under inscription no. 26642 of Book F, titled by Dispatch of the Secretary for Public Works and Transportation no. 100/2001 of 9 October 2001.

**Largest Minority Shareholder** means:

- (a) the Minority Shareholder holding the most Securities of all Minority Shareholders; or
- (b) if there is more than one Minority Shareholder holding the same number of Securities and more Securities than any other Minority Shareholder, each such Minority Shareholder.



**Law** means any law or legal requirement, including at common law, in equity, under any statute, regulation or by-law and any decision, directive, guidance, guideline or requirement of any Governmental Agency.

**Macau** means the Macau Special Administrative Region of the People's Republic of China.

**Majority of the Minority Shareholders** means the holders of a majority of the Securities on issue held by all of the Minority Shareholders.

**Management Accounts** means the monthly unaudited management accounts for the Group which must include:

- (a) a statement of financial performance;
- (b) a statement of financial position;
- (c) cash flow statement; and
- (d) a statement of the source and application of funds for the Financial Year to date.

**MCE Casino(s)** means the casino(s) and gaming area(s) owned directly or indirectly (in whole or in majority) or operated (or both) by MCE, the MCE Subconcessionaire or any of their respective Affiliates.

**MCE Director** means a Director appointed by the MCE Shareholders under **clauses 3.2(a) or 3.2(b)** (as applicable).

**MCE Shareholders** means MCE and any Affiliate (under clause (a) of that definition, but not clause (b) or (c) thereof) of MCE to whom Securities are issued or Transferred under this document.

**MCE Shareholder Valuation Expert** means the Valuation Expert MCE notifies to the Company pursuant to the Implementation Agreement, provided that Shareholders holding a majority of the Securities on issue held by all of the MCE Shareholders may from time to time (but not more than once per year) change the MCE Shareholder Valuation Expert by selecting a different person from the list set out in **schedule 4** and notifying the Company and each Minority Shareholder within 3 Business Days following such change.

**MCE Subconcession** means the trilateral agreement dated 8 September 2006 entered into by and among the Macau government, Wynn Resorts (Macau), S.A. (**Wynn Macau**) (as concessionaire for the operation of casino games of chance and other casino games in Macau, under the terms of a concession contract dated 24 June 2002 between Macau and Wynn Macau, as amended on 8 September 2006) and the MCE Subconcessionaire, comprising a set of instruments from which shall flow an integrated web of rights, duties and obligations by and for all and each of Macau, Wynn Macau and the MCE Subconcessionaire, pursuant to the terms of which the MCE Subconcessionaire shall be entitled to operate casino games of chance and other casino games in Macau as an autonomous subconcessionaire in relation to Wynn Macau, including any supplemental letters or agreements entered into or issued by the Macau government and the MCE Subconcessionaire from time to time, and including any replacement concession or subconcession for the operation of casino games of chance and other casino games in Macau.

**MCE Subconcessionaire** means Melco Crown Gaming (Macau) Limited, a company incorporated in Macau, or any other Affiliate of MCE holding the MCE Subconcession from time to time.

**Memorandum and Articles of Association** means the memorandum and articles of association of the Company attached to this document as **Annexure A** as may be amended from time to time in accordance herewith.

**Minority Director** means a Director appointed by the Minority Shareholders under **clause 3.3(a)**.

**Minority Shareholders** means any Shareholder as at the date of this document (other than any MCE Shareholder) and any person (other than any MCE Shareholder) to whom a Shareholder (other than, with respect to Transfers of Securities to persons who are not Minority Shareholders at the time of such Transfer, any MCE Shareholder) Transfers Securities.

**Minority Shareholder Valuation Expert** means the Valuation Expert New Cotai notifies to the Company pursuant to the Implementation Agreement, provided that the Majority of the Minority Shareholders may from time to time (but not more than once per year) change the Minority Shareholder Valuation Expert by selecting a different person from the list set out in **schedule 4** and notifying the Company and MCE within 3 Business Days following such change.

**Minority Transferor** has the meaning given to that term in **clause 24.2**.

**MSC Casino** means the casino and gaming area to be constructed or operated within the MSC Property.

**MSC Property** means the Macau Studio City project to be developed and operated on the Land.

**New Shareholder** has the meaning given to that term in **clause 26.7**.

**Non Defaulting Shareholders** has the meaning given to that term in **clause 18.1**.

**Notified Party** has the meaning given to that term in **clause 27.2(b)**.

**Oaktree Funds** means each of OCM Opportunities Fund V, L.P., OCM Asia Principal Opportunities Fund, L.P., and OCM Opportunities Fund VI, L.P.

**Observer** means an observer appointed to the Board in accordance with **clause 3.4(a)**.

**Offer** has the meaning given to that term in **clause 21.1**.

**Offer Notice** has the meaning given to that term in **clause 21.2**.

**Offeree** has the meaning given to that term in **clause 21.1**.

**Opening** means the opening of the MSC Property to the public.

**Performance Failure** means, in respect of any employee of a Group Company:

- (a) continued failure to perform the duties and responsibilities described herein or in the person's employment agreement for his or her position in any Group Company to the standard reasonably required by the Group Company (including the employee's supervisor) or continued failure to follow a reasonable and lawful order or direction of the relevant Group Company (including that from the employee's supervisor), other than any such failure resulting from employee's sickness or disability;
- (b) misconduct, such conduct being inconsistent with the due and faithful discharge of his or her duties under his or her employment agreement with such Group Company; or
- (c) continued failure, habitual neglect of his or her duties and responsibilities under his employment agreement with such Group Company.

**Permitted Transferee** means:

- (a) in the case of an MCE Shareholder, any Affiliate of MCE;
- (b) in the case of a Minority Shareholder (i) any Affiliate of that Minority Shareholder or (ii) any holder of Upstream Securities in that Minority Shareholder or any Affiliate of that holder of Upstream Securities;
- (c) in the case of a holder of Upstream Securities in a Minority Shareholder, (I) any holder of Upstream Securities in that holder of Upstream Securities or in that Minority Shareholder or (II) any Affiliate of the holder of Upstream Securities or of any person in clause (I);
- (d) in the case of a natural person, any spouse or any other person cohabitating as a spouse, child or step-child, parent or step-parent, parent-in-law, grandchild or grandparent of that person; and
- (e) any Project Lender in accordance with **clause 22.6**.

A person who becomes a holder of Upstream Securities by purchasing such securities in a primary issuance shall not, as a result, become a Permitted Transferee. As used in this definition, Affiliate shall include clause (a) of that definition, but shall not include clause (b) or (c) of the definition thereof.

**Policy on Related Party Transactions** means a policy regulating the entry by Group Companies into certain transactions with Shareholders, their Affiliates and Connected Parties as initially approved by all of the Directors on the date of this document, and as amended from time to time in accordance with **clause 11.2**.

**President** means the most senior executive officer of the Company from time to time or the person holding substantially the same position and having whatever title or designation as the Company may confer from time to time.

**Project Budget** means the budget for the development and construction of the MSC Property (including pre-opening expenses) as set out in the subsection entitled "Development Budget" in section I of the Project Plan and in section III of the Project Plan, in each case as amended from time to time subject to **clause 7.2(a)**.

**Project Director** means the most senior project development officer of the Group from time to time with the responsibility to manage the design, development, construction and completion of the MSC Property.

**Project Lenders** has the meaning given to that term in **clause 20.1(b)**.

**Project Plan** means the plans and budget for the construction and development of the MSC Property as agreed to, and initialled by, each of New Cotai, MCE Cotai and MCE prior to the date of this document and amended from time to time subject to **clause 7.2(a)**.

**PropCo** means East Asia-Televisão Por Satélite, Limitada, a company incorporated in Macau (also known as East Asia Satellite Television Limited).

**Proposed Drag Notice** has the meaning given to that term in **clause 26.2**.

**Proposed Purchaser** has the meaning given to that term in **clause 25.2(d)**.

**Proposed Sale Notice** has the meaning given to that term in **clause 25.2**.

**Proposed Seller** has the meaning given to that term in **clause 25.1**.

**Prospective Purchaser** has the meaning given to the term in **clause 31.7**.

**Qualified IPO** means an IPO in which the total aggregate value of the Securities or shares of IPO HoldCo publicly sold (including any Securities or shares of IPO HoldCo on issue to be Transferred in the IPO) is not less than US\$150 million.

**Quarter** means the:

- (a) the period commencing on the date of this document and ending on the immediately succeeding Quarter Date; and
- (b) each 3 month period after the period in (a) and ending on 31 December, 31 March, 30 June and 30 September of each calendar year (each such date, a **Quarter Date**).

**Recognised Stock Exchange** means the Stock Exchange of Hong Kong Limited, the Singapore Exchange, the New York Stock Exchange and the NASDAQ and such other exchange jointly designated as such by the MCE Shareholders and the Majority of the Minority Shareholders.

**Registration Rights Agreement** means the registration rights agreement attached to this document as **Annexure E**.

**Related Agreement** has the meaning given to that term in **clause 26.9(a)**.

**Reorganisation Event** means:

- (a) a pro rata dividend of Securities;
- (b) a sub-division or consolidation of Securities; or
- (c) any other reorganisation or reconstruction of shares the Company is authorised to issue where the Company does not pay or receive cash.

**Respective Proportion** means the proportion the number of Securities on issue held by a Shareholder bears to the total number of Securities on issue held by all Shareholders.

**Rules** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

**Sale Offer** has the meaning given to that term in **clause 24.2**.

**Sale Notice** has the meaning given to that term in **clause 24.3**.

**Sale Securities** has the meaning given to that term in **clause 25.2**.

**Securities Issue Notice** has the meaning given to that term in **clause 20.5**.

**Security** means a fully paid share in the capital of the Company carrying the rights and obligations set out in this document and in the Memorandum and Articles of Association.

**Share Sale** means the Transfer of all of the Securities in the Company.

**Shareholder** means a holder of Securities from time to time.

**Shareholder Group** means each of the MCE Shareholders, on the one hand, and the Minority Shareholders, on the other hand, or either one of them (as the context requires).

**Shareholder Loan Agreement** means the agreement in the form set out in **Annexure D** as amended in accordance with **clause 35** from time to time.

**Shared Vendor Contracts** has the meaning given to the term in **clause 12.1**.

**Shared Vendors** has the meaning given to the term in **clause 12.1**.

**Silver Point Funds** means each of Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Master Fund, L.P.

**Steering Committee** has the meaning given to that term in **clause 10.4(a)**.

**Subsidiary** has the meaning given to that term in the Companies Ordinance of Hong Kong (Cap 32 of the Laws of Hong Kong).

**Supervisory Board** has the meaning given to the term in **clause 10.4(c)**.

**Tag Along Notice** has the meaning given to that term in **clause 25.3**.

**Tagging Shareholders** has the meaning given to that term in **clause 25.4**.

**Tagging Securities** has the meaning given to that term in **clause 25.3**.

**Tax** means tax, levy, impost, duty or other charge or withholding of a similar nature imposed by any Governmental Agency (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**Third Party Casino** means those casinos or gaming areas operated but not majority owned or controlled by MCE or any of its Affiliates.

**Third Party Purchaser** has the meaning given to that term in **clause 26.1**.

**Tier 1 Reserved Matters** means the matters set out in Part A of **schedule 3**.

**Tier 2 Reserved Matters** means the matters set out in Part B of **schedule 3**.

**Tier 3 Reserved Matter** means the matter set out in Part C of **schedule 3**.

**Tier 4 Reserved Matter** means the matter set out in Part D of **schedule 3**.

**Transaction Documents** means this document, the Implementation Agreement, the Registration Rights Agreement, the Commitment Letters and the Memorandum and Articles of Association.

**Transfer** means to transfer, sell, assign, convey, or otherwise dispose of.

**Unsubscribed Securities** has the meaning given to that term in **clause 21.3(b)**.

**Unsuitable Person** means a person or entity whose direct or indirect ownership of Securities could (on the facts then known):

- (a) based on the written advice of outside legal counsel to a Shareholder or MCE (as applicable); or
- (b) based on an objection received from a Gaming Regulator,

be reasonably expected to adversely impact the suitability or entitlement of:

(x) any member of the Group;

(y) any MCE Shareholder, any holder of Upstream Securities in any MCE Shareholder, or any of their respective Affiliates (under clause (a) of that definition, but not clause (b) or (c) thereof), in each case, in the case of a Transfer of any Securities or Upstream Securities by any person other than those persons; or

(z) any Minority Shareholder, any holder of Upstream Securities in any Minority Shareholder, or any of their respective Affiliates (under clause (a) of that definition, but not clause (b) or (c) thereof), in each case, in the case of a Transfer of any Securities or Upstream Securities by any person other than those persons,

to maintain any Gaming Authorisation.

**Upstream Securities** means, in respect of a Shareholder, any equity securities or interests in equity securities issued by that Shareholder or by any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially) holds an Effective Interest in Securities held by that Shareholder, but does not include any equity securities or interests in equity securities:

- (a) in any investment fund or account managed by any investment fund, or in any successors or Affiliates of the foregoing, or in any person that, directly or indirectly through one or more interposed entities (whether legally or beneficially) holds equity securities or interests in equity securities in any such person;
- (b) in MCE, or any of its shareholders or any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially) holds equity securities or interests in equity securities in those shareholders; or

(c) in any other Shareholder or holder of Upstream Securities whose shares are listed on an internationally recognised stock exchange.

**Valuation Expert** means each of the MCE Shareholder Valuation Expert, on the one hand, and the Minority Shareholder Valuation Expert, on the other hand, or either one of them (as the context requires).

**Valuation Expert Report** has the meaning given to the term in **clause 34.4(a)**.

**Warranties** means the warranties in **schedule 2** and **Warranty** means any of them.

## 1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) **includes** means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;
- (f) a reference to:
  - (i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a Governmental Agency;
  - (ii) a person or a party includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
  - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (v) a right includes a benefit, remedy, discretion or power;
  - (vi) time is to local time in Hong Kong;
  - (vii) "US\$" or US dollars is a reference to the currency of the United States of America;
  - (viii) "HK\$" or HK dollars is a reference to the currency of Hong Kong;

- (ix) this or any other document includes the document as novated, varied or replaced in accordance with the terms hereof and thereof and despite any change in the identity of the parties;
- (x) this document includes all schedules, annexures and exhibits to it;
- (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (xii) a reference to a meeting is a meeting in person, by conference telephone or similar equipment, so long as all of the participants can hear each other; and
- (xiii) if the number of Securities the Effective Interest in Securities represents is required to be calculated, if the number is not a whole number, that number will rounded up or down, as appropriate, with .5 or greater rounded up;
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day;
- (h) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded; and
- (i) the schedules and annexures to this document shall be incorporated by reference herein and constitute a part hereof.

### 1.3 Headings

Headings do not affect the interpretation of this document.

## 2 Shareholders

As at the date of this document the only Shareholders are New Cotai and MCE Cotai.

## 3 Directors

### 3.1 Number of Directors

- (a) The number of Directors must not be less than one or more than five (excluding alternate directors).
- (b) On the date of this document the number of Directors will be five.

### 3.2 MCE Directors

- (a) Subject to **clause 3.2(b)**, the MCE Shareholders may, from time to time, appoint one Director for every 20% of the Securities on issue held by them in aggregate, including to fill vacancies created by removals under **clause 3.2(c)** or vacancies created as a result of the application of **clauses 3.7(b)** or **3.7(c)**.



- (b) Despite **clause 3.2(a)**, the MCE Shareholders may, from time to time, by notice to the Company, appoint up to three Directors for so long as they hold in aggregate:
  - (i) more than 40% of the Securities on issue; and
  - (ii) more Securities on issue than any other Shareholder and its Affiliates to whom Securities have been issued or Transferred in accordance with this document, in the aggregate.
- (c) Subject to **clause 3.2(d)**, the MCE Shareholders may remove any Director appointed by them under **clauses 3.2(a) or 3.2(b)** (as applicable) by notice to the Company.
- (d) Any notice under **clause 3.2(c)** must be signed by Shareholders holding a majority of the Securities on issue held by all of the MCE Shareholders as at the date of the notice.

### **3.3 Minority Directors**

- (a) The Minority Shareholders may, by action of the Majority of the Minority Shareholders, for so long as they hold in aggregate:
  - (i) 20% or more of the Securities on issue, appoint two Directors; and
  - (ii) 10% or more, but less than 20% of the Securities on issue, appoint one Director, including in each case to fill vacancies created by removals under **clause 3.3(c)** or vacancies created as a result of the application of **clauses 3.7(b) or 3.7(c)**, in each case by written notice to the Company.
- (b) Subject to **clause 3.3(c)**, the Minority Shareholders may, by action of the Majority of the Minority Shareholders, remove any Director appointed by them under **clause 3.3(a)** by notice to the Company.
- (c) Any notice under **clause 3.3(b)** must be signed by the Majority of the Minority Shareholders as at the date of the notice.

### **3.4 Minority Shareholder Observers**

- (a) The Majority of the Minority Shareholders may, for so long as the Minority Shareholders hold, in aggregate, an Effective Interest in Securities of 5% or more but less than 20%, designate by notice to the Company one Observer.
- (b) The Majority of the Minority Shareholders may change any Observer designated by them under **clause 3.4(a)** by notice to the Company.
- (c) Any notice under **clauses 3.4(a) or 3.4(b)** must be signed by the Majority of the Minority Shareholders as at the date of the notice.
- (d) No more than one Observer may be designated under this **clause 3.4**.

### **3.5 Eligibility and rights of Observers**

- (a) An Observer is entitled to attend each meeting of the Board.

- (b) An Observer must be given the same notice of each meeting of the Board, at the same time and in the same form, as given to the Directors.
- (c) An Observer must be provided with all of the information provided to Directors at the same time as such information is provided to the Directors, including all board packs, agendas and any information to be presented to the Board.
- (d) An Observer is not entitled to vote at meetings of the Board.
- (e) It is a condition of the designation of an Observer under **clause 3.4(a)** that the Observer enters into, or is already covered by, a confidentiality deed with the Company on terms substantially the same as the Confidentiality Deed or otherwise acceptable to the Company.

### **3.6 Chairperson**

- (a) For so long as **clauses 3.2(b)(i)** and **3.2(b)(ii)** are satisfied, the MCE Shareholders may from time to time by notice to the Company appoint an MCE Director as the Chairperson and may remove from office any person so appointed and appoint another MCE Director as the Chairperson in their place.
- (b) If **clause 3.2(b)(i)** or **3.2(b)(ii)** is not satisfied, the holders of a majority of the Securities then on issue may from time to time by notice to the Company appoint a Director as the Chairperson and may remove from office any person so appointed and appoint another Director as the Chairperson in their place.

### **3.7 Vacation of office**

The office of a Director will be vacated if:

- (a) the Director is removed under **clause 3.2(c)** or **3.3(b)** (as applicable);
- (b) the Director gives notice to the Company that he or she resigns as a Director; or
- (c) the Director dies.

### **3.8 Removal of Directors**

- (a) If the number of Directors appointed by a person under **clause 3.2** or **3.3** is greater than the number of Directors entitled to be appointed by that person under the relevant clause, then that person must, within two Business Days of ceasing to be so entitled, give notice to the Company removing that number of Directors in excess of its entitlement.
- (b) If any person to whom **clause 3.8(a)** applies does not give notice removing the required number of Directors within the period specified in that clause, any person entitled to appoint a Director under **clauses 3.2** or **3.3** may give such a notice removing any such Directors.

### **3.9 Alternate directors**

- (a) A Director may, with the prior written approval of the Board, appoint an alternate director by notice to the Company.
- (b) An alternate director may attend any Board meeting and vote on any resolution of the Board provided the Director that appointed the alternate is not present at the meeting and is a Director at the time of the meeting.
- (c) An alternate director is entitled to a separate vote for each Director the alternate director represents in addition to any vote that alternate director may have as a Director if that alternate director is also a Director.

### **3.10 Director duties**

Each Director and director of a Company Subsidiary shall be required to have regard to, and act in the best interests of, the Company and all of its Shareholders; provided that, to the maximum extent permitted by law and without detracting from or limiting the foregoing obligation, Directors and directors of Company Subsidiaries shall be permitted to also have regard to the interests of the Shareholder Group that appointed that Director in carrying out his or her duties as a Director or a director of any Company Subsidiary to the extent that those interests are consistent with the best interests of the Company and all of its Shareholders.

### **3.11 Fees and expenses of Directors**

- (a) The Company must:
  - (i) pay the reasonable expenses properly incurred by Directors and members of the Supervisory Board in relation to the business of the Group, including accommodation expenses in travelling to and from meetings of the Board, any Group Company, or any committee of any such Company, and any meeting of the Supervisory Board, and provided such expenses are supported by valid receipts; and
  - (ii) pay the cost of any insurance policies taken out by the Company in respect of the Directors.
- (b) No Director is entitled to be paid any fees in connection with his or her appointment or role as a Director.

### **3.12 D&O Policy**

The Company must:

- (a) maintain a D&O Policy in respect of each Director and each director of a Company Subsidiary that provides a level of coverage consistent with that maintained by similarly sized companies that engage in activities similar to those undertaken by the Company and the Company Subsidiaries; and

- (b) pay the premiums in respect of that D&O Policy in relation to the Director s term in office and for six years after the expiry of the Director s term (to the maximum extent permitted by Law).

### 3.13 Indemnity deed

Each Group member must enter into a deed of access and indemnity with each director of such a company (on terms acceptable to the Board) under which it indemnifies the directors to the maximum extent permitted by law and gives each director a right (subject to certain limitations) to have access to and make copies of board papers and minutes in respect of the period during which the relevant director is or was a director of such a company.

## 4 Board meetings

### 4.1 Board meetings

This **clause 4** applies to each meeting of Directors.

### 4.2 Minimum notice of meetings of Directors

- (a) Unless agreed to the contrary by all the Directors, each Director must receive:
  - (i) in the case of an emergency, not less 48 hours notice; and
  - (ii) in all other cases, not less than five days' notice, of a meeting of the Directors.
- (b) Any notice of a meeting of Directors must specify the resolutions to be voted on and the location, date and time of the meeting.
- (c) Minority Directors (if there are any) shall be permitted to include additional items for discussion at the Board meeting.
- (d) Notice of any meeting that is determined by the Company to be an emergency meeting shall specify that determination, which must be reasonable, the nature of the emergency in reasonable detail and information for participating telephonically or by video-conferencing.

### 4.3 Provision of information for Board meeting

After the notice referred to in **clauses 4.2(a)** and **4.2(b)** , the Company must:

- (a) in the case of an emergency, not less than 24 hours prior to the meeting; and
- (b) in all other cases, not less than 2 days prior to the meeting,

deliver to each of the Directors the materials to be discussed at the Board meeting the subject of the notice in **clause 4.2(a)** (including board packs, agendas and other information to be presented to the Board).

#### 4.4 Delay in meetings of Directors

- (a) A Director may, on receipt of a notice of a meeting of the Directors under **clause 4.2(a)**, by notice to the Company and each other Director, require the meeting to be delayed:
  - (i) in the case of an emergency meeting, for up to 24 hours; and
  - (ii) in the case of all other meetings, for up to 48 hours.
- (b) Any notice under **clause 4.4(a)** must specify the date and time the delayed meeting is to be held (but not the place, which will be the same place as the meeting notified under **clause 4.2(a)**).
- (c) Any particular meeting may not be delayed by the Minority Directors as a group and the MCE Directors as a group under **clause 4.4(a)** more than once each and, in any event, for more than 24 hours in the case of an emergency meeting, and 48 hours in all other cases.

#### 4.5 Quorum for meetings of Directors

- (a) A quorum for a meeting of Directors is one MCE Director, provided that **clauses 4.2(a), 4.2(b)** and **4.4** have been complied with.
- (b) An alternate director who is present at a meeting of the Directors in place of his or her appointor will count for the purposes of determining whether a quorum is constituted.

#### 4.6 Voting entitlements

- (a) Subject to **clause 4.7**, each Director is entitled to one vote.
- (b) The Chairperson does not have a casting vote in addition to the vote the Chairperson has as a Director.

#### 4.7 Block voting

If at a meeting of the Directors:

- (a) there are Directors (or their alternates) present who comprise less than the total number of Directors then appointed by the relevant Shareholder Group (as applicable) and who are otherwise entitled to attend and vote on a resolution at such meeting; or
- (b) a Shareholder Group has not exercised its rights to appoint all of the Directors entitled to be appointed by it under **clause 3.2(a)**, **3.2(b)** or **3.3(a)** (as the case may be),

then in each case the Directors appointed by the relevant Shareholder Group present at the meeting will be entitled to cast (in aggregate) the number of votes all the Directors appointed by the Shareholder Group (whether appointed or not) would have been entitled to cast had all the Directors entitled to be appointed by that Shareholder Group been appointed and present at the meeting.

#### **4.8 Decisions of Directors**

- (a) Subject to **clause 4.8(b)**, a properly noticed meeting of Directors at which a quorum is present is competent to exercise powers and discretions vested in or exercisable by the Directors under this document or the Memorandum and Articles of Association.
- (b) Except as set out in **clauses 6.2(a)(i)(B), 8.3(b), 13.1(a) and 18.6**, any question, matter or issue arising at a meeting of Directors and all resolutions must be decided by a simple majority of votes cast.

#### **4.9 Frequency of meeting of Directors**

- (a) A meeting of the Directors will be held at least once every three months.
- (b) Subject to **clause 4.9(c)**, any Director may call a meeting of Directors.
- (c) The Minority Directors may not call more than six meetings of Directors (in aggregate) in any calendar year.

#### **4.10 Interested Directors**

- (a) Subject to **clause 4.10(b)**, a Director who has a material personal interest in a matter being considered by the Board must not consider the matter in question, vote on the matter or sign any written resolution of the Directors concerning the matter, unless:
  - (i) that Director has disclosed in sufficient detail the general nature and extent of that interest to the Board at a meeting of the Directors prior to that matter being considered or voted on or written resolution signed; and
  - (ii) the Board has resolved to permit the Director to consider the matter in question, vote on the matter or sign any written resolution of the Directors concerning the matter (and for the purposes of any such resolution, the interested Director will not have a vote (including as an alternate director or on behalf of any other Director) nor may any vote be cast under **clause 4.7** in respect of such Director).
- (b) A Director will not be deemed to have a material personal interest under **clause 4.10(a)** solely because that Director:
  - (i) is a director, officer, employee or agent of any Shareholder, of any holder of Upstream Securities (and for this purpose sub-paragraphs (a) and (b) of that definition will be disregarded) in that Shareholder, or of any Affiliate of any such person; or
  - (ii) is, or any of his or her Affiliates is, a holder of Securities or Upstream Securities (and for this purpose sub-paragraphs (a) and (b) of that definition will be disregarded) in a Shareholder.

#### **4.11 Conduct of meetings of Directors**

Directors shall be entitled to participate in meetings by telephone, video-conferencing or similar equipment, such participation will be as effective as if the Directors had met in person, and the Company must use reasonable efforts to accommodate time zone differences when scheduling such meetings.

#### **5 Shareholder meetings**

##### **5.1 Shareholder meetings**

This **clause 5** applies to each meeting of the Shareholders and the shareholders of each Company Subsidiary (with defined terms being adjusted to apply to such Company Subsidiary, as appropriate).

##### **5.2 Notice of meetings**

- (a) Subject to any express provision of this document or the Memorandum and Articles of Association to the contrary, unless an MCE Shareholder (for so long as there is an MCE Shareholder) and the Majority of the Minority Shareholders consent in writing to shorter notice, at least seven days' notice in writing must be given to all Shareholders entitled to receive notice of any meeting of Shareholders.
- (b) Any notice of a meeting of Shareholders must specify the matters to be voted on and include all other materials to be discussed (including agendas and any other information to be presented to the Shareholders) at that meeting, the location, date and time of the meeting and information for participating telephonically.

##### **5.3 Quorum**

The quorum for a meeting of Shareholders is one Shareholder (which must be a representative of an MCE Shareholder for so long as the MCE Shareholder holds at least 40.1% of the Securities on issue), and provided **clause 5.2** has been complied with, otherwise a quorum is holders of a majority of the Securities on issue.

##### **5.4 Decisions of Shareholders**

Subject to any special majority required as a matter of Law and any other express provision of this document (including **clause 7.2(a)**) or the Memorandum and Articles of Association to the contrary, questions arising at a general meeting are to be decided by affirmative vote of the holders of a simple majority of votes cast by Shareholders on a poll entitled to vote on the resolution and present in person or by proxy or attorney and voting and any such decision is for all purposes a decision of all of the Shareholders.

##### **5.5 Chairperson**

- (a) The Chairperson must be the chairperson of the meeting of Shareholders or, if the Chairperson is not present in person or by telephone, video-conferencing or other similar equipment, any Director notified by the Chairperson to the Company prior to commencement of the meeting must be the chairperson of the meeting.

- (b) If at any meeting of the Shareholders neither the Chairperson nor his or her nominee is present, the Directors present must elect one of their number as chairperson of that meeting and if no Director is present then holders of a majority of the Securities on issue present in person or by telephone, video-conferencing or other similar equipment at that meeting must elect one of their number as chairperson of that meeting.

## 5.6 Conduct of meetings of Shareholders

Shareholders shall be entitled to participate in meetings by telephone or video conference or similar equipment, and such participation will be as effective as if the Shareholders had met in person.

## 6 Resolutions without a meeting

### 6.1 Resolutions

Subject to **clause 6.2**, if Shareholders holding the requisite number of Securities or if the requisite number of Directors (as the case may be) sign a document which:

- (a) was sent to all Shareholders or to all Directors (as the case may be); and
- (b) contains a statement to the effect that they are in favour of a particular resolution set out in the document,

then for the purpose of this document a resolution in those terms is to be taken as having been passed at a Shareholder meeting or Board meeting (as the case may be), which meeting is taken to have been held on the day and at the time at which the document was last signed.

### 6.2 Execution

- (a) For the purposes of **clause 6.1**:
  - (i) a document is signed by the requisite number of:
    - (A) Shareholders, if it is signed by the Shareholders entitled to vote on the resolution at a Shareholder meeting (including the quorum requirements in **clause 5.3**) holding a majority of Securities then on issue and held by all of the Shareholders entitled to vote on that resolution, or as otherwise required by applicable Law, this document or the Memorandum and Articles of Association; and
    - (B) Directors, if it is signed by all Directors entitled to vote on the resolution; and



- (ii) two or more separate documents in identical terms, each of which is signed by one or more Shareholders or Directors (as the case may be), are to be taken to constitute one document.
- (b) The MCE Directors, on the one hand, and Minority Directors, on the other hand, may, by prior written notice to the Company and each of the other Directors, to the extent permitted by Law, authorise any one or more of their number to sign a resolution under **clause 6.2(a)** and such resolution, if signed by that person will be as if it was signed by all of the MCE Directors or Minority Directors (as applicable) who gave such an authority.

## 7 Corporate Governance

### 7.1 General management

- (a) Without limiting **clause 7.2**, the Board is responsible for the overall management of the Group.
- (b) The Board may, without limiting **clause 7.2**, delegate to management of members of the Group or any committee of the Board some or all matters relating to the day to day affairs of the Group.

### 7.2 Shareholder approval matters

- (a) The Company must not undertake, and must procure that the other members of the Group do not undertake:
  - (i) any Tier 1 Reserved Matter without the prior written consent of each Minority Shareholder holding more than 20% of the Securities on issue;
  - (ii) any Tier 2 Reserved Matter without the prior written consent of each Minority Shareholder holding 20% or more of the Securities on issue;
  - (iii) the Tier 3 Reserved Matter without the prior written consent of each Minority Shareholder holding 20% or more of the Securities on issue, if the suitability or entitlement of such Minority Shareholder, or any holder of Upstream Securities in any such Minority Shareholder, or any of their respective Affiliates, to hold Gaming Authorisations could reasonably be expected to be adversely affected by the taking of any action which is the subject of the Tier 3 Reserved Matter; or
  - (iv) the Tier 4 Reserved Matter without the prior written consent of each Minority Shareholder holding more than 2% of the Securities on issue.
- (b) Each Shareholder must exercise all of its rights as a Shareholder to procure that the Company does not undertake any Tier 1 Reserved Matter, Tier 2 Reserved Matter or Tier 3 Reserved Matter unless approved under **clause 7.2(a)**.

- (c) The Shareholders must, if required by the Company, do all things reasonably required by the Company (including vote in favour of any Shareholder resolution) to give effect to the relevant matter if the relevant matter has been approved under **clause 7.2(a)**.
- (d) A notice (i) signed by a Minority Shareholder (or its duly authorised agent or representative) having approval rights in respect of a particular matter referred to in **clause 7.2(a)** and (ii) specifically referencing such matter shall be deemed to constitute such Minority Shareholder's written consent when such notice is delivered to the Company.
- (e) **Clauses 5 and 6** shall not apply to this **clause 7.2**.
- (f) **Clause 7.2(a)** does not apply to issuances of Securities or the making of loans to the Company under **clauses 17 through 21**, except to the extent expressly set out in such clauses.

### 7.3 Disagreement

- (a) If any Shareholder having approval rights under **clause 7.2(a)** is, or becomes, aware that a Group Company proposes to undertake any matter:
  - (i) which, in the reasonable opinion of that Shareholder, relates to any of the matters specified in item 2 of the Tier 1 Reserved Matters, or item 8 of the Tier 2 Reserved Matters; and
  - (ii) in respect of which consent has not been, or is not proposed to be, sought under **clause 7.2(a)** in respect of that matter,that Shareholder may, by notice to the Company with a copy to each other Shareholder (**Disagreement Notice**), refer the matter as to whether consent must be sought under **clause 7.2(a) (Disagreement)** to the representative of such Shareholder and MCE under **clauses 7.3(b) and 7.3(c)** (as applicable).
- (b) A Disagreement Notice must:
  - (i) specify in reasonable detail, the reasons why, in the reasonable opinion of the relevant Shareholder, consent is required under **clause 7.2(a)**; and
  - (ii) except in the case of MCE, designate a representative of such Shareholder for the purposes of this **clause 7.3**.
- (c) The representative of MCE for the purposes of this **clause 7.3** is the person MCE notifies to the Company pursuant to the Implementation Agreement or such other person as MCE may notify to the Company and each Shareholder from time to time.
- (d) The representatives of the applicable Shareholder(s) and MCE must meet and attempt in good faith to resolve the Disagreement within three Business Days of receiving a Disagreement Notice.
- (e) If the representatives of the applicable Shareholder(s) and MCE do not resolve the Disagreement within three Business Days after the delivery of the Disagreement Notice, either the applicable Shareholder(s) or MCE may refer the matter for resolution under **clause 7.3(f)** by serving on the other party a request for expert determination (**Expert Request**).

- (f) Any Disagreement referred by the applicable Shareholder(s) or MCE to expert determination under **clause 7.3(e)** must be determined in accordance with the following provisions:
- (i) an Expert appointed under this clause is to resolve the matters set out in the Disagreement Notice served under **clause 7.3(a)**;
  - (ii) the applicable parties shall agree on the appointment of an independent Expert and shall agree with the Expert the terms of his appointment within 7 days of the receipt of the Expert Request by the receiving party;
  - (iii) if the applicable parties are unable to agree on an Expert or the terms of his appointment within the period under **clause 7.3(f)(ii)**, either party shall then be entitled to request the Hong Kong International Arbitration Centre (**HKIAC**) to appoint an independent Expert who is a member of good standing at the Hong Kong Bar Association with at least 20 years of experience of civil practice and for the HKIAC to agree with the Expert the terms of his appointment;
  - (iv) the Expert is required to prepare a written decision and give notice (including a copy) of the decision to the applicable parties within a maximum of 30 days of the written agreement by the Expert of the terms of his appointment;
  - (v) if the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause, then (x) either applicable party may apply to the HKIAC to discharge the Expert and to appoint a replacement independent Expert with the required background, and (y) this clause applies in relation to the new Expert as if he were the first Expert appointed;
  - (vi) all matters under this clause must be conducted, and the Expert's decision shall be written, in English;
  - (vii) the applicable parties are entitled to make brief written submissions to the Expert in such manner and within such time as the Expert may direct, and will provide the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision;
  - (viii) to the extent not provided for by this clause, the Expert may in his reasonable discretion determine such other procedures to assist with the conduct of the determination as he considers just or appropriate;
  - (ix) each party shall with reasonable promptness supply each other with all information and give each other access to all documentation as the other party reasonably requires to make a submission under this clause;

- (x) the Expert shall act as an expert and not an arbitrator and the Expert shall determine the matters set out in the Disagreement Notice, which may include any issue involving the interpretation of any provision of this document, his jurisdiction to determine the matters and issues referred to him or his terms of reference;
  - (xi) if the Expert decides as a preliminary question that he has jurisdiction following a challenge by either party, any party may request, within seven days after having received notice of that decision, that the jurisdictional issue be decided by way of arbitration in accordance with **clauses 37.1(d) to 37.1(g)**, and the decision of the arbitral tribunal shall not be subject to appeal (except in the case of fraud or manifest error); while such a request is pending, the Expert may continue the expert determination proceedings and make a determination on the substantive issues;
  - (xii) the Expert's written decision on the matters referred to him shall be final and binding on the parties in the absence of manifest error or fraud;
  - (xiii) each party shall bear its own costs in relation to the reference to the Expert, and the fees of the Expert and any costs properly incurred by him in arriving at his determination shall be allocated among the parties by the Expert having regard to his or her decision in **clause 7.3(f)(xii)**; and
  - (xiv) all matters concerning the process and result of the determination by the Expert shall be kept confidential among the applicable parties and the Expert.
- (g) After a Disagreement Notice is deemed given in accordance with **clauses 7.3(b) and 39**, no Group Company may undertake the applicable matter until the Disagreement has been resolved in accordance with this **clause 7.3**.

#### 7.4 Material Contracts

The Company must, and must procure that each Group Company must, use commercially reasonable endeavours to ensure that each material Contract entered into by a Group Company contains a provision permitting the relevant Group Company to terminate the Contract if the failure to terminate the Contract could reasonably be expected to adversely impact the suitability or entitlement of any Shareholder holding at least 5% of the Securities on issue, any holder of Upstream Securities having an Effective Interest in Securities of at least 5%, or any of their respective Affiliates, to maintain any Gaming Authorisation.

## 7.5 Conduct of the business of the Group

The Company must procure and each Shareholder must, to the maximum extent of its rights hereunder, exercise all its rights as a Shareholder to procure, that each other member of the Group complies with this document and the other Transaction Documents (to the extent applicable).

## 8 Company Subsidiaries and Committees

### 8.1 Incorporation of Company Subsidiaries

- (a) In addition to the rights and powers of the Company at Law, the parties acknowledge and agree that the Company may, or may instruct a Company Subsidiary to, from time to time, but subject to **clause 8.1(b)** and without limitation of **clause 36**, incorporate one or more Company Subsidiaries.
- (b) It is a condition of the incorporation of any Company Subsidiary under **clause 8.1(a)** that the memorandum and articles of association (or similar constituent documents) of the relevant Company Subsidiary include (and, as to any Company Subsidiary existing immediately after the date of this document, its constituent documents must be revised as soon as practicable to include) a requirement that any action of the Company Subsidiary which, if undertaken by the Company, would require approval under **clause 7.2(a)** or approval of the Board, also require approval under that clause and, if applicable, by the Board to be valid (unless such requirement cannot be implemented due to the Laws of the jurisdiction in which the Company Subsidiary is incorporated, in which case the Company will implement such alternative arrangements as would, as closely as possible, give effect to that requirement).

### 8.2 Subsidiaries

- (a) The parties acknowledge and agree that the Board may, from time to time:
  - (i) subject to **clause 8.1** and without limitation of **clause 36**, incorporate one or more Company Subsidiaries;
  - (ii) to the extent permitted by applicable Law and subject to approval under **clause 7.2(a)** (if applicable):
    - (A) procure the Company Subsidiaries to do any act (including execute any documents), or omit to do any act as required by the Board;
    - (B) delegate to any Company Subsidiary the authority to do any act (including execute any documents), or omit to do any act, as may be done by the Company; and
    - (C) authorise any person to do any thing (including execute any document) on behalf of any Company Subsidiary; and

- (iii) subject to **clauses 8.1(b)** and **8.2(d)**, appoint such directors to the boards of each Company Subsidiary as it determines.
- (b) Without limiting **clause 7.2(a)**, the binding form of any document executed by a Company Subsidiary will require the signature of one director appointed by the MCE Shareholders or any other person authorised by the Board from time to time for so long as the MCE Shareholders are entitled to appoint three Directors.
- (c) The parties agree that the Board may require that the Company Subsidiaries (including any Company Subsidiaries incorporated by the Board under **clause 8.2(a)**) have only the minimum number of directors required by the Law of the jurisdiction in which the Company Subsidiary is incorporated.
- (d) The parties acknowledge that PropCo will for so long as it is required by Law to have a minimum of three directors have a board of three directors, two of which will be appointed by the MCE Shareholders and one of which will be appointed by the Minority Shareholders (in each case, for so long as the MCE Shareholders and Minority Shareholders are entitled to appoint three Directors and at least one Director (respectively)).

### **8.3 Committees**

- (a) Subject to **clause 8.3(b)**, the Board may, from to time, establish any one or more committees of the Board.
- (b) The Board must not establish any committee under **clause 8.3(a)** or amend such committee's charter without the prior approval of a Minority Director (for so long as the Minority Shareholders are entitled to appoint a Director).
- (c) The Board may determine the membership of, powers of, and the practices and procedures of any committee established by it under this clause.

### **8.4 Obligation**

The parties agree to do all things reasonably required to give effect to this **clause 8** (including exercising all their rights as Shareholders, if applicable).

## **9 Land Grant**

### **9.1 Acknowledgement**

The parties acknowledge and agree that the Company intends, as soon as practicable, to cause PropCo to seek:

- (a) an amendment to the Land Grant consistent in all material respects with the development of the MSC Property as set out in the Project Plan;

- (b) the approval of the Macau government to the amendment of the Land Grant; and
- (c) publication of the Land Grant amendment in the Macau Official Gazette.

## 9.2 Board powers

Despite anything to the contrary in this document and without limiting the powers of the Board, the parties agree that the Board has the sole and exclusive authority to:

- (a) seek the modification of the Land Grant as contemplated by **clause 9.1(a)**; and
- (b) procure that PropCo does all things (including the payment of fees and premiums to the Macau government, take all other actions, and execute all documents) required in connection with the modification of the Land Grant as contemplated by **clause 9.1(a)** (including grant all authorisation letters and powers of attorney by or on behalf of PropCo).

## 9.3 Co-operation

The Minority Shareholders agree to reasonably co-operate with and not interfere with, and despite anything to the contrary in this document (but without limiting their rights under **clause 7.2(a)** (if applicable)) do all things reasonably required by the Board including take all reasonable actions and execute all documents) in connection with, or related to, the modification of the Land Grant as contemplated by **clause 9.1(a)**.

## 10 Senior Management

### 10.1 President and Project Director

- (a) The Board may, after consultation with the Appointing Shareholder, appoint and, except where **clause 10.1(b)** applies, remove the President and Project Director from time to time.
- (b) The Board will not be required to consult with the Appointing Shareholder under **clause 10.1(a)** prior to removing the President or Project Director for:
  - (i) Cause; or
  - (ii) a Performance Failure.
- (c) The Board must give the Appointing Shareholder a reasonable opportunity to meet any person proposed to be appointed as the President or Project Director prior to that person being appointed (it being agreed that notice and an opportunity to meet a candidate at least 25 Business Days prior to such candidate's appointment will be deemed reasonable for such purpose).

- (d) The form and amount of compensation of the President and Project Director will be solely determined by the Board but in each case not less than a majority of each person's total compensation, and substantially all of that person's cash compensation, must be determined having sole regard to:
  - (i) in the case of the President, the performance of the Company; and
  - (ii) in the case of the Project Director, the timely development of the MSC Property having regard to the Development Plan and Project Budget.
- (e) For the avoidance of doubt, subject only to the consultation rights in **clause 10.1(a)**, the appointment and removal of the President and the Project Director will be within the sole control of, and the responsibilities and reporting line of the President and Project Director will be solely determined by, the Board from time to time.

## 10.2 Finance Director

- (a) The Appointing Shareholder, if any, may from time to time, nominate a person to be the Finance Director by giving notice to the Company and the MCE Shareholders:
  - (i) specifying the name of the proposed Finance Director;
  - (ii) attaching the resume of, and all reports prepared by or on behalf of the Company in relation to, the proposed Finance Director; and
  - (iii) specifying the proposed date of appointment (which must be no earlier than the date 25 Business Days from the date of receipt of the notice (**Appointment Date**)).
- (b) The MCE Shareholders may veto the appointment of a proposed Finance Director by giving notice to the Appointing Shareholder (with a copy to the Company) no later than 25 Business Days after receipt of the notice in **clause 10.2(a)**.
- (c) The Appointing Shareholder must, if requested by the MCE Shareholders, give the MCE Shareholders reasonable opportunity to meet the proposed appointee, assess the proposed appointee's work references and conduct any executive assessment and any other due diligence process as may be required during the period 25 Business Days after receipt of the notice in **clause 10.2(a)**.
- (d) If the appointment of the proposed Finance Director is not vetoed by the MCE Shareholders under **clause 10.2(b)**, that person will be deemed to be appointed on the Appointment Date unless the proposed appointment is withdrawn prior to that date by notice by the Appointing Shareholder to the Company and the MCE Shareholders.
- (e) The Finance Director may be removed at any time by:
  - (i) the Appointing Shareholder, after consultation with the MCE Shareholders;



- (ii) the Board for Cause; or
  - (iii) under **clause 10.3(c)**.
- (f) Subject to **clause 10.2(g)**, the terms of employment of the Finance Director will be determined by the Board provided that his or her responsibilities will include oversight over the Company's expenses, receipts and disbursements, maintenance of books and records related thereto, financial reporting, operating and capital budgeting, oversight of the Company's financial systems and controls, supervisory authority over all other finance and accounting employees, and such other responsibilities not inconsistent therewith as determined by the Board from time to time.
- (g) The form and amount of compensation of the Finance Director will be solely determined by the Appointing Shareholder (subject to the Company's annual budget as approved by the Board) after consultation with the MCE Shareholders and having regard to the terms then applicable to employees having similar positions in comparable companies.
- (h) The Finance Director will report to the President, or as otherwise determined by the Board from time to time.

### 10.3 Performance reviews

- (a) The employment contract of the Finance Director must provide for regular performance reviews (such reviews to occur at the end of his or her probation period and, after that, at least once every calendar year).
- (b) The performance reviews under **clause 10.3(a)** will be conducted by the President having regard to the terms of the Finance Director's employment and after consultation with the Appointing Shareholder.
- (c) Subject to the approval of the Conflicts Committee and the outcome of the performance reviews conducted under **clause 10.3(b)**, in addition to its right to terminate the Finance Director under **clause 10.2(e)(ii)**, the Board may terminate the employment of the Finance Director for Performance Failure.

### 10.4 Steering Committee and Supervisory Board

- (a) The parties agree that it is the intent of the Board to establish a steering committee (**Steering Committee**) as soon as practicable.
- (b) The Steering Committee will:
  - (i) consist of such persons as may be appointed by the Board from time to time (which will include the Project Director and the Finance Director); and
  - (ii) serve as a working committee of the Company's project development team to facilitate the development and construction and completion of the MSC Property.

- (c) The Steering Committee will be supervised and directed by a supervisory body (**Supervisory Board**).
- (d) The Supervisory Board will be appointed by the Board and will consist of:
  - (i) a representative of the Minority Shareholders (for so long as the Minority Shareholders are entitled to appoint a Director) with such representative to be appointed and removed from time to time by the Majority of the Minority Shareholders; and
  - (ii) such other persons as determined by the Board.
- (e) The Steering Committee and Supervisory Board will:
  - (i) meet periodically as and when determined by the Board; and
  - (ii) be subject to the direction of the Board.
- (f) For the avoidance of doubt, the Steering Committee and Supervisory Board will not be committees of the Board.

## 11 Related Party Transactions and Conflicts

### 11.1 Related Party Transactions and Conflicts

The parties agree that subject to the approval by all of the Directors, the Company proposes to:

- (a) adopt a Conflicts Committee Charter; and
- (b) establish a Conflicts Committee.

### 11.2 Variation

- (a) The parties agree that the Conflicts Committee may, subject to **clause 11.2(b)**, amend the Policy on Related Party Transactions from time to time.
- (b) The Conflicts Committee must not amend any of the criteria for the approval of related party transactions under the Policy on Related Party Transactions or any of the material provisions of that policy without the prior written consent of holders of a majority of Securities on issue held by Minority Shareholders holding at least 10% of the Securities on issue.

### 11.3 Implementation of Policy on Related Party Transactions

- (a) The Company must implement the Policy on Related Party Transactions and must use reasonable efforts (including putting in place appropriate internal procedures) with the objective of procuring that employees of each Group Company comply with that policy.
- (b) Without limiting **clause 11.3(a)**, the Company must comply, and the Company shall procure that each Group member shall comply, with Sections IV. (4) and V. (C) of the Policy on Related Party Transactions as if it were set forth herein and constituted a part hereof.

#### 11.4 Post IPO

Following an IPO, Related Party Transactions must be approved by an audit committee of independent Directors, unless the rules of the relevant exchange require an alternative approval process by independent Directors (in which case that process will apply).

#### 12 Shared Vendor Contracts

##### 12.1 Shared Vendor Contracts

The parties acknowledge that MCE and its Affiliates may from time to time enter into Contracts with a supplier, vendor or other party or its Affiliates or Connected Persons (**Shared Vendors**) for the provision of various goods and services to more than one MCE Casino (**Shared Vendor Contracts**).

##### 12.2 Obligation

Subject to **clause 12.3**, MCE must, for so long as any Minority Shareholder holds 10% or more of the Securities on issue, use commercially reasonable endeavours:

- (a) to obtain on behalf of the Group, to the extent possible, economic and other terms at least as favourable (when taken as a whole and after taking into account, among other things, the passing of time, inflation and the then prevailing economic conditions) to the Group as the economic and other terms it obtains from the applicable Shared Vendor for any of the other MCE Casinos in respect of similar goods and services; and
- (b) to utilise the services of, and obtain goods from, the Shared Vendors and to obtain volume and pricing discounts on such services and goods from such Shared Vendors for the benefit of the Group.

##### 12.3 Application

- (a) The parties agree that **clause 12.2** will not apply in respect of any the following Shared Vendors:
  - (i) any utility operators (water, electricity, gas and telephone and whether public or private) in Hong Kong or Macau;
  - (ii) a financier or lender to MCE or any of its Affiliates;
  - (iii) a Governmental Agency;
  - (iv) a Gaming Promoter; or
  - (v) a Third Party Casino.
- (b) The parties agree that **clause 12.2(b)** does not apply to any Shared Vendor Contract which is the subject of any dispute, claim, or other proceedings or the performance of which, or the goods provided under which, do not in the reasonable opinion of MCE or any of its Affiliates, meet appropriate standards of performance.

## 12.4 Gaming Promoters

MCE will use commercially reasonable efforts to ensure that there is no bias or discrimination by or at the direction of MCE or any of its Affiliates against the Group with respect to:

- (a) the use or selection of Gaming Promoters;
- (b) the allocation of customers by Gaming Promoters (to the extent it is within the control of MCE); or
- (c) the commissions, commission rate policies or extensions of credit in respect of Gaming Promoters for the Group as compared to commissions, commission rate policies or extensions of credit in respect of Gaming Promoters for any of the other MCE Casinos (excluding Third Party Casinos).

## 12.5 Audit rights

- (a) If **clause 12.2** applies, the Majority of the Minority Shareholders may on an annual basis jointly request the Company to instruct the Company's auditors to audit the compliance by MCE with its obligations under **clause 12.2** and to share the results thereof with the Directors appointed by the Minority Shareholders.
- (b) The parties agree that any audit conducted under **clause 12.5(a)** will be limited to a review of a random sample of Shared Vendor Contracts of an appropriate size to be determined by the auditor to verify compliance by MCE with **clause 12.2(a)**.
- (c) Any work conducted by the Company's auditors in respect of **clause 12.5(a)** will be at the expense of the Company.
- (d) MCE must instruct the auditors of the other MCE Casinos (other than Third Party Casinos) to reasonably cooperate with the Company's auditors in connection with any work conducted by the Company's auditors under **clause 12.5(a)** (but subject to **clause 12.5(b)**).

## 13 Development and Pre-Opening

### 13.1 Development and Pre-Opening Services Agreement

- (a) The parties acknowledge and agree that the Company intends to enter into the Development and Pre-Opening Services Agreement and that entry into that document will require the approval of all of the Directors.
- (b) The parties acknowledge and agree that prior to the Opening the Company intends to enter into a services agreement with MCE and certain of its Affiliates in relation to the provisions of services to the Company during the operational phase of the MSC Property and that the Policy on Related Party Transactions will apply to the entry into that agreement and any services to be provided thereunder.

### 13.2 Entertainment Agreement

- (a) The parties acknowledge and agree that one or more of MCE and its Affiliates propose to enter into an agreement with the Entertainment Service Provider under which that person will provide certain entertainment and related services to or at the direction of one or more of MCE and its Affiliates (**Entertainment Agreement**). The final version of the Entertainment Agreement has been provided to the Minority Shareholders prior to execution of this document.
- (b) Subject to the entry into the Entertainment Agreement by each of the parties to that agreement, the Company may, from time to time by written notice to MCE, request that the services to be provided under that agreement are provided to a Group Company.
- (c) Any notice under **clause 13.2(b)** must specify, in reasonable detail, the services to be provided and the time for providing such services.
- (d) Subject to the receipt by MCE of a notice under **clause 13.2(b)** and subject to **clause 13.2(f)**, MCE must use commercially reasonable endeavours to procure that (so far as it is able to do so and is permitted under the Entertainment Agreement to do so) the services specified in the notice are provided by the Entertainment Service Provider to the relevant Group Company when required.
- (e) The Company must, on the relevant Group Company being provided with the services requested by the Company under **clause 13.2(c)**, promptly pay to MCE (and in any event prior to any amounts owed by MCE for any such services to the Entertainment Service Provider becoming delinquent) the amount payable by MCE or its Affiliates in respect of such services.
- (f) The total amount payable by the Company for services provided by the Entertainment Service Provider under this **clause 13.2** may not exceed US\$5 million and the parties agree that MCE will be under no obligation to procure any services are provided if the total amount payable in respect of all services provided to the Group is, at that time, greater than, or will following the provision of such services, be greater than, that amount.
- (g) So long as **clause 13.2(d)** is satisfied, the Company agrees (on behalf of itself and each Company Subsidiary to whom services are provided under the Entertainment Agreement) that MCE and its Affiliates have no liability to any Group Company in respect of any services provided by any person to any Group Company under or in connection with the Entertainment Agreement.
- (h) MCE agrees that it will promptly provide to the Company a copy of the Entertainment Agreement and any amendments to that agreement (from time to time).

- (i) For the avoidance of doubt, the Policy on Related Party Transactions will not apply to any services provided under this **clause 13.2**.

14 Casino operation

**14.1 Casino operation**

- (a) The MCE Subconcessionaire is the holder of the MCE Subconcession under which the MCE Subconcessionaire is authorised by the Macau government to conduct the operation of casino games of chance and other casino games in Macau.
- (b) The parties acknowledge that the MCE Subconcessionaire shall operate the MSC Casino within the MCE Subconcession on terms substantially similar to the Casino Management Agreement (as amended under **clause 14.2** and any other contractual arrangements referenced in annexure G of the Implementation Agreement).
- (c) The MCE Subconcessionaire must apply for an extension of the MCE Subconcession prior to any expiration from time to time and, in any event, continue to operate the MSC Casino for as long as the MCE Subconcession is in effect.

**14.2 Casino Management Agreement**

- (a) The parties agree that the Company and MCE shall use commercially reasonable efforts to procure, so far as they are able to, that the Casino Management Agreement is amended as set forth in the Implementation Agreement and that the other matters set forth in annexure G of the Implementation Agreement are implemented.
- (b) None of the Company, any Company Subsidiary or the MCE Subconcessionaire may cause (by action or inaction) a breach of the Casino Management Agreement (as amended under this **clause 14.2** and any other contractual arrangements referenced in annexure G of the Implementation Agreement).
- (c) The parties acknowledge that any amendment to the Casino Management Agreement will be subject to the approval of the Macau government.

**14.3 Gaming tables**

- (a) The parties agree that:
  - (i) after consultation, the MCE Shareholders and the Majority of the Minority Shareholders will agree (and any such agreement will be binding notwithstanding any change in the composition of the Minority Shareholders, absent subsequent agreement by the MCE Shareholders and the Majority of the Minority Shareholders) on the initial number of gaming tables to be applied for in relation to the MSC Casino; and

- (ii) the initial number of gaming tables included in the MSC Casino on Opening will be determined by the Macau government, and may be less than the number applied for in accordance with **clause 14.3(a)(i)**.
- (b) Any additional gaming tables authorised by the Macau government to be utilised by the MCE Subconcessionaire after initial allocation of gaming tables by the Macau government to the MSC Casino will (to the extent permitted by the Macau government) be allocated by the MCE Subconcessionaire to the MSC Casino and the other MCE Casinos:
  - (i) in proportion to the number of tables the MSC Casino and the other MCE Casinos have (or have allocated to them) at that time; and
  - (ii) if the number of additional gaming tables authorised by the Macau government to be utilised by the MCE Subconcession is disproportionately more than the number of gaming tables authorised to other concession and subconcession holders in Macau (based on the number of gaming tables held by each of them and including circumstances in which the percentage of additional gaming tables allocated to the MCE Subconcessionaire exceeds the percentage of gaming tables allocated to other gaming concession or subconcession holders in Macau under the table cap regime implemented by the Macau government from time to time), the amount of the excess will (to the extent permitted by the Macau government) be allocated by the MCE Subconcessionaire between the MSC Casino and the other MCE Casinos based on:
    - (A) the relative gaming expansion plans approved by the Macau government; or
    - (B) if no such plans exist, pro rated based on the respective number of tables at (or allocated to) the MSC Casino and the other MCE Casinos.
- (c) In the event that, after initial allocation of gaming tables by the Macau government to the MSC Casino, the number of gaming tables authorised by the Macau government to be utilized by the MCE Subconcession is reduced, MCE and the Majority of the Minority Shareholders must discuss in good faith whether there is to be any reduction in the number of gaming tables at the MSC Casino having regard to (among other things) a fair and appropriate allocation of gaming tables to all MCE Casinos and after taking into account any Macau government requirement and the capital expenditures of each of the MCE Casinos and, in any event, the number of gaming tables at the MSC Casino must not be disproportionately reduced relative to the reduction of gaming tables at other MCE Casinos (unless the MCE Shareholders and a Majority of the Minority Shareholders agree otherwise).

#### 14.4 MCE Casinos

Despite any other clause of this document, but without limitation of **clause 14.3(b)**, the parties agree that if the Macau government approves less gaming tables than applied for in **clause 14.3(a)(i)**, MCE and its Affiliates are under no obligation to allocate additional gaming tables to the MSC Casino to make up for any gaming tables applied for under **clause 14.3(a)(i)** but not allocated by the Macau government.

#### 15 Project Plan and other administrative matters

##### 15.1 Project Plan

The Project Plan is incorporated by reference herein and constitutes a part hereof.

##### 15.2 Amendments

- (a) The Company may make any amendment to the Project Plan other than the matters in respect of which approval is required under **clause 7.2(a)**.
- (b) Except as contemplated in **clause 15.2(a)**, nothing in this **clause 15.2** limits any of the rights of the Minority Shareholders under **clause 7.2** to approve any changes to the Project Plan.

##### 15.3 Milestones

The parties shall act in good faith in connection with the design, development and construction of the MSC Property and shall procure, to the extent they are able to do so, the Company to use commercially reasonable endeavours to meet project milestones and to commence significant commercial operations in respect of the MSC Property in accordance with the Development Plan as may be amended from time to time in accordance with the approval rights described in **clause 7.2**.

##### 15.4 Other administrative matters

The parties agree to be bound by and comply with **annexures G and H**.

#### 16 Restrictions on issue of Securities

##### 16.1 Restriction on issue of Securities

The Company must not issue any Securities except:

- (a) under **clauses 17, 18, 19, or 20**;
- (b) under **clause 21** but subject to the Company having first complied with the Policy on Related Party Transactions except where such issue occurs after Opening; or
- (c) in connection with an IPO in accordance with **clause 29**.



## 16.2 Exclusions

The restrictions in **clause 16.1**, do not apply to any issue of Securities:

- (a) under a Reorganisation Event approved by the Minority Shareholders (if required under **clause 7.2(a)** or applicable Law), provided that the Reorganisation Event does not dilute any Shareholders' interests in Securities or otherwise adversely affect any Shareholder's economic interest in the Company; or
- (b) to an employee pursuant to the Group's employee incentive plan as approved by the Board from time to time, subject to **clause 7.2(a)**, or to the President, Project Director or Finance Director under **clauses 10.1(d)** or **10.2(f)** (as applicable).

## 16.3 Prohibitions

The Company must not, and must procure that each Company Subsidiary does not, issue any Securities, or securities in any Company Subsidiary, to any Competitor or Unsuitable Person.

## 16.4 Upstream Securities

A Shareholder must not, and must procure that each of the holders of Upstream Securities in that Shareholder do not:

- (a) issue any Upstream Securities to any Competitor or Unsuitable Person; or
- (b) enter into any arrangement with any person other than another Shareholder or, in the case of a holder of Upstream Securities, another holder of Upstream Securities in the same entity or with the entity in which the Upstream Securities were issued, in respect of the voting of any Securities or Upstream Securities (as the case may be) or that otherwise has the effect of defeating the purposes or intent of **clause 24**.

## 17 Capital Calls

### 17.1 Power to make a Capital Call

- (a) A Capital Call may only be made by the Board, or if **clause 17.2(c)** applies, a Calling Shareholder.
- (b) So long as any Capital Calls may still be made by the Board, the Company may not issue or sell Securities to any person other than pursuant to **clauses 17** and **18** or in the case of an IPO under **clause 29**.

### 17.2 Making a Capital Call

- (a) In determining when to make, and the amount of, a Capital Call, the Board must subject to **clause 17.2(b)** act in a manner consistent with the funding requirements of the Group for the pre-Opening development of the MSC Project as set out in the Financing and Funding Schedule.

- (b) The Board may, if it determines that, despite the Financing and Funding Schedule, capital is not required to be called at the time contemplated by the Financing and Funding Schedule, defer calling that capital to a future date prior to the Opening by notice to the Shareholders.
- (c) If the Board does not make a Capital Call on or before the date three months after the last date for the making of that Capital Call as set out in the Financing and Funding Schedule and:
  - (i) the failure to make that Capital Call would reasonably be expected to result in a delay in the completion of the development, construction and Opening; and
  - (ii) making that Capital Call and the amount of the Capital Call is, in the circumstances, commercially reasonable and consistent with the Development Plan and the Project Budget,then any Minority Shareholder holding more than 20% of the Securities on issue may, after consultation with MCE, give a Call Notice (**Calling Shareholder**) unless **clause 17.2(d)** applies.
- (d) A Calling Shareholder may not give a Call Notice if the failure of the Board to make a Capital Call is a result of Force Majeure which has a material adverse effect on the Group and the timely development of the MSC Property.
- (e) The issue price for Securities must be Fair Market Value.

### 17.3 Call Notice

- (a) If the Board or Calling Shareholder wishes to make a Capital Call it must serve a notice on each of the Shareholders (**Call Notice**) specifying:
  - (i) a Capital Call is being made;
  - (ii) the aggregate amount of the Capital Call in US\$;
  - (iii) the amount in US\$ required to be contributed by each Shareholder and the number of Securities that amount corresponds to (determined under **clause 17.2(e)**); and
  - (iv) subject to **clause 17.6**, the date and time for payment of the Capital Call.
- (b) A Capital Call is made on the date the Call Notice is deemed given in accordance with **clause 39**.
- (c) A Capital Call must be made on all Shareholders and not some only and must be on the same terms for each Shareholder (other than as to the amount and number of Securities).

#### **17.4 Capital Call amount**

The proportion of any Capital Call required to be contributed by a Shareholder is equal to the proportion the Financial Interest of that Shareholder bears to the aggregate Financial Interests held by all Shareholders at the time of the relevant Capital Call.

#### **17.5 Cap on all Capital Calls**

The maximum amount payable on all Capital Calls under this clause 17 by all Shareholders in the aggregate is US\$800 million (less any amounts subscribed for or advanced to the Company under **clause 18** and the amount of Financial Support provided under **clause 20.2(a)**), and in no event shall more than US\$150 million be called prior to receipt by the Company of (and subject to the continued effectiveness and availability of) definitive project financing or other debt commitments (together with funded debt) from third party lenders for at least US\$1.4 billion in the aggregate.

#### **17.6 Date for payment of a Capital Call**

- (a) A Call Notice may not be given any earlier than the Quarter immediately preceding the Quarter to which the use of capital relates.
- (b) The date for payment of a Capital Call must be at least 25 Business Days after the date the Call Notice is deemed made under **clause 17.3(b)** and must be consistent with the Financing and Funding Schedule.

#### **17.7 Payment of a Capital Call**

Each Shareholder must pay the amount of the Capital Call set out in the Call Notice in immediately available funds to an account notified by the Company from time to time to the Shareholders.

#### **17.8 Failure to pay a Capital Call**

**Clause 18** will apply on a failure by any Shareholder to pay the amount of a Capital Call in full on or before the date required for payment.

#### **17.9 Revocation**

- (a) A Call Notice may be revoked by the party that gave the Call Notice by notice to the Shareholders at any time before the date that is 15 Business Days prior to the date for payment of a Capital Call.
- (b) Any amendment or modification to a Call Notice shall be deemed a revocation thereof and issuance of a new Call Notice subject to the terms of this **clause 17**.

#### **17.10 Expiration**

- (a) No Shareholder will be required to contribute any capital to the Company under this **clause 17** on or after the earlier of Opening and the date five years after the date of this document:
  - (i) unless **clause 17.10(b)** applies; or

- (ii) except, as to any Shareholder, to the extent that Shareholder has failed to contribute capital when required under this **clause 17** (except to the extent such Shareholder's liability and obligation in respect thereof has been eliminated as provided in **clause 18.5**).
- (b) The Board may, by notice to each of the Shareholders, prior to expiry of the period in **clause 17.10(a)** (as extended under this **clause 17.10(b)**), extend the date by which Capital Calls may be made for an additional period of up to 12 months (in aggregate) if the Opening has not occurred as a result of Force Majeure.
- (c) The Board may give one or more notices under **clause 17.10(b)** but may not extend the period in which Capital Calls may be made by more than 12 months (in aggregate).

#### **17.11 Related Party Transactions**

The Policy on Related Party Transactions will not apply to any issue of Securities under this **clause 17**.

#### **17.12 Securities**

Upon receipt by the Company of payment of the amount of the Capital Call the Company must issue to the Shareholder the Securities subscribed for by that Shareholder, update the share register and issue share certificates for the Securities.

#### **17.13 Amendment**

**Clauses 17.4, 17.5, 17.6, and 17.10** may not be amended or modified except with the prior written consent of each Shareholder who is to be bound thereby.

#### **18 Failure to contribute capital**

##### **18.1 Failure to contribute**

If any Shareholder (**Defaulting Shareholder**) fails to subscribe for Securities required to be subscribed by it under **clause 17** on or before the date specified in the Call Notice, the Defaulting Shareholder will have no further right to subscribe for such Securities and the Company must offer to each of the Shareholders other than the Defaulting Shareholders (**Non Defaulting Shareholders**) under this **clause 18** the right to either:

- (a) purchase those Securities (together with certain additional Securities contemplated by this **clause 18**) under **clause 18.2** ; or
- (b) advance to the Company a shareholder loan on the terms set out in the Shareholder Loan Agreement (**Defaulting Loan**) under **clause 18.3**.

## 18.2 Clause 21 applies

Clause 21 will apply to an issue of Securities under this clause 18, except that:

- (a) the number of Securities offered to be issued will be 1.3 times the number of Securities failed to be subscribed for by the Defaulting Shareholders (**Defaulting Securities**);
- (b) the Defaulting Securities will be offered to each of the Non Defaulting Shareholders only;
- (c) each Non Defaulting Shareholder is entitled to subscribe for the proportion of the Defaulting Securities equal to the proportion of the Securities on issue held by it to the total number of Securities held by all the Non Defaulting Shareholders immediately prior to the relevant Capital Call;
- (d) the total issue price for the Defaulting Securities offered must be, in aggregate, the same amount that would have been payable by the Defaulting Shareholders under clause 17 in respect of the Call Notice (**Default Amount**) and the issue price of each Defaulting Security must be the same for all of the Defaulting Securities of the same class being offered; and
- (e) the time periods specified in clauses 21.2 and 21.3 shall be shortened to 30 and 15 Business Days, respectively.

## 18.3 Defaulting Loans

- (a) Instead of purchasing Defaulting Securities under clause 18.2, a Non Defaulting Shareholder may elect to advance a loan to the Company in an amount equal to the product of the Default Amount multiplied by a fraction, the numerator of which is the number of Securities on issue held by such Non Defaulting Shareholder, and the denominator of which is the total number of Securities on issue held by all Non Defaulting Shareholders immediately prior to the relevant Capital Call.
- (b) If a Non-Defaulting Shareholder wishes to advance a loan to the Company under this clause 18.3 it must give notice of its intent to do so to the Company within 20 Business Days after the date the Offer Notice is deemed to be given in accordance with clauses 18.2 and 39.
- (c) Any such Non Defaulting Shareholder electing to advance a loan under this clause 18.3 must advance such loan no later than the date the Securities are required to be purchased under clause 18.2 and deliver to the Company the Shareholder Loan Agreement duly executed by such Non Defaulting Shareholder.
- (d) The Company must deliver to any such Non Defaulting Shareholder the Shareholder Loan Agreement duly executed by the Company on the date such loan is made.

## 18.4 Related Party Transactions

The Policy on Related Party Transactions will not apply to any issue of Securities or making of Defaulting Loans under this clause 18.

#### **18.5 Election of remedies**

The liability and obligation of a Defaulting Shareholder in respect of a particular Capital Call shall be eliminated to the extent that the Default Amount has been subscribed for by any Non Defaulting Shareholder under **clause 18.2**. If the Default Amount is not subscribed for, the Defaulting Shareholder will remain liable for such amount and this clause does not affect the rights that the Company or Non Defaulting Shareholder may have against the Defaulting Shareholder. In the event that there are two or more Defaulting Shareholders in respect of the same Capital Call and some, but not all, of the Default Amount is subscribed for by any Non Defaulting Shareholders, the amount of the liability and obligation of each Defaulting Shareholder that is eliminated thereby shall be in proportion to their respective portions of the Default Amount. Upon elimination of the liability and obligation of a Defaulting Shareholder under the foregoing provisions, no claims for damages or otherwise may be made or continued against that Defaulting Shareholder, or any other person who may have made guarantees or commitments, in each case in respect of the applicable Default Amount.

#### **18.6 Company action in respect of MCE Shareholder default**

In the event an MCE Shareholder is a Defaulting Shareholder, the Minority Directors shall have the power to direct the Company to pursue all appropriate remedies, subject to **clause 18.5**, against the Defaulting Shareholder and against any party that has made an equity commitment to the Company in respect of the obligations of that Defaulting Shareholder and the Company shall be required to act in accordance with any such direction. Any such act that requires approval of the Board may be taken with the approval of all of the Minority Directors notwithstanding any contrary action by the MCE Directors.

#### **19 Additional capital**

##### **19.1 Requirement for additional capital**

If, after the maximum amount payable in respect of all Capital Calls has been subscribed for or advanced (less any amounts called under **clause 17** and which have not been subscribed for or advanced under that clause or **clause 18**), the Board determines that additional capital is currently required or imminently likely to be required to fund the construction and development of the MSC Property, then the Board may (i) seek the required capital from third parties either in the form of a loan (subject to **clause 7.2(a)**) or through the issuance of additional securities in accordance with **clause 21** or (ii) serve a notice to MCE and the Shareholders under **clause 19.3(a)** .

##### **19.2 Determination**

Any Board determination that additional capital is required under **clause 19.1** must be consistent with the Project Plan.

### 19.3 Additional Capital Notice

- (a) If the Board determines that additional capital is required under **clauses 19.1** and **19.2**, it may serve a notice on MCE and the Shareholders stating that additional capital is required and the amount of that capital.
- (b) Upon receipt of the notice in **clause 19.3(a)**, MCE may serve notice on the Company and the Shareholders (**Additional Capital Notice**):
  - (i) stating the amount (if any) of such capital it will advance to the Company in the form of a loan (**Loan Amount**) under **clause 19.4** and the amount (if any) of such capital it requires the Company to issue additional Securities to fund under **clause 19.5** (which may be less than the amount notified in **clause 19.3(a)**); and
  - (ii) specifying the date the additional capital will be provided (which may be no earlier than the date 20 Business Days and no later than 40 Business Days after the date the notice is deemed given in accordance with **clause 39**).

### 19.4 Loan funds

- (a) If MCE notifies the Company and the Shareholders under **clause 19.3** that it will advance funds to the Company in the form of a loan, it must on the date specified in the Additional Capital Notice:
  - (i) advance to the Company the amount notified under **clause 19.3(b)(i)**; and
  - (ii) deliver to the Company the Shareholder Loan Agreement duly executed by MCE.
- (b) The Company must deliver to MCE the Shareholder Loan Agreement duly executed by the Company on the date specified in the Additional Capital Notice.

### 19.5 Additional Securities

If MCE notifies the Company and the Shareholders under **clause 19.3** that additional Securities are required to be issued, **clauses 21.1** to **21.5** will apply to that issue of Securities, and the Company must comply with those clauses, except that:

- (a) the issue price for the Securities must be Fair Market Value;
- (b) the proposed subscription date is the date specified in the Additional Capital Notice; and
- (c) each Shareholder (including each MCE Shareholder) is not entitled to subscribe for more than its Respective Proportion of the Securities proposed to be issued.

## 19.6 Requirement to advance funds

- (a) If any Securities are not taken up under **clause 19.5**, then the Company must, within five Business Days after the date the Securities are required to be taken up, give a notice to MCE and each Shareholder (**Further Capital Notice**):
  - (i) specifying the aggregate amount, in US\$, which has not been subscribed for under **clause 19.5** (excluding any amounts not subscribed for as a result of a breach of this **clause 19**); and
  - (ii) notifying MCE that it or its Affiliates must advance to the Company by way of a loan (or arrange for an unrelated third party to so advance) the amount specified in **clause 19.6(a)(i) (Further Loan Amount)**.
- (b) Within 15 Business Days of the date the Further Capital Notice is given (**Future Funding Date**), MCE or one of its Affiliates must, or an unrelated third party arranged by MCE must:
  - (i) advance to the Company the Further Loan Amount; and
  - (ii) deliver to the Company the Shareholder Loan Agreement duly completed and executed by MCE or, in the case of a loan by an unrelated third party, deliver such form of loan agreement that may be acceptable to the Board and the third party in relation to the Further Loan Amount.
- (c) The Company must deliver to MCE (or its Affiliate or an unrelated third party, as applicable) the Shareholder Loan Agreement (or in the case of a loan by an unrelated third party, such form of loan agreement that may be acceptable to the Board and the third party in relation to the Further Loan Amount) duly completed and executed by it on the Future Funding Date.

## 19.7 Related Party Transactions

The Policy on Related Party Transactions will not apply to any issue of Securities or the advance of any amounts by way of loan under this **clause 19**.

## 20 Project Financing

### 20.1 Project financing

The parties acknowledge and agree that:

- (a) it is the intent of the Company to seek non-recourse debt financing from third party lenders to enable the development and construction of the MSC Property; and
- (b) the third party lenders to the MSC Property (**Project Lenders**) may, as a condition of, or in connection with, providing the financing referred to in **clause 20.1(a)**, require that the Shareholders provide, procure or arrange a guarantee, letter of credit, or other form of financial support to either or both of the Project Lenders and the MSC Property (**Financial Support**).



## 20.2 Financial Support

- (a) If the Project Lenders require Financial Support, the Shareholders will, if requested by the Board, not unreasonably refuse to provide support up to a total amount of (in aggregate) US\$800 million minus the aggregate equity contribution set out in the applicable financing scenario in the Financing and Funding Schedule.
- (b) Subject to **clause 20.2(a)**, each Shareholder must provide that proportion of the aggregate amount of Financial Support to be provided under that clause equal to the proportion that the Financial Interest of that Shareholder bears to the aggregate Financial Interests held by all Shareholders at the time requested by the Board under that clause.
- (c) If the Project Lenders require additional Financial Support (in addition to the Financial Support provided under **clause 20.2(a)**) each of the Shareholders agree to negotiate in good faith as to the form, terms, and amount of additional Financial Support (if any) that Shareholder or its Affiliates is prepared to provide.

## 20.3 Financial Support Fee

- (a) If the Project Lenders require Financial Support, the parties agree that the Shareholder providing, procuring or arranging the Financial Support may charge the Company a fee (**Financial Support Fee**), to be determined under **clause 20.3(b)**.
- (b) The parties agree that the Financial Support Fee charged by each Shareholder will be equal to two percent per annum of the aggregate amount of the non-recourse debt supported by that Shareholder.
- (c) The Financial Support Fee (or portion of that amount) will be charged to the Company each Quarter of each year in which the Financial Support is provided.
- (d) In addition to the Financial Support Fee, each Shareholder may charge to the Company all reasonable costs incurred by the Shareholder in providing the Financial Support (including all establishment and administration fees and reasonable legal fees and expenses and, in the case of a letter of credit, all interest, fees and charges) from time to time.
- (e) If two or more persons provide support in respect of the same facility, the fees in respect of that facility and the payment of those fees will be proportionate to the amount of support provided by each such person but in no event will the fee exceed two percent of the amount supported in aggregate.
- (f) The Financial Support Fee must be paid prior to any dividends or other distributions in respect of Securities.

## 20.4 Financial Support is called on

- (a) If for whatever reason, the Financial Support provided by a Shareholder or former Shareholder (**Financial Supporter**) is called on, or will be imminently called on, the Financial Supporter may advance the amount called on to the Company in the form of a loan (**Financial Support Loan**).

- (b) Any loan made under **clause 20.4(a)** must be on the terms of the Shareholder Loan Agreement.

## 20.5 Securities Issue Notice

If at any time after providing the Financial Support Loan, a Financial Supporter wishes to convert that loan into Securities, the Financial Supporter may serve a notice on the Company (**Securities Issue Notice**):

- (a) stating that it requires the Company to issue additional Securities;
- (b) specifying the issue price of the Securities (which must be Fair Market Value);
- (c) specifying the number of Securities to be issued having an aggregate subscription price up to the principal plus accrued and unpaid interest on the Financial Support Loan; and
- (d) specifying the date the Securities are required to be subscribed for (which may be no earlier than the date 20 Business Days and no later than 40 Business Days after the date the notice is deemed given in accordance with **clause 39**).

## 20.6 Issue of Securities

**Clause 21** will apply to the issue of any Securities under **clause 20.5**, except that:

- (a) the issue price for the Securities must be Fair Market Value;
- (b) the proposed subscription date is the date specified in the notice in the Securities Issue Notice;
- (c) each Shareholder is not entitled to subscribe for more than its Respective Proportion of the Securities proposed to be issued; and
- (d) the time periods specified in **clauses 21.2** and **21.3** shall be shortened to 30 and 15 Business Days, respectively.

## 20.7 Securities not taken up

If any Securities are not taken up under **clause 20.6** then the Company must within five Business Days after the date the Securities are required to be taken up serve a notice on each Shareholder (**Capital Issue Notice**):

- (a) specifying the aggregate amount, in US\$, which has not been subscribed for under **clause 20.6**; and
- (b) that amount of the Financial Support Loan made by the Financial Supporter that was seeking to convert its Financial Support Loan into Securities representing the portion of the Securities not taken up shall automatically convert into Securities at Fair Market Value.

## 20.8 Cessation of Financial Support

Each Financial Supporter agrees that if advised by the Project Lenders that Financial Support is no longer required, and subject to being released from the obligation to provide Financial Support by the Project Lenders, that Financial Supporter will stop providing that support as soon as practicable and any break fees, early termination fees or similar fees payable by the Financial Supporter to the Project Lenders in connection with that cessation will be charged to the Company.

## 20.9 Related Party Transactions

The Policy on Related Party Transactions will not apply to the making of any loan or the issue of any Securities or the payment of the Financial Support Fee under this **clause 20**, but it will apply to payment by the Company of any other fees in connection with, or the granting of any priorities, encumbrances or other economic benefits in respect of, the provision of Financial Support.

## 20.10 No obligation

Except as expressly provided for in this **clause 20**, no Shareholder or any of their respective Affiliates is required to provide Financial Support or, except as expressly set out in this document (and in particular **clause 17**), under any obligation to provide any other financial accommodation, guarantee or other similar commitment or comfort in relation to any Group Company.

## 21 Pre-emptive rights on issue

### 21.1 Pro rata offer

- (a) If the Board resolves to issue any Securities, the Securities must, subject to the Policy on Related Party Transactions being complied with (except where such Securities are issued after Opening in which case the Policy on Related Party Transactions will not apply), be offered to all the Shareholders (each an **Offeree**) on the following terms (**Offer**):
  - (i) each Offeree is entitled to subscribe for up to its Respective Proportion of the Securities proposed to be issued;
  - (ii) the Offeree, if it accepts the Offer, must subscribe for the Securities it applies for; and
  - (iii) the issue price of the Securities must be the same for all of the Securities of the same class being offered.
- (b) Despite **clause 21.1(a)**, in the case of **clauses 17, 18, 19, 20** and **29**, this **clause 21** shall only apply as provided in such clauses, with such changes as are provided therein.
- (c) After Opening, Securities proposed to be issued under this **clause 21** must be issued at Fair Market Value which shall be determined in accordance with the procedures in **clause 34**, except that references to each Quarter in such clause shall instead be deemed to refer to the date of the applicable Offer Notice under **clause 21.2**.

## 21.2 Offer Notice

The Company must make the Offer to each Offeree by giving a notice in writing (**Offer Notice**) to each Offeree specifying:

- (a) the total number of Securities proposed to be issued;
- (b) the number of Securities the Offeree is entitled to subscribe for (up to its Respective Proportion of the aggregate of all Securities to be issued); and
- (c) the terms of issue of the Securities (including the issue price, which must, after Opening, be at Fair Market Value, and the proposed subscription date which must be no earlier than the date 40 Business Days after the date the notice is deemed given in accordance with **clause 39**).

## 21.3 Response to Offer

Within 20 Business Days after the date the Offer Notice is deemed given in accordance with **clause 39**, each Offeree must give notice to the Company stating:

- (a) that the Offeree accepts all or any portion of the Securities offered to it in the Offer Notice or declines the Offer in full; and
- (b) if the Offeree wants to subscribe for a greater number of Securities than offered to it in the Offer Notice, the Offeree offers to subscribe for a specified number of additional Securities if not applied for by other Offerees under their Offers (**Unsubscribed Securities**).

## 21.4 Failure to respond

If an Offeree does not give a notice to the Company within the period stated in **clause 21.3**, the Offeree is deemed to have declined its Offer.

## 21.5 Subscription by accepting Offerees

If an Offeree accepts all or any portion of the Securities offered to it in the Offer, the Offeree must subscribe for the number of Securities specified in its notice of acceptance of its Offer on the terms specified in the Offer Notice.

## 21.6 Disposal to third parties

If any Securities are not taken up under the Offers (or any of the Offerees default in respect of any such subscription obligation) then the Company may issue any Securities not taken up (on the same terms as specified in the Offer Notice):

- (a) firstly, to any Offerees that have offered to subscribe for Unsubscribed Securities under **clause 21.3(b)** (and, if there is competition between them, on a pro rata basis to their acceptances under **clause 21.3(a)**) but on the basis that no Offeree will be required to subscribe for more than the number of additional Securities specified in its notice under **clause 21.3(b)**; and

- (b) secondly, to any person (other than any Shareholder), at any time within 180 days after the end of the period referred to in **clause 21.3** (subject to the extension of such 180 day period for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any required Authorisation) on terms no more favourable to such person than those offered to the Offerees.

## 22 Transfers

### 22.1 Shareholders

Shareholders (other than MCE Shareholders) must not Transfer any Securities, and must procure that no holder of Upstream Securities Transfers any Upstream Securities, in each case except:

- (a) under **clauses 23** or **24**;
- (b) on exercise of a tag along right under **clause 25.3**;
- (c) in the case of Securities, on exercise of a Drag Along Right under **clause 26.4**;
- (d) as required under **clause 27**; or
- (e) in the case of an IPO, in accordance with **clause 29**.

### 22.2 MCE Shareholders

MCE Shareholders may Transfer any Securities, and any holder of Upstream Securities in the MCE Shareholders may Transfer any Upstream Securities to any person, in each case only in compliance with **clause 23, 25, or 27** or, in the case of an IPO, **clause 29**, except:

- (a) if, following that Transfer, MCE would have an Effective Interest in Securities less than or equal to 40%, such Transfer may only be made pursuant to **clause 26** in a transaction in which the Dragging Shareholders have required all of the Dragged Shareholders to Transfer their Dragged Securities to the Third Party Purchaser (or to such person as the Third Party Purchaser directs) in accordance with, and provided the Dragging Shareholders have complied with, **clause 26**.
- (b) no such Transfer may be made to eSun or any of its Affiliates without the prior written consent of the Majority of the Minority Shareholders.

### 22.3 Prohibition on Transfers

- (a) A Shareholder must not, and must procure that each of the holders of Upstream Securities in that Shareholder do not, Transfer any Securities or Upstream Securities to any Competitor or Unsuitable Person.

- (b) A Transfer of any Securities or Upstream Securities in breach of this document will be void and of no force or effect and, where applicable, the Shareholder in whom the applicable holder of Upstream Securities holds a direct or indirect interest must procure that the transferee of Upstream Securities Transferred in breach of this document re-transfers those securities.

#### 22.4 Credit worthiness

A Shareholder must not Transfer any Securities under **clauses 23, 24 or 27** unless:

- (a) the person to whom the Securities are proposed to be Transferred or other suitably creditworthy entity:
  - (i) proves to the reasonable satisfaction of MCE (in the case of a Transfer by a Minority Shareholder) or the Majority of the Minority Shareholders (in the case of a Transfer by an MCE Shareholder) that it has sufficient financial resources to meet the funding requirements of the proposed transferee (including making all Capital Calls) and otherwise comply with the obligations of Shareholders under this document; and
  - (ii) if required by MCE or the Majority of the Minority Shareholders, as the case may be, provides an undertaking to the Company to meet the funding requirements of the proposed transferee (including to making all Capital Calls) on similar terms to that provided by the person, if any, currently undertaking to meet the transferor funding obligations under this document; or
- (b) the Shareholder that proposes to Transfer Securities (and, if applicable, the person then undertaking to meet that Shareholder's obligations to meet its funding requirements (including making all Capital Calls)) undertakes to meet those obligations should the transferee fail to do so when required.

#### 22.5 Transfers of Financial Interests

So long as any Capital Calls may still be made by the Board, any Transfer of Securities by a Shareholder to a person in accordance with this document must be accompanied by a Transfer of that proportion of the Financial Interests held by that Shareholder equal to the proportion that the Securities on issue transferred by that Shareholder bears to the total number of Securities on issue held by that Shareholder immediately prior to the transfer. For the avoidance of doubt, a Transfer of Financial Interests by a Shareholder as provided by this **clause 22.5** shall relieve that Shareholder of any further liability or obligation in respect of the Financial Interests subject to such Transfer.

#### 22.6 Encumbrances

A Shareholder must not grant or create an Encumbrance over any of its Securities except in favour of any Project Lender and must, if required by any Project Lender, grant or create such Encumbrance on such terms as may reasonably be requested by the Project Lenders.

23 Permitted Transfers

**23.1 Permitted Transfers**

A Shareholder may Transfer some or all of its Securities to a Permitted Transferee without complying with, and a holder of Upstream Securities in that Shareholder may Transfer some or all of its Upstream Securities to a Permitted Transferee without the relevant Shareholder being required to comply with, **clauses 24** or **25**.

24 Minority Shareholders

**24.1 Right of first offer**

- (a) If a Minority Shareholder proposes to Transfer any Securities it must, or if a holder of Upstream Securities in any Minority Shareholder proposes to Transfer any Upstream Securities the Minority Shareholder must, ensure this **clause 24** is complied with prior to such Transfer, except:
  - (i) where the Transfer involves a primary issuance of Upstream Securities;
  - (ii) where the Transfer is permitted under **clause 23**;
  - (iii) on exercise of a Tag Along Right under **clause 25.3**;
  - (iv) where the Transfer is required under **clause 26.4**;
  - (v) where the Transfer is required under **clause 27**; or
  - (vi) in the case of an IPO in accordance with **clause 29**.
- (b) If a Shareholder to whom any MCE Shareholder has Transferred any Securities proposes to Transfer any Securities it must, or if a holder of Upstream Securities of any such Shareholder proposes to transfer any Upstream Securities that Shareholder must, ensure this **clause 24.1** is complied with, except in circumstances where **clauses 24.1(a)(i) to 24.1(a)(vi)** applies, and for that purpose all references in this **clause 24** to Minority Shareholder will be interpreted to refer to that Shareholder, all references to an MCE Shareholder will be interpreted to refer to the Minority Shareholders and the Sale Offer must be made to all Minority Shareholders based on their respective proportions of the Securities subject to such Sale Offer, provided that any Minority Shareholder shall have the right to purchase any such Securities not taken up by any other Minority Shareholder.

**24.2 Offer**

If:

- (a) a Minority Shareholder wishes to Transfer any Securities; or

(b) a holder of Upstream Securities in any Minority Shareholder wishes to Transfer any Upstream Securities, not covered by an exception in **clause 24.1(a)(i) to 24.1(a)(vi)**, the applicable Minority Shareholder (**Minority Transferor**) must offer to the MCE Shareholders the right to purchase Securities held by the Minority Transferor on the following terms (**Sale Offer**):

- (A) the MCE Shareholders are entitled to purchase the number of Securities held by the Minority Transferor equal to:
  - (i) in the case of a sale of Securities, that number of Securities proposed to be Transferred; and
  - (ii) in the case of a sale of Upstream Securities, the Effective Interest in Securities the relevant Upstream Securities proposed to be Transferred correspond to;
- (B) the MCE Shareholders must, if they accept the Sale Offer, purchase all and not some only of the Securities offered for sale; and
- (C) the price of the Securities must be the same for each Security and, in the case of a Transfer of Upstream Securities, the same, in aggregate, as the amount payable for those Upstream Securities.

### 24.3 Sale Notice

The Minority Transferor must make the offer to the MCE Shareholders under **clause 24.2** by giving a notice in writing to the MCE Shareholders (**Sale Notice**):

- (a) in the case of a sale of Securities, specifying the number of Securities proposed to be Transferred;
- (b) in the case of a sale of Upstream Securities, specifying:
  - (i) the Effective Interest in Securities the relevant Upstream Securities proposed to be Transferred correspond to; and
  - (ii) the number of Securities that the Effective Interest in Securities in **clause 24.3(b)(i)** corresponds to; and
- (c) specifying the terms of the Transfer (including the purchase price) and the proposed completion date of the Transfer.

### 24.4 Response to Sale Offer

Within 20 Business Days after the date the Sale Notice is deemed to be given in accordance with **clause 39**, the MCE Shareholders must give notice to the Minority Transferor stating:

- (a) the MCE Shareholders accept all (but not some only) of the Securities offered to them in the Sale Notice or reject the Sale Offer in full; and
- (b) if the MCE Shareholders so accept, the number of Securities to be purchased by each MCE Shareholder (which must be no less, in aggregate, than all of the Securities offered to them in the Sale Notice).



#### 24.5 Failure to respond

If the MCE Shareholders do not give a notice to the Minority Transferor within the period stated in **clause 24.4** of the MCE Shareholders' acceptance or rejection of the Sale Offer in its entirety under **clause 24.2**, the MCE Shareholders are deemed to have rejected the Sale Offer in its entirety.

#### 24.6 Purchase by MCE Shareholders

If the MCE Shareholders accept the Sale Offer in its entirety, the MCE Shareholders must purchase those Securities referred to in the Sale Notice on the terms specified therein.

#### 24.7 Disposal to third parties

If the Securities are not taken up under the Sale Offer then:

- (a) the Minority Transferor may, in the case of a proposed sale of Securities under **clause 24.2**, Transfer those Securities; or
- (b) in the case of a Transfer of Upstream Securities under **clause 24.2**, the holder of those Upstream Securities may Transfer those Upstream Securities,

on the same terms as specified in the Sale Notice to any person (including any Shareholder, at any time within 180 days after the end of the period referred to in **clause 24.4** (which 180 day period may be extended for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any required Authorisation) on terms not substantially less favourable, in aggregate, to the Minority Transferor or the holder of Upstream Securities, as the case may be, than those offered to MCE Shareholders (other than to price which may be not less than 85% of the price, on a per security basis, specified in the Sale Notice).

#### 24.8 Transferor must provide details

- (a) If a holder of Upstream Securities proposes to Transfer some or all of its Upstream Securities other than pursuant to one of the exceptions in **clause 24.1(a)**, the Shareholder in relation to whom the Upstream Securities are proposed to be Transferred must, prior to that Transfer, provide to the MCE Shareholders details of (**Relevant Information**):
  - (i) the terms applicable to the sale; and
  - (ii) details of all of the assets and liabilities of the entity in respect of which Upstream Securities are to be Transferred.
- (b) If, following receipt of the Relevant Information the Shareholder in respect of whom the Upstream Securities are proposed to be Transferred and MCE Shareholders cannot agree on the value of the Securities that correspond to the Effective Interest in Securities to be Transferred by the holder of Upstream Securities, then despite the other provisions of this **clause 24**, the Shareholder must procure that the holder of the Upstream Securities does not Transfer those securities.

- (c) This **clause 24.8** shall apply equally to a Transfer by holders of Upstream Securities in any MCE Shareholder under **clause 25.1**, except that reference to MCE Shareholders (i) in **clause 24.8(a)** shall instead be deemed to refer to the Minority Shareholders and (ii) in **clause 24.8(b)** shall instead be deemed to refer to the Minority Shareholders, by action of the Majority of the Minority Shareholders.

25 Tag along

**25.1 Tag along right**

If any MCE Shareholder wishes to Transfer Securities, or any holder of Upstream Securities in any MCE Shareholder wishes to Transfer any Upstream Securities (**Proposed Seller**) and following that Transfer MCE will hold, in aggregate, an Effective Interest in Securities of less than 50.1% and more than 40%, MCE must comply with **clauses 25.2 to 25.6** except where:

- (a) the Drag Along Right under **clause 26** is exercised; or
- (b) in the case of an IPO in accordance with **clause 29**.

**25.2 Proposed Sale Notice**

If any MCE Shareholder, or any holder of Upstream Securities in any MCE Shareholder, proposes to Transfer any Upstream Securities or Securities (**Sale Securities**) and **clause 25.1** applies, MCE must give a notice (**Proposed Sale Notice**) to the Minority Shareholders on or before the date 20 Business Days prior to the proposed date of Transfer:

- (a) in the case of Securities, specifying the number of Securities proposed to be Transferred;
- (b) in the case of a sale of Upstream Securities, specifying:
  - (i) the Effective Interest in Securities the Upstream Securities corresponds to;
  - (ii) the Effective Interest in Securities held by MCE following the Transfer; and
  - (iii) the number of Securities that the Effective Interest in Securities in **clause 25.2(b)(ii)** corresponds to;
- (c) specifying the aggregate consideration payable for the Sale Securities, and in the case of:
  - (i) a sale of Securities, the consideration per Security for which the Proposed Seller wishes to Transfer the Securities, or
  - (ii) a sale of Upstream Securities, the consideration per Security if Securities calculated under **clause 25.2(b)(iii)** were proposed to be Transferred under this **clause 25**;

- (d) specifying the name and address of the person to whom the Proposed Seller wishes to Transfer the Sale Securities to (**Proposed Purchaser**);
- (e) specifying the proposed date of Transfer of the Sale Securities;
- (f) specifying all other terms and conditions on which the Proposed Seller proposes to Transfer the Sale Securities; and
- (g) notifying the Minority Shareholders of their right to sell Securities under this **clause 25**.

### 25.3 Exercise of tag along right

Each Minority Shareholder may serve a notice (**Tag Along Notice**) on MCE on or before the date 15 Business Days after the date the Proposed Sale Notice is deemed given in accordance with **clause 39** specifying that it wishes to Transfer to the Proposed Purchaser a fraction of its Securities up to (but not to exceed) such fraction of its Securities as is equal to the fraction given by the following formula:

$$TS = \frac{ES - RS}{ES}$$

Where:

**TS** or **Tagging Securities** is the fraction of the Securities entitled to be sold by the Minority Shareholder under this **clause 25**.

**RS** is the Effective Interest in Securities held by MCE following completion of the Transfer of the Sale Securities to the Proposed Purchaser.

**ES** is, if MCE holds prior to the date of such Transfer an Effective Interest in Securities:

- (a) greater than 50.1, 50.1; or
- (b) less than 50.1, that lower amount.

### 25.4 Transfer of Securities to Proposed Purchaser

If MCE receives a Tag Along Notice from one or more of the Minority Shareholders (**Tagging Shareholders**), then the Proposed Seller must not, and MCE must procure that the Proposed Seller does not, Transfer the Sale Securities to the Proposed Purchaser unless the Proposed Purchaser purchases the Tagging Securities of the Tagging Shareholders:

- (a) at the same time as the acquisition of the Sale Securities;
- (b) for:
  - (i) in the case of a Transfer of Securities, the same form and amount of consideration per Security calculated under **clause 25.2(c)(i)**, or
  - (ii) in the case of a Transfer of Upstream Securities, the same form and amount of consideration per Security calculated under **clause 25.2(c)(ii)**, in either case as specified in the Proposed Sale Notice; and

- (c) subject to **clause 25.7** on terms no less favourable to the Tagging Shareholders than the terms on which the Proposed Seller proposes to sell the Sale Securities.

#### **25.5 Completion of the sale**

Completion of the Transfer (including payment) of the Tagging Securities must take place on the same date as the completion of the sale of the Sale Securities.

#### **25.6 Lapsing of Tag Along Notice**

If a Tag Along Notice is not served by a Minority Shareholder on MCE on or before the date 15 Business Days after the date the Proposed Sale Notice is deemed given in accordance with **clause 39**, then the Proposed Seller will be free to sell the Sale Securities to the Proposed Purchaser on or before the date 180 days after the date of the Proposed Sale Notice (which 180 day period may be extended for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any required Authorisation) on the terms set out in the Proposed Sale Notice.

#### **25.7 Warranties on Transfer of the Tagging Securities**

The Tagging Shareholders must, if requested by the Proposed Seller, represent and warrant to the Proposed Purchaser on completion of the Transfer of the Tagging Securities that they are the legal owners of the Tagging Securities and have full power and authority to Transfer the Tagging Securities free of any Encumbrances but will not be required to provide any other representations or warranties.

#### **25.8 Liability and other terms**

- (a) The liability of any Tagging Shareholder to the Proposed Purchaser in connection with any warranty, representation, indemnity, obligation, escrow, holdback, retention or similar provision will be several (and not joint or joint and several) and will be pro rata based on the consideration received by the Proposed Seller and each Tagging Shareholder, in each case limited to the amount actually received by the Tagging Shareholder in respect of the Transfer of that Shareholder's Tagging Securities.
- (b) MCE must procure that the Transfer of the Tagging Securities to the Proposed Purchaser be on terms no more onerous to the Tagging Shareholders than the terms on which the Proposed Purchaser proposes to purchase the Sale Securities.
- (c) The Proposed Purchaser must assume all Financial Interests of the Tagging Shareholders.

26 Drag along

### 26.1 Drag Along Right

If one or more Shareholders that together own a majority of the Securities on issue (**Dragging Shareholders**) receive a bona fide offer from an unrelated third party (**Third Party Purchaser**) to purchase all of the Securities on issue solely for cash or cash equivalents (whether by Transfer, merger or other similar transaction) then the Dragging Shareholders have the right (**Drag Along Right**) to require all of the other Shareholders (**Dragged Shareholders**) to Transfer all their Securities (**Dragged Securities**) to the Third Party Purchaser (or to such person as the Third Party Purchaser directs) in accordance with, and provided the Dragging Shareholders have complied with, this **clause 26**.

### 26.2 Proposed Drag Notice

If the Dragging Shareholders propose to exercise the Drag Along Right they must give notice to the Company and the Dragged Shareholders (**Proposed Drag Notice**) on or before the date 30 Business Days prior to the proposed date of Transfer of all of the Securities to the Third Party Purchaser, specifying:

- (a) the name and address of the Third Party Purchaser;
- (b) the consideration per Security (or class of Security) payable (directly or indirectly) for the Dragged Securities;
- (c) the proposed date of Transfer of the Dragged Securities;
- (d) details of any payments or other consideration reasonably expected to be received, directly or indirectly, by the Dragging Shareholders from the Third Party Purchaser in connection with the Transfer, including in connection with any potential Related Agreements under **clause 26.9**;
- (e) details of any potential Related Agreements under **clause 26.9**;
- (f) the name of a reputable internationally recognised investment bank proposed to be instructed by the Dragging Shareholders to prepare the Fairness Opinion; and
- (g) all other material terms and conditions on which the Dragged Securities are to be Transferred.

### 26.3 Fairness Opinion

- (a) On or before the date five Business Days after the date of the Proposed Drag Notice, holders of a majority of the Dragged Securities must serve a notice on the Dragging Shareholders stating whether they consent to the appointment of the investment bank specified in the Proposed Drag Along Notice.
- (b) If such holders of Dragged Securities do not consent to the appointment of the investment bank specified in the Proposed Drag Along Notice, or fail to give a notice consenting to that appointment within the period specified in **clause 26.3(a)**, the Dragging Shareholders, on the one hand, and such objecting holders of Dragged Securities, on the other hand, must meet within 5 Business Days to attempt in good faith to agree to an investment bank to prepare the Fairness Opinion.

- (c) If such Shareholders cannot agree on an investment bank within 3 Business Days of first meeting under **clause 26.3(b)**, any such Shareholder may request the HKIAC to appoint an independent Expert having the qualifications set out in **clause 7.3(f)(iii)** and to instruct that Expert to promptly nominate an investment bank to prepare the Fairness Opinion.
- (d) The Dragging Shareholders must promptly instruct the investment bank agreed to under this **clause 26.3** or appointed under **clause 26.3(b)** to prepare an opinion as to the fairness of the proposed transaction to the Dragged Shareholders from a financial perspective (**Fairness Opinion**) and **clauses 37.1(a) to 37.1(h)** will not apply to such Fairness Opinion.

#### **26.4 Exercise of Drag Right**

If in the opinion of the investment bank agreed to under **clause 26.3** or appointed under **clause 26.3(b)** the proposed transaction is fair from a financial point of view to the Dragged Shareholders, the Dragging Shareholders may serve a notice on each of the Dragged Shareholders (**Drag Along Notice**) requiring them to Transfer all of their Securities on the terms set out in the Proposed Drag Along Notice but no sooner than 15 Business Days after the Drag Along Notice is deemed given in accordance with **clause 39**.

#### **26.5 Lapsing of Drag Along Notice**

- (a) A Drag Along Notice is irrevocable but will lapse if all of the Securities are not Transferred to the Third Party Purchaser within 180 days after the Drag Along Notice is deemed given in accordance with **clause 39** (which 180 day period may be extended for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any required Authorisation).
- (b) The Dragging Shareholders may serve further Proposed Drag Notices and Drag Along Notices following the lapse of any Drag Along Notice, in compliance with the provisions of this **clause 26**.

#### **26.6 Completion of the sale**

Completion of the sale (including payment) of the Dragged Securities must take place on the same date as the completion of the sale of the Securities held by the Dragging Shareholders.

#### **26.7 Application to New Shareholders**

If any person (other than a Third Party Purchaser), following the issue of a Drag Along Notice, becomes a Shareholder, whether pursuant to the exercise of pre-existing options to acquire Securities or otherwise (**New Shareholder**), then a Drag Along Notice will be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice, and each such New Shareholder will be required to sell Securities acquired by it to the Third Party Purchaser (or such person as the Third Party Purchaser directs) and the provisions of this **clause 26** will apply, with appropriate changes, to the New Shareholder.

## 26.8 Consideration for Dragged Securities

The consideration payable by the Third Party Purchaser for the Dragged Securities must be solely in cash or cash equivalents and must be the same in value, on a per Security basis, as payable by the Third Party Purchaser to the Dragging Shareholders for their Securities of that same class.

## 26.9 Related Agreements

- (a) If the Dragging Shareholders or any of their Affiliates have entered into or propose to enter into any Contract (**Related Agreement**) in connection with, in anticipation of or related to, the proposed Transfer of Securities under this **clause 26**, including:
- (i) to provide consulting or other services (including as to casino management), or for the discontinuation of any services (including as to casino management), to any Group Company, the Third Party Purchaser or any of their respective Affiliates; or
  - (ii) not to compete with any of the persons specified in **clause 26.9(a)(i)**,
- the Dragging Shareholder must within 20 Business Days of completion of the sale of all the Securities, instruct a person selected from the list set out in **schedule 4** to determine the net present value of the Related Agreements under **clause 26.9(c)**.
- (b) If one or more of the Shareholders that hold 5% or more of the Securities on issue disagree with the determination of net present value of the Related Agreements under **clause 26.9(a)** made by the person selected by the Dragging Shareholder, the net present value of the Related Agreements shall be determined under **clause 26.9(c)** by taking the arithmetic mean of the determination of net present of value by such person and the determination of net present value by a different person selected by the holders of a majority of the Securities on issue held by all such objecting 5% or greater Shareholders from the list set out in **schedule 4**. If the difference between the two calculations of net present value made by those persons is greater than 10% of the value of the higher calculation, then an internationally recognised accounting firm that is independent of the Company and MCE must be selected by those two persons and the final net present value shall be the value that is the arithmetic mean of the valuation calculated by such accounting firm and the valuation of such first two persons that is closest to the valuation of the accounting firm.
- (c) The net present value of the Related Agreements must be determined as at the date of completion of the sale of all the Securities and will be equal to:
- (i) the amount of any payment received, or reasonably likely to be received, by the Dragging Shareholders or any of their Affiliates under the Related Agreements; less

(ii) any costs of the type reimbursable under the Casino Management Agreement or, as to services other than casino management, any other reasonable costs ordinarily incurred in providing any of the services under the Related Agreements,

but excluding any amounts under **clause 26.9(c)(i)** (not exceeding 2% of the aggregate purchase price for the Securities) for services (other than casino management services) that are not being provided to a Group Company prior to completion of the sale of the Securities and which are entered into on arm's length terms.

(d) The Dragging Shareholders must within 20 Business Days of the final determination of net present value of the Related Agreements, pay to each of the Dragged Shareholders in cash the proportion of such amount that the number of Securities held by them immediately prior to completion of the sale of the Securities bears to the total number of Securities held by all Shareholders at such time.

#### **26.10 Warranties on Transfer of the Dragged Securities**

The Dragged Shareholders must, if requested by the Dragging Shareholder, represent and warrant to the Third Party Purchaser that they are the legal owners of the Dragged Securities and have full power and authority to Transfer their Securities free of any Encumbrances but will not be required to provide any other representations or warranties.

#### **26.11 Liability and other terms**

(a) The liability of any Dragged Shareholder to the Third Party Purchaser in connection any warranty, representation, indemnity obligation, escrow, holdback, retention or similar provision will be several (and not joint or joint and several) and will be pro rata based on the consideration received by the Dragging Shareholders and each Dragged Shareholder, in each case limited to the amount actually received by the Dragged Shareholder in respect of the Transfer of that Shareholder's Dragged Securities.

(b) The Dragging Shareholders must procure that the Transfer of the Dragged Securities to the Third Party Purchaser be on terms no more onerous to the Dragged Shareholders than the terms on which the Third Party Purchaser proposes to purchase the Securities held by the Dragging Shareholders.

(c) The Third Party Purchaser must assume all Financial Interests of the Dragged Shareholders.



**27.1 Competitor or Unsuitable Person**

- (a) A Shareholder must promptly notify the Company and each other Shareholder if it has actual knowledge that any holder of Upstream Securities in that Shareholder, has become, or is reasonably likely to become, a Competitor or Unsuitable Person (and for this purpose, paragraphs (a) and (b) of the definition of Unsuitable Person will not apply).
- (b) If at any time a Shareholder, or holder of Upstream Securities in a Shareholder, other than a person to whom **clause 27.3** applies, becomes a Competitor or an Unsuitable Person (**Prohibited Investor**) and any Shareholder affected thereby serves, at any time, a notice on the relevant Shareholder (with a copy to the Company) to that effect, the Shareholder on whom notice has been served must:
  - (i) where the Shareholder has become a Competitor or an Unsuitable Person, subject to **clause 27.3**, immediately offer all the Securities held by it for sale on a pro rata basis to each other Shareholder and the Shareholder must use commercially reasonable endeavours to procure the sale of any Securities which have not been purchased following the completion of that process to a third party (but subject to the terms of this document); and
  - (ii) where a holder of Upstream Securities in a Shareholder has become a Competitor or an Unsuitable Person, immediately procure that the holder transfers all of its interests in the Upstream Securities to a person that is not a Competitor or an Unsuitable Person (but subject to the restrictions on Transfer in this document).

**27.2 Governmental Agency**

- (a) Each Shareholder acknowledges that each other Shareholder, each holder of Upstream Securities, and their respective Affiliates from time to time are or may be engaged in businesses that are the subject of regulation by Governmental Agencies (including Gaming Regulators).
- (b) If any Shareholder, holder of Upstream Securities or any of their respective Affiliates (**Notified Party**):
  - (i) is directed by any Governmental Agency to terminate its association with any other Shareholder, or any holder of Upstream Securities in any other Shareholder, or any of their respective Affiliates; or is advised in writing by a Gaming Regulator that such direction will be made; or
  - (ii) receives notice in writing from any Governmental Agency that:
    - (A) any other Shareholder, or any holder of Upstream Securities in any other Shareholder, or any of their respective Affiliates; or

(B) any officer, director or employee of any of the persons in **clause 27.2(b)(ii)(A)**,

is an Unsuitable Person, or in the opinion of the Gaming Regulator is a person who may result in such Notified Party or its Affiliates being directed to terminate its association with the relevant Shareholder, holder of Upstream Securities, or Affiliate or, in the case of MCE or its Affiliates, that such association may result in the ability of MCE Subconcessionaire to operate games of fortune and chance and other games in casino in Macau being materially adversely affected,

then the Notified Party (in the case of a Shareholder), the Shareholder that is an Affiliate of the Notified Party (in the case of an Affiliate of a Shareholder), or the Shareholder that is related to the holder of Upstream Securities or Affiliate thereof (in the case of a holder of Upstream Securities or an Affiliate thereof) must give a notice (**Suitability Notice**) in writing to the relevant Shareholder (**Relevant Holder**) to that effect.

(c) If a Relevant Holder, other than a person to whom **clause 27.3** applies, receives a Suitability Notice under **clause 27.2(b)**, it must:

- (i) where the Notified Party has been directed by any Governmental Agency to terminate its association with that Relevant Holder, or where the Notified Party has received a notice under **clause 27.2(b)(ii)(A)** in relation to that Relevant Holder, immediately offer all the Securities held by such Relevant Holder for sale on a pro rata basis to each other Shareholder and use commercially reasonable endeavours to procure the sale of any Securities which have not been purchased following the completion of that process to a third party (but subject to the terms of this document);
- (ii) where the Notified Party has been directed by any Governmental Agency to terminate its association with a holder of Upstream Securities or any of its Affiliates or where a notice has been received by a Notified Party under **clause 27.2(b)(ii)(A)** in relation to a holder of Upstream Securities or any of its Affiliates, immediately procure that such holder of Upstream Securities Transfers all of its interests in the Upstream Securities to a person that is not a Competitor or Unsuitable Person (but subject to the terms of this document);
- (iii) where the Notified Party has been directed by any Governmental Agency to terminate its association with an Affiliate of that Relevant Holder, or where the Notified Party has received a notice under **clause 27.2(b)(ii)(A)** in relation to any Affiliate of that Relevant Holder, immediately terminate its association with such Affiliate or comply with **clause 27.2(c)(i)** or **27.2(c)(ii)**, as applicable; or

- (iv) where a notice has been received by the Notified Party under **clause 27.2(b)(ii)(B)** in relation to any officer, director or employee of any of the persons specified in **clause 27.2(b)(ii)(A)** , procure that the relevant director, officer or employee is terminated or resigns their office.

### 27.3 Existing holders

The parties agree that if, in respect of any person who is, as at the date of this document, a Shareholder, or the holder of Upstream Securities in a Shareholder:

- (a) that person or any Permitted Transferee to whom those Securities or Upstream Securities are transferred in accordance with this document becomes a Competitor or an Unsuitable Person; or
- (b) that person is the subject of any notice from a Governmental Agency under **clause 27.2(b)(ii)**,

**clauses 27.1(b)** and **27.2(c)** (as the case may be) will not apply and instead MCE and the relevant Shareholder will meet to agree on a process for resolving the issue.

### 27.4 Specific performance

Each Shareholder acknowledges that:

- (a) any breach of the obligations in **clause 27.2** may result in any party to this document suffering damage, for which damages may not be an adequate remedy; and
- (b) a party is entitled to seek specific performance as a remedy in respect of a breach by a party of its obligations under **clause 27.2** (in addition to any other remedies available at Law).

## 28 Shareholders

### 28.1 Deed of Accession

- (a) A Shareholder who proposes to Transfer any Securities to anyone other than another Shareholder must ensure that the transferee enters into a Deed of Accession before the Transfer takes place.
- (b) Before issuing Securities to anyone other than another Shareholder the Company must ensure that the person to whom the Securities are to be issued enters into a Deed of Accession.

### 28.2 Accession by holders of Upstream Securities

Each Shareholder must procure that each holder of Upstream Securities having an Effective Interest in Securities as at the date of this document of 1% or more, and each person to whom Upstream Securities are proposed to be Transferred and who would following that Transfer have an Effective Interest in Securities greater than 1%, must enter into an agreement (in a form reasonably acceptable to the Company and consistent with **clause 27**) under which that person agrees to comply with **clause 27** and to keep confidential any information provided to them under **clause 30** or **31** on the terms of that clause (and in any event no more onerous to them than the terms of the Confidentiality Deed).

### 28.3 Minimum transaction size

Minority Shareholders must not Transfer less than 2% of the Securities on issue to any one person other than to the MCE Shareholders under **clause 24**.

29 IPO

### 29.1 Right to demand an IPO

- (a) Subject to **clause 29.1(b)** any Shareholder (other than an MCE Shareholder) holding more than 20% of the Securities (**Demanding Shareholder**) on issue may, by notice to the Company (with a copy to MCE), demand an IPO.
- (b) A Demanding Shareholder may only demand an IPO on or after the Opening.
- (c) For the avoidance of doubt, in determining the percentage of Securities held by a Demanding Shareholder, any reduction in the percentage arising out of Securities issued subsequent to the date hereof or in the IPO will be disregarded, except where such issue occurs under **clause 17** or **18**.

### 29.2 Revocation

A call for an IPO is revocable, however if revoked prior to the IPO, the Shareholder that called for the IPO may not call for an IPO again for another 12 months from the date the call was revoked.

### 29.3 Condition to IPO

Despite **clause 29.1**, it is a condition to any IPO demanded by a Demanding Shareholder that the Demanding Shareholder has complied with **clause 29.6** and that either:

- (a) the total aggregate value of the Securities or shares of IPO HoldCo publicly offered in the IPO (including any Securities or shares of IPO HoldCo on issue to be Transferred in the IPO) is not less than US\$150 million; or
- (b) the number of Securities or shares of IPO HoldCo publicly offered in the IPO (including any Securities or shares of IPO HoldCo on issue to be Transferred in the IPO) is not less than 10% of the total number of Securities or shares of IPO HoldCo, as applicable, on issue immediately following the IPO.

#### **29.4 Call by the Board**

The Board may, at any time, call for an IPO and **clause 29.3** will not apply to any such IPO.

#### **29.5 Recognised Stock Exchange**

Any IPO must take place on a Recognised Stock Exchange nominated by the Board after consultation with each Minority Shareholder holding more than 20% of the Securities on issue, or where a demand is made under **clause 29.1(a)**, nominated by the Demanding Shareholder after consultation with MCE.

#### **29.6 Requirement to negotiate**

- (a) The Demanding Shareholder and MCE must, following receipt by MCE of a demand under **clause 29.1(a)**:
  - (i) engage in good faith negotiations for a period of not less than 45 days, as to the purchase by MCE (or any of its Affiliates) of all the Securities held by the Demanding Shareholder; and
  - (ii) each appoint a financial advisor to assist them in determining the fair market value of the Company and the Securities proposed to be publicly offered in the IPO.
- (b) The negotiations under **clause 29.6(a)** must include at least one face to face meeting between a duly authorised representative of the Demanding Shareholder and MCE.
- (c) The Company shall, during the 45-day period referred to in **clause 29.6(a)(i)**, comply with its obligations hereunder and under the Registration Rights Agreement with respect to an IPO.
- (d) This **clause 29.6** is without prejudice to the rights of a Demanding Shareholder to demand an IPO under **clause 29.1(a)**.

#### **29.7 Structure of the IPO**

Where a demand is made under **clause 29.1(a)**, the Demanding Shareholder and MCE will have the joint right to approve the structure of the IPO (such approval by either party not to be unreasonably withheld, conditioned, or delayed), which structure will, among other things, attempt to minimise, to the extent permitted by applicable Law and to the extent possible, any recognition of taxable income with respect to the Shareholders' interests in the Company being sold in the IPO in advance of the receipt of the proceeds therefor and will take into account the Minority Shareholders' desires for liquidity.

#### **29.8 Obligations of the parties**

- (a) If a demand is made under **clause 29.1(a)**, or the Board calls for an IPO under **clause 29.4**, then the Company must give a notice to each Shareholder requiring them to co-operate and use their commercially reasonable endeavours in applying to a Recognised Stock Exchange selected for the IPO under **clause 29.5** for:
  - (i) the admission of the Company or a new holding company of the Company to the official list of that stock exchange; and

- (ii) the official quotation of the Securities or shares of IPO HoldCo on that stock exchange, as soon as reasonably practicable after service of the notice.
- (b) On and after the date on which a notice is given under **clause 29.1(a)**, or the Board calls for an IPO under **clause 29.4**, each Shareholder and the Company must use all commercially reasonable endeavours to enable the IPO to occur in accordance with this document and the Registration Rights Agreement including:
  - (i) in the case of Shareholders only, consenting to and voting in favour of a conversion of the Company into a corporation or other limited liability entity or other matters necessary to effect the structure agreed upon pursuant to **clause 29.7**; and
  - (ii) taking all other reasonable actions in connection with consummation of the IPO, in each case as mutually agreed by Shareholders holding a majority of all Securities then on issue that are held by Minority Shareholders and the MCE Shareholders and achieve the listing of the Company or the holding company and quotation of the Securities or shares of IPO HoldCo on the Recognised Stock Exchange selected for the IPO under **clause 29.5** on which the IPO is to occur, provided that each Shareholder is at all times treated the same (if the Board has called for an IPO), or the same as the Demanding Shareholder (in the case of a notice under **clause 29.1(a)**).
- (c) The Shareholders must, in exercising their respective rights to agree to the actions reasonably required to enable an IPO to successfully occur under **clause 29.8(b)**, cause the Company to act reasonably and in good faith and with a view to expeditiously consummating the IPO.
- (d) The terms of the Registration Rights Agreement shall apply to such transaction.

## **30 Information**

### **30.1 Shareholder holding 1%**

The Company must provide to each Shareholder holding 1% or more of the Securities on issue:

- (a) a copy of the Management Accounts for that Quarter on or before the date 20 Business Days after the end of each Quarter or the date provided to the Project Lenders (if applicable and later);

- (b) a copy of the Audited Accounts for that Financial Year on or before the date four months after the end of each Financial Year or the date provided to the Project Lenders (if applicable and later); and
- (c) such other information as that Shareholder may reasonably request from time to time for the sole purpose of enabling that Shareholder to prepare and file any Tax returns.

### 30.2 Shareholder holding 15%

The Company must provide to each Shareholder holding 15% or more of the Securities on issue (in addition to what must be delivered pursuant to **clause 30.1**):

- (a) copies of all information provided to the Project Lenders at the same time that such information is provided to those lenders (if applicable);
- (b) copies of reports (to be prepared not less frequently than monthly) as to the status of the project development; and
- (c) any other information reasonably requested from time to time by such Shareholders.

### 30.3 Gaming

- (a) For so long as any Shareholder, holder of Upstream Securities in a Shareholder, or any of their respective Affiliates, is required to provide information to any Gaming Regulator in relation to their interest in the Company (including any information about another Shareholder or any holder of Upstream Securities in that Shareholder), the Company will and will procure that each Company Subsidiary will, to the extent permitted by law, cooperate in good faith to obtain and endeavour to provide that information where requested in writing by that person.
- (b) Despite **clause 30.3(a)**, if reasonable to do so, the Company may limit the information provided to such information as is required by the Gaming Regulator or otherwise customarily provided to any such Gaming Regulator.
- (c) Any person to whom information is provided under **clause 30.3(a)** must agree, as a condition of being provided with that information, to cooperate with the Company to seek to limit or protect the information required to be provided, if the Company determines (acting reasonably) that providing such information would:
  - (i) materially compromise the competitiveness of the MSC Property; or
  - (ii) be prohibited by applicable Laws or the listing or exchange rules of any stock exchange on which the Securities are listed or MCE s equity securities are listed.

### 30.4 Access

Each Shareholder holding 15% or more of the Securities on issue has the right to:

- (a) visit and inspect any property of the Group at all reasonable times and on reasonable notice to the Company;
- (b) inspect and take copies of documents relating to the business of each Group member at all reasonable times and on reasonable notice to the Company; and
- (c) discuss each Group member's affairs, finances and accounts with such of the Group member's officers, employees, agents and advisers (including auditors) at all reasonable times and as often as the Shareholder may reasonably request.

### 30.5 Shareholder information

Each Shareholder must provide to the Company on the date of this document, and within 5 Business Days of being requested by MCE or the Company in writing, a complete and accurate list of:

- (a) all of the persons or entities holding Upstream Securities in relation to that Shareholder;
- (b) the person that issued the Upstream Securities; and
- (c) a calculation of the Effective Interest in Securities held by each of the persons in **clause 30.5(a)**.

## 31 Confidentiality and disclosure

### 31.1 Disclosure by Directors

- (a) Each Director must not disclose any Confidential Information except:
  - (i) in the case of information of a type which is, or would be, the subject of **clause 30.1**, to any Shareholder or holder of Upstream Securities who would be entitled to receive that information under that clause or **clause 31.3(a)**, as applicable;
  - (ii) in the case of information of a type which is, or would be, the subject of **clause 30.2** or **30.4**, to any Shareholder or holder of Upstream Securities who would be entitled to receive that information under those clauses or **clause 31.3(b)**, as applicable;
  - (iii) to any officer, manager, employee, director (or equivalent) or financial, legal or accounting adviser of or lender to a Shareholder or holder of Upstream Securities specified in the applicable paragraphs of this **clause 31.1**; and
  - (iv) in the case of a Director employed by an investment fund or a management company of an investment fund (as applicable) that holds, or has any Affiliates that hold, an Effective Interest in Securities, to any partner, officer, manager, employee or director (or equivalent) of that investment fund or management company.



- (b) Each Shareholder must procure that the Director appointed by them complies with the Director's obligations under this **clause 31** (subject to such Director's fiduciary duties).

### **31.2 Restrictions on disclosure**

A person (other than a Director) must not disclose any Confidential Information except:

- (a) in the case of a Shareholder or holder of Upstream Securities, where permitted under **clauses 31.3, 31.4, 31.5 or 31.6**; or
- (b) in any other case, where permitted under **clauses 31.4, 31.5 or 31.8**.

### **31.3 Disclosure by Shareholders and holders of Upstream Securities**

Each Shareholder and holder of Upstream Securities, as applicable, may, subject to **clauses 31.6 and 28.2**, disclose any Confidential Information:

- (a) received by that Shareholder under **clause 30.1 or 31.1(a)(i)** to any holder of Upstream Securities that has an Effective Interest in Securities of 1% or more, and any such holder of Upstream Securities may further disclose such Confidential Information to any other holder of Upstream Securities that has an Effective Interest in Securities of 1% or more;
- (b) received by that Shareholder under **clause 30.2, 30.4 or 31.1(a)(ii)** to any holder of Upstream Securities that has an Effective Interest in Securities of 15% or more, and any such holder of Upstream Securities may further disclose such Confidential Information to any other holder of Upstream Securities that has an Effective Interest in Securities of 15% or more;
- (c) to Oaktree Capital Management, L.P., or any investment fund or account or entity managed by Oaktree Capital Management, L.P. that is a holder of Upstream Securities, so long as those persons own Effective Interests in Securities of at least 4% in aggregate; or
- (d) to any officer, manager, employee, representative, director (or equivalent) or financial, legal or accounting adviser of or lender to a Shareholder or holder of Upstream Securities or any of the other persons specified in the applicable paragraphs of this **clause 31.3**.

### **31.4 Disclosure generally**

A person may disclose any Confidential Information received by it:

- (a) in the case of a person that is an investment fund, to any partner in that fund;
- (b) to any officer, manager, employee, director (or equivalent) or financial, legal, valuation or accounting adviser of or lender to a Shareholder or holder of Upstream Securities or any of the other persons specified in this **clause 31.4**;

- (c) to any Project Lender; and
- (d) to any Financial Supporter.

### 31.5 Exceptions

- (a) Despite any other provision of this clause to the contrary, but subject to **clause 31.5(b)**, a person may disclose Confidential Information to:
  - (i) any person to whom it is required to disclose the information by Law;
  - (ii) any person to the extent necessary in connection with the exercise of any remedy hereunder;
  - (iii) any Governmental Agency where required by that agency; or
  - (iv) any stock exchange on which its securities, or the securities of any of its Affiliates, are listed if required by the listing or exchange rules of such stock exchange.
- (b) A party who is required to disclose information under **clause 31.5(a)** must use commercially reasonable endeavours to, and to the maximum extent permitted by Law to, limit the form and content of that disclosure.

### 31.6 Conditions to disclosure

Each Shareholder shall be responsible for ensuring that each holder of its Upstream Securities does not disclose Confidential Information that is not permitted to be disclosed under **clauses 31.3, 31.4 and 31.5** unless the Company, acting in its reasonable discretion at the request of a Shareholder, executes a Confidentiality Deed or other similar agreement with any particular holder of Upstream Securities.

### 31.7 Prospective Purchaser

- (a) A Shareholder (**Disclosing Shareholder**) must not disclose, and must procure that no holder of Upstream Securities discloses, any Confidential Information to a prospective purchaser of Securities or Upstream Securities (**Prospective Purchaser**) unless the Prospective Purchaser, prior to being provided with any such information, enters into a confidentiality agreement on terms no less onerous to the Prospective Purchaser than those set out in the Confidentiality Deed or otherwise reasonably acceptable to the Company.
- (b) The Disclosing Shareholder must require that a Prospective Purchaser return or destroy any information provided by the Disclosing Shareholder to the Prospective Purchaser under **clause 31.2** (subject to customary exceptions) if the Prospective Purchaser has not purchased the Disclosing Shareholder's Securities or the Upstream Securities on or before the date 6 months after the date of entry into the confidentiality agreement referred to in **clause 31.7(a)**.

**31.8 Information to be held confidential**

Each Shareholder must procure that any person to whom information is disclosed by that Shareholder or any Director appointed by that Shareholder under **clauses 31.1 and 31.2** keeps that information confidential and, except as permitted by this **clause 31**, does not disclose the information to any other person.

**31.9 Prohibition**

A Shareholder must not, and, subject to **clause 31.6**, must procure that the holder of Upstream Securities in respect of such Shareholder does not, knowingly disclose any information to any Competitor or an Unsuitable Person, or any of their directors, officers, or employees.

**31.10 Disclosure document**

The obligations of confidentiality in this **clause 31** do not apply to any information concerning the Group, its business or its assets in any document publicly available in connection with an IPO.

32 Ethical screen

**32.1 Acknowledgement**

- (a) MCE acknowledges that the Covered Persons may from time to time, directly or indirectly, own interests in or manage entities (or both) that, directly or indirectly, engage in gaming and associated businesses throughout the world, including in the Asia Pacific region.
- (b) The parties acknowledge there is no restraint on the ability of the Covered Persons to, directly or indirectly, own interests in or engage (or both), directly or indirectly, in gaming and associated businesses throughout the world, including in the Asia Pacific region.

**32.2 Ethical screen**

Despite **clause 32.1(b)**, if at any time a Covered Person:

- (a) has appointed a Director or is entitled to receive information under **clause 30.2 or 30.4** or under **clause 31.3(b)**, and
- (b) has appointed a director to the board of a Competitor or is entitled to receive similar confidential information in relation to that Competitor as provided under **clause 30.2 or 30.4** or under **clause 31.3(b)**,

the Covered Person's Shareholder must:

- (i) ensure that no person appointed as a Director is also appointed as a director of the Competitor;
- (ii) ensure that the principal members of the deal teams managing the investments of such Covered Person in the Company and any such Competitor are at all times different individuals; and

- (iii) implement an ethical screen to ensure that confidential information provided to it (or its director designees) about the Company not be disclosed to any such Competitor and, upon the request of the Company, certify to the Company that it has implemented, and is complying with, such an ethical screen.

### 32.3 **Sharing otherwise permissible**

For the avoidance of doubt, nothing in **clause 32.2** shall limit the ability of Covered Persons to share Confidential Information within their respective organizations so long as they comply with the provisions of **clause 32.2**.

## 33 Warranties

### 33.1 **Warranties**

In consideration of the entry by each of the parties into this document, each of the parties (other than the Company) represents and warrants to each other party as at the date of this document that the Warranties are true and accurate.

### 33.2 **Warranties independent**

Each Warranty is to be construed independently of the others and is not limited by reference to any other Warranty.

### 33.3 **Liability**

Liability for breach of the Warranties will not be discharged or limited by the entry by the parties into this document.

## 34 Fair Market Value

### 34.1 **Determination of Fair Market Value**

Fair Market Value must be determined:

- (a) by the persons specified in **clause 34.2**; and
- (b) applying the methodology in **clause 34.3**.

### 34.2 **Process**

- (a) Subject to **clause 34.2(d)**, the Fair Market Value of Securities as of the last day of each Quarter shall be calculated by each Valuation Expert no later than 10 days after the last day of the end of each Quarter.
- (b) If the Fair Market Value of Securities is required to be determined under **clause 17.2**, **clause 19.5**, **clause 20.5** or **clause 21.1** during any Quarter, the Fair Market Value of Securities shall be deemed to be the arithmetic mean of the calculations of Fair Market Value set out in the Valuation Expert Reports for the immediately preceding Quarter.
- (c) Each Shareholder Group must notify the Company of the Valuation Expert appointed by that Shareholder Group from time to time.

- (d) The Fair Market Value of Securities will not be required to be determined each Quarter under **clause 34.2(a)** after the Opening.

### 34.3 Methodology

- (a) Subject to **clause 34.4**, in determining the Fair Market Value:
  - (i) the Securities are to be valued on a going concern basis as between a willing but not anxious seller and a willing but not anxious buyer and utilizing methodologies determined by each Valuation Expert but which shall (to the extent deemed appropriate in the exercise of such Valuation Expert's reasonable judgment) include discounted cash flows, an analysis of comparable companies and an analysis of precedent transactions;
  - (ii) any reduction in value which may be ascribed to the Securities by virtue of the fact that they represent a minority interest is to be ignored; and
  - (iii) the Securities are capable of Transfer without restriction.

### 34.4 Valuation Expert Report

- (a) The Company must instruct the Valuation Experts notified by the Shareholder Groups under **clause 34.2(c)** to prepare and deliver to the parties a report (**Valuation Expert Report**) setting out the Valuation Experts' calculation of the Fair Market Value as soon as practicable, and in any event no later than 10 days after the last day of each Quarter.
- (b) Each Shareholder Group has the right to meet with the Valuation Experts and discuss the Company and its businesses and prospects, and the parties must provide all information and assistance to the Valuation Experts as the Valuation Experts reasonably require for the purposes of preparing the Valuation Expert Reports.
- (c) The Valuation Experts may make any inquiries or investigations as the Valuation Experts determine are necessary.
- (d) Each Valuation Experts' decision will be final and binding on the parties (except in the case of fraud or manifest error).
- (e) The Company will be responsible for payment of the Valuation Experts' costs under this **clause 34.4**.
- (f) The final determination of Fair Market Value for each Quarter shall be final and binding on the parties (except in the case of fraud or manifest error).

### 35 Shareholder Loan Agreement

- (a) The parties agree that the form of the Shareholder Loan Agreement may be amended from time to time with the prior written consent of each of the Company and the Largest Minority Shareholder.

- (b) The parties agree that any amount advanced to the Company under a Shareholder Loan Agreement will be subordinated to any funds advanced by any Project Lenders if requested by them and on such terms as they may require. Without limitation of the foregoing, the parties agree that the Shareholder Loan Agreement will be amended, to the extent reasonably requested by any Project Lender, to facilitate any and all financings which may be provided from time to time by any Project Lenders (**Senior Loans**), including without limitation, amendments to:
- (i) subordinate and make junior any amount advanced to the Company under a Shareholder Loan Agreement, including, interest which may accrue from time to time thereon (collectively, **Subordinate Loan**) and any documents evidencing the Subordinate Loan (**Subordinate Loan Documents**), and all rights, remedies, terms and covenants contained therein to (A) any and all Senior Loans, (B) the liens and security interests created by the documents evidencing and securing the Senior Loans and all extensions, supplements, amendments and modifications to and restatements and consolidations of the foregoing (collectively, **Senior Loan Documents**), and (C) all of the terms, covenants, conditions, rights and remedies contained in, the Senior Loan Documents and any extensions, supplements, amendments and modifications to and restatements and consolidations of the Senior Loan Documents; and
  - (ii) subordinate all rights to payment of the Subordinate Loan and the obligations evidenced by the Subordinate Loan Documents to all of a Project Lenders' rights to payment of any Senior Loan and the obligations secured by any Senior Loan Documents.
- (c) Unless an Event of Default (as defined in the Shareholder Loan Agreement) has occurred and has not been waived, a party must not require payment of any amount advanced to the Company under a Shareholder Loan Agreement or any interest thereon unless:
- (i) it is permitted to do so under the terms of any subordination agreed with the Project Lenders; and
  - (ii) such payment is made from amounts that would otherwise be available for distribution in respect of Securities under this document (including any amounts in respect of which a dividend or distribution may or might have been declared but has not yet been paid).
- (d) Payment of any amount advanced to the Company under a Shareholder Loan Agreement or any interest thereon in accordance with the terms of the Shareholder Loan Agreement and this document shall not be subject to approval under **clause 7.2(a)** nor shall such payment be deemed a Related Party Transaction.

**36.1 Tax Treatment**

- (a) The Company has previously elected to be treated as a partnership for US federal income tax purposes and each Company Subsidiary has previously elected to be treated as a disregarded entity for US federal income tax purposes. None of the Company, any Company Subsidiary, or any Shareholder shall take any action or position (whether in a filing or otherwise) (1) inconsistent with such classification or (2) to revoke or seek to revoke any election made by or for the Company or any Company Subsidiary pursuant to United States Treasury Regulation Section 301.7701-3 to be classified, for US federal income tax purposes, as a partnership, in the case of the Company, or a disregarded entity, in the case of any Company Subsidiary.
- (b) Each Company Subsidiary formed or acquired after the date hereof (**New Entity**) shall be an “eligible entity” within the meaning of United States Treasury Regulation Section 301.7701-3.
- (c) Each New Entity with only one owner for U.S. federal income tax purposes shall make an election pursuant to United States Treasury Regulation Section 301.7701-3 to be classified as a disregarded entity for US federal income tax purposes. Each New Entity with two or more owners for U.S. federal income tax purposes shall make an election pursuant to United States Treasury Regulation Section 301.7701-3 to be classified as a partnership for US federal income tax purposes. None of the Company, any Company Subsidiary, any New Entity, or any Shareholder shall take any action or position (whether in a filing or otherwise) (1) inconsistent with such classification of a New Entity or (2) to revoke or seek to revoke any election made by or for a New Entity pursuant to United States Treasury Regulation Section 301.7701-3 so to be classified.

**36.2 Tax Information**

On or before April 10 of each fiscal year, the Company shall provide to each applicable Minority Shareholder a draft based on reasonable estimates of United States Internal Revenue Form K-1 or substitute K-1 for the prior fiscal year. On or before June 15 of each fiscal year, the Company shall provide to each applicable Minority Shareholder a United States Internal Revenue Form K-1 or substitute K-1 the information necessary for the Minority Shareholder (including its direct and indirect owners) to file its United States income tax returns with respect to the operations and business of each of the Company and Company Subsidiaries for such prior fiscal year. The Company shall make its employees and those of any Company Subsidiary reasonably available to assist the Minority Shareholder in obtaining any additional information with respect to the Company, any Company Subsidiary, or any New Entity reasonably necessary for the Minority Shareholder to complete its tax filings.

### 36.3 Tax Allocations

All items of income, gain, loss, deduction and credit realized by the Company shall, for each fiscal period, be allocated pro rata among the Shareholders for U.S. federal, state and local or franchise tax purposes.

### 36.4 Amendment

This **clause 36** may not be amended or modified except in accordance with **clause 7.2(a)** .

### 37 Dispute

#### 37.1 Dispute

- (a) If a dispute (**Dispute**) arises out of or relates to this document (including any dispute as to the existence, breach or termination of this document or as to any claim in tort, in equity or pursuant to any statute but excluding any disagreement the subject of **clause 7.3**) a party to the document may only commence arbitration proceedings relating to the Dispute if the procedures set out in **clauses 37.1(b)** to **37.1(h)** have been fulfilled.
- (b) A party to this document claiming the Dispute has arisen under or in relation to this document must give written notice (**Dispute Notice**) to the other parties to the Dispute specifying the nature of the Dispute.
- (c) On receipt of the Dispute Notice by the other parties, all the parties to the Dispute (**Disputing Parties**) must endeavour in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques such as mediation, expert evaluation or determination or similar techniques agreed by them.
- (d) If the Disputing Parties do not resolve the Dispute within 20 days of receipt of the Dispute Notice the Dispute shall be determined by way of arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in force on the date when the notice of arbitration is submitted in accordance with these rules.
- (e) The number of arbitrators shall be three and the nationality or residence of the chairman of the arbitral tribunal shall not be the United States, Hong Kong or Macau.
- (f) The arbitral proceedings shall be conducted in the English language and the place of arbitration shall be Hong Kong.
- (g) By agreeing to arbitration pursuant to **clause 37.1(d)**, the parties do not intend to deprive any court of its jurisdiction to issue an interim injunction or other interim relief in aid of the arbitration proceedings, provided that the parties agree that they may seek only such relief as is consistent with their agreement to resolve the Dispute by way of arbitration. Without prejudice to such relief that may be granted by a national court, the arbitral tribunal shall have full authority to grant interim or provisional remedies or to order a party to seek modification or vacation of the relief granted by a national court. For purposes of this **clause 37.1(g)**, the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Hong Kong and any courts which have jurisdiction to hear appeals from those courts and waive any right to object to any proceedings being brought in those courts.



- (h) Any dispute that arises under this document (other than any disagreement the subject of **clause 7.3**) must be resolved in accordance with this **clause 37**.

### **37.2 Proper exercise of rights not a Dispute**

For the avoidance of doubt, the proper exercise by a Shareholder or Shareholder Group of its rights hereunder shall not constitute a Dispute merely because such exercise is contrary to the interests of the Company or another Shareholder or Shareholder Group.

## **38 Termination**

### **38.1 Term**

Subject to **clause 38.2**, this document continues in full force and effect until:

- (a) terminated by written agreement between the parties;
- (b) completion of a Qualified IPO, when it automatically terminates; or
- (c) in the case of a Shareholder, that Shareholder ceases to hold any Securities.

### **38.2 Certain provisions continue**

The termination of this document with respect to a party does not affect:

- (a) any obligation of that party which accrued prior to that termination and which remains unsatisfied or which has been breached; and
- (b) any provision of this document which is expressed to come into effect on, or to continue in effect after, that termination including those specified in **clause 41.11**.

## **39 Notices**

### **39.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

### **39.2 How to give a communication**

A communication must be given by being:

- (a) personally delivered;

- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by reputable international delivery service for delivery within five days; or
- (d) sent by fax to the party's current fax number for notices,

provided that any communication hereunder may also be sent by e-mail (which shall not constitute notice).

### 39.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different than delivery address), (iii) facsimile number for notices, (iv) e-mail address for notices, and (v) designated person or office to whom notices are to be addressed, are as initially set out below and in the Deed of Accession (as the case may be):

**Melco Crown Entertainment Limited**

36/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong;

facsimile number: +852-2537-3618

e-mail address: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

attention: Chief Legal Officer

with copy to (which copy will not constitute notice for the purposes of this **clause 39**):

**Corrs Chamber Westgarth**

Level 36, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

facsimile number: +612 9210 6611

e-mail address: [ian.laughland@corrs.com.au](mailto:ian.laughland@corrs.com.au)

attention: Iain Laughland

**MCE Cotai Investments Limited**

36/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong;

facsimile number: +852-2537-3618

e-mail address: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

attention: Chief Legal Officer

with copy to (which copy will not constitute notice for the purposes of this **clause 39**):

**Corrs Chamber Westgarth**

Level 36, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

facsimile number: +612 9210 6611

e-mail address: [ian.laughland@corrs.com.au](mailto:ian.laughland@corrs.com.au)

attention: Iain Laughland

**New Cotai, LLC**

c/o New Cotai Holdings, LLC  
Two Greenwich Plaza  
Greenwich, Connecticut 06830  
United States of America

facsimile number: +1 (203) 542-4308

e-mail address: [ffogel@silverpointcapital.com](mailto:ffogel@silverpointcapital.com)

attention Frederick Fogel

with copy to (which copy will not constitute notice for the purposes of this **clause 39**):

Skadden, Arps, Slate, Meagher & Flom LLP  
300 South Grand Avenue, Suite 3400  
Los Angeles, California 90071-3144

facsimile number: + 1 213 621 5288

email address: [jeffrey.cohen@skadden.com](mailto:jeffrey.cohen@skadden.com)

attention: Jeffrey Cohen

**Cyber One Agents Limited**

Offshore Incorporations Centre  
PO Box 957  
Road Town, Tortola  
British Virgin Islands

with copy to (which copy will not constitute notice for the purposes of this **clause 39**):

facsimile number: +852-2537-3618

e-mail address: [scheung@melco-crown.com](mailto:scheung@melco-crown.com)

attention: Chief Legal Officer

with copy to (which copy will not constitute notice for the purposes of this **clause 39**)

facsimile number: +1 (203) 542-4308

e-mail address: [ffogel@silverpointcapital.com](mailto:ffogel@silverpointcapital.com)

attention Frederick Fogel

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

#### **39.4 Communications by post**

Subject to **clause 39.6**, a communication is deemed given five days after being sent under **clause 39.2(c)**.

#### **39.5 Communications by fax**

Subject to **clause 39.6**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

#### **39.6 After hours communications**

If a communication is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in that place.

#### **39.7 Receipt of notice**

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

#### **40 Duties, costs and expenses**

##### **40.1 Fees and costs**

- (a) The Company must pay the reasonable legal and other costs and expenses incurred by the parties in negotiating, preparing, executing, and registering this document and the other Transaction Documents and provided that receipts for such expenses are provided to the Company prior to such payment.
- (b) If a party other than the Company pays the reasonable legal and other costs and expenses incurred by it of negotiating, preparing, executing, and registering this document or any of the other Transaction Documents then the Company must reimburse that amount to the paying party on demand.
- (c) Except as otherwise expressly stated in this document, each party must pay its own legal and other costs and expenses of performing its obligations under this document and of any dispute that may arise in connection with any amendment to this document.

## 40.2 Duties

- (a) The Company, as between the parties, is liable for and must pay all Duty (including any fine or penalty except where it arises from default by another party) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it except in respect of any Transfer of Securities, where unless otherwise agreed by the parties to such Transfer, Duty in respect of such Transfer will be borne by the transferee.
- (b) If a party other than the Company pays any Duty (including any fine or penalty) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it, the Company must reimburse that amount to the paying party on demand provided that such costs and/or expenses are reasonable.

## 41 General

### 41.1 Amendment

No amendment to this document will be effective unless it is:

- (a) in writing; and
- (b) signed by the Company, MCE, the majority of the MCE Shareholders and the Majority of the Minority Shareholders; or
- (c) made in compliance with **clause 7**; or
- (d) made in compliance with **clause 17.13**, if applicable; or
- (e) made in compliance with **clause 36.4**, if applicable.

### 41.2 Several obligations

- (a) The obligations of the Minority Shareholders under this document (and each of their Permitted Transferees to whom Securities are Transferred or issued under this document) are several and not joint or joint and several.
- (b) The obligations of MCE Shareholders under this document (and each of their Permitted Transferees to whom Securities are Transferred or issued under this document) are joint and several.

### 41.3 Counterparts

This document may consist of a number of counterparts and if so the counterparts taken together constitute one document.

### 41.4 Assignment

- (a) Except in connection with Transfers of Securities that are expressly permitted under this document and otherwise to the extent expressly permitted under this document, a party must not assign, charge, declare a trust over or otherwise deal with any right under this document without the prior written consent of the other parties.
- (b) Any purported assignment, charge, declaration of trust or dealing in breach of this **clause 41.4** is of no effect.

- (c) The Company may assign its rights, and the Shareholders may assign their rights, under this document to any Project Lender if required by that lender in connection with, providing the financing referred to in **clause 20.1(a)**.

**41.5 Entire understanding**

- (a) This document together with the other Transaction Documents constitutes the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
  - (i) affects the meaning or interpretation of this document; or
  - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.

**41.6 Further steps**

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document (including voting their Securities in favour of any resolution).

**41.7 Attorneys**

Each of the attorneys executing this document declares that the attorney has no notice of the revocation of the power of attorney under which the attorney executes this document.

**41.8 Inconsistency with Memorandum and Articles of Association**

- (a) If there is any inconsistency between this document and the Memorandum and Articles of Association, this document prevails as between the Shareholders only to the extent of that inconsistency.
- (b) At the written request of any party, all parties must take all necessary steps, including voting in favour of any resolution, to amend the Memorandum and Articles of Association to remove that inconsistency.

**41.9 Relationship of parties**

This document is not intended to create a partnership, joint venture, fiduciary or agency relationship between the parties.

**41.10 Rights cumulative**

Except as otherwise expressly stated in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

#### **41.11 Survival of obligations after termination**

Clauses 1 (Interpretation), 3.2 (MCE Directors), 3.3 (Minority Directors), 3.7 (Vacation of office), 3.8 (Removal of Directors), 3.9 (Alternate directors), 3.10 (Director duties), 3.11 (Fees and expenses of Directors), 3.12 (D&O Policy), 3.13 (Indemnity deed), 11.4 (Post IPO), 12 (Shared Vendor Contract), 14.1 (Casino operation), 14.3 (Gaming tables), 15.4 (Other administrative matters), 30.3 (Gaming), 31 (Confidentiality and disclosure), 37 (Dispute), 38 (Termination), 39 (Notices), 40 (Duties, costs and expenses), and 41 (General) of this document will remain in full force and effect and survive the expiry or termination of this document.

#### **41.12 Waiver and exercise of rights**

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.
- (c) A right relating to this document may only be waived in writing signed by the party or parties waiving the right.

#### **41.13 Consent**

Unless this document expressly provides otherwise, a party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion.

#### **41.14 Equitable relief**

The parties acknowledge that:

- (a) the Securities cannot be readily purchased or sold in an open market and that damages or an account of profits may be an inadequate remedy to compensate a Shareholder for a breach of this document; and
- (b) a Shareholder is entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by a party of this document, in addition to any other remedies available to them at law or in equity.

#### **41.15 Governing law and jurisdiction**

This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong.

#### **41.16 Ownership thresholds**

- (a) In determining the number of Securities held by a Shareholder for purposes of any threshold in this document or in the Policy on Related Party Transactions, Securities held by an Affiliate of a Shareholder shall be deemed to be held by that Shareholder.

- (b) In determining the number of Upstream Securities held by a person in an entity for the purposes of any threshold in this document or in the Policy on Related Party Transactions, Upstream Securities held by an Affiliate of that person in that same entity shall be deemed to be held by that person.
- (c) In determining the percentage of Securities held by a Shareholder for purposes of any threshold in this document or in the Policy on Related Party Transactions, such percentage shall not be reduced by the issue of Securities subsequent to the date hereof or in the IPO, except where such issue occurs under **clause 17** or **18**.



Executed as an agreement )  
SIGNED by

\_\_\_\_\_  
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:  
Title of witness:

SIGNED by )

\_\_\_\_\_  
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:  
Title of witness:

SIGNED by )  
)

\_\_\_\_\_  
for and on behalf of )  
**NEW COTAL, LLC** )  
as its authorised representative )  
with authority from the board )  
in the presence of: )

\_\_\_\_\_  
Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:

*Signature Pages of the Shareholders' Agreement*  
*[The rest of this page has been intentionally left blank]*

SIGNED by )  
)

\_\_\_\_\_  
for and on behalf of )  
**CYBER ONE AGENTS LIMITED** )  
as its authorised representative )  
with authority from the board )  
in the presence of:

\_\_\_\_\_  
Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:

*Signature Pages of the Shareholders' Agreement*

Schedule 1

Financial Interest

<u>Shareholder</u>	<u>Financial Interest</u>
New Cotai	40
MCE Cotai	60

**A. Capacity and authority**

- 1 It is a corporation, partnership, limited liability company, or other organization, as applicable, duly incorporated, formed, or organized, as applicable, and validly existing under the laws of the country of its registration, formation, or organization, as applicable
- 2 It has full power and authority to enter into this document and has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms.
- 3 This document constitutes the legally valid and binding obligations of the party enforceable in accordance with its terms.
- 4 The execution, delivery and performance of this document by it will not violate any provision of:
  - (a) any law or regulation or any order or decree of any Governmental Agency of Macau or Hong Kong or any state or territory or relevant jurisdiction in which it is incorporated;
  - (b) its constitution or equivalent constituent documents; or
  - (c) any Encumbrance or other document which is binding on it and does not and will not result in the creation or imposition of any Encumbrance or restriction of any nature over any of its assets or the acceleration of the date of payment of any obligation existing under any Encumbrance or other document which is binding on it.
- 5 The execution, delivery and performance of this document by it will not require any Authorisation.

**B. Solvency**

- 1 No order has been made, application filed, resolution passed or notice of intention given to pass a resolution for the winding up or deregistration of the party.
- 2 No liquidator, provisional liquidator, receiver, receiver and manager, controller, trustee, administrator or similar official has been appointed over, or has possession or control of, all or any part of the assets or undertaking of the party nor has it entered into any arrangement or composition or compromise with all or any class of its creditors.
- 3 It is able to pay its debts as and when they fall due.

Schedule 3

Despite any provision of this document to the contrary, these Reserved Matters will not apply to any transaction solely between two or more Group Companies.

Part A - Tier 1 Reserved Matters

- 1 Enter into any sale, assignment, exchange, transfer, mortgage, pledge, encumbrance, lease, or other disposition of properties or assets of any Group Company or purchase or acquire any amount of stock or assets of any other person or entity where the value of such properties or assets is US\$30,000,000 or more (or in the case of a non-cash transaction, or transaction involving a currency other than US\$, the US\$ equivalent).
- 2 Adopt, or make any material change to, or material deviation from, the Development Plan, the Project Budget, the Business Plan or the Financing and Funding Schedule.
- 3 Approve or amend in any material respect the Group's employee equity incentive plan.
- 4 Approve or amend in any material respect the credit policies of the casino to be operated within the MSC Property.
- 5 Approve or amend any contract, transaction or arrangement with eSun or any of its Affiliates.

Part B - Tier 2 Reserved Matters

- 1 Amend this document or amend the constituent documents of the Company or make any material amendment to the constituent documents of any Company Subsidiary (other than amendments to the constituent documents of any Company Subsidiary that do not adversely affect the rights of any of the Minority Shareholders).
- 2 Declare or pay non-pro rata dividends or distributions on Securities or repurchase or redeem any Securities (other than repurchases of Securities from employees of any Group Company pursuant to the terms of repurchase or other agreements in effect from time to time).

- 3 Modify any of the rights attaching to any Securities or any securities of any Company Subsidiary or issue or Transfer any securities in any Company Subsidiary other than to the Company or a wholly owned Company Subsidiary.
- 4 Cease the gaming business of the MSC Property.
- 5 Take or refuse to take any action that could reasonably be expected to adversely impact the ability of the MCE Subconcessionaire to perform its obligations under the Casino Management Agreement to conduct gaming operations at the MSC Property.
- 6 File any petition by or on behalf of the Company or any material Company Subsidiary seeking relief, or consenting to the institution of any proceeding against the Company or any material Company Subsidiary seeking to adjudicate it as bankrupt or insolvent, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.
- 7 Liquidate, dissolve, reorganise, or recapitalise the Company or any Company Subsidiary other than any Company Subsidiary that is dormant or has no assets or liabilities or merge or consolidate the Company or any Company Subsidiary (other than any Company Subsidiary that is dormant or has no assets or liabilities) with any other person other than a wholly owned Company Subsidiary.
- 8 Approve or amend in any material respect any transaction, Contract, understanding, loan, arrangement, advance or guarantee, with respect to any Group Company, whether in a single transaction or series of related transactions, having:
- (a) a value of, or gross revenues or lifetime cost or otherwise involving amounts of, not less than US\$30 million (or in the case of a non-cash transaction, or transaction involving a currency other than US\$, the US\$ equivalent); or
  - (b) a term of at least 5 years and a value of, or gross revenues or cost or otherwise involving amounts of not less than US\$6 million per year (or in the case of a non-cash transaction, or transaction involving a currency other than US\$, the US\$ equivalent),
- provided, however, that the payment of any fee or premium to the Macau government in connection with the amendment to the Land Grant will not require approval under this matter or otherwise.

Part C - Tier 3 Reserved Matter

- 1 Issue any Securities, directly or indirectly, to any person or entity that could (on the facts then known) reasonably be expected to adversely impact the suitability or entitlement of any Shareholder holding 20% or more of the Securities on issue (or any holder of Upstream Securities in any such Shareholder, or any of their respective Affiliates) to maintain any Gaming Authorisation; provided, that such determination is based on either:
  - (a) written advice of outside legal counsel to such Shareholder (a copy of which shall be provided to MCE); or
  - (b) an objection received from a Gaming Regulator.

Part D - Tier 4 Reserved Matter

- 1 Amend **clause 36**.



## Schedule 4

### Valuation Expert list

- Deloitte & Touche
- PricewaterhouseCoopers
- Ernst & Young
- KPMG
- UBS
- Credit Suisse
- Morgan Stanley
- Deutsche Bank
- JP Morgan Chase
- Bank of America Merrill Lynch
- Jones Lang LaSalle
- Houlihan Lokey
- Alvarez & Marsal
- American Appraisal
- Union Gaming Group

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Annexure A

Memorandum and Articles of Association

[omitted]

Deed of Accession

Deed poll dated

By

[  
of [ ] (Acceding Party)

Background

A This document is supplemental to a Shareholders Agreement dated [\*\*\*\*] between [\*\*\*\*] and [\*\*\*\*] (**Agreement**).

---

Declarations

1 Acceding party to be bound

The Acceding Party covenants with all parties to the Agreement from time to time (whether original or by accession) (**Parties**) to observe, perform and be bound by all the terms of the Agreement in so far as they remain to be observed and performed, as if the Acceding Party had been an original party to the Agreement as [**Shareholder**].

2 Financial Interest

The Financial Interest of the Acceding Party is [**insert**].

3 Copy of the Deed

The Acceding Party confirms that it has been supplied with a copy of the Agreement.

4 Representations and warranties

The Acceding Party represents and warrants to the Parties that:

- (a) (**registration**): it is a corporation, partnership, limited liability company, or other organization, as applicable, duly incorporated, formed, or organized, as applicable, and validly existing under the laws of the country of its registration, formation, or organization, as applicable;
- (b) (**corporate power**): it has the corporate, partnership, limited liability company, or other organizational, as applicable, power to enter into and perform its obligations under this document and to carry out the transactions contemplated by the Agreement.
- (c) (**corporate action**): it has taken all necessary corporate, partnership, limited liability company, or other organizational, as applicable, action to authorise the entry into and performance of this document and to carry out the transactions contemplated by the Agreement;
- (d) (**binding obligation**): the obligations in this document are valid and binding obligations of the Acceding Party.

This deed poll is governed by the laws applicable in Hong Kong.

**Executed** as a deed.

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Annexure C  
Confidentiality Deed  
[see attached]

[Discloser]

[Recipient]

## Confidentiality Deed

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**Date**

Parties

[—] of [—]; facsimile number: [—]; e-mail address: [—]; attention: [—] (**Discloser**)

[—] of [—]; facsimile number: [—]; e-mail address: [—]; attention: [—] (**Recipient**)

Background

- A The Discloser possesses Confidential Information.
- B The Discloser proposes to disclose Confidential Information to the Recipient.
- C The Recipient agrees to maintain the confidentiality of the Confidential Information that is disclosed to it, on the terms of this document.

Agreed terms

- 1 Interpretation

**1.1 Definitions**

In this document, the following terms have the following meanings:

**Affiliate** has the meaning given to that term in the Shareholders' Agreement.

**Business Day** means a day which is not a Saturday, Sunday or bank or public holiday in Hong Kong or New York, nor a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9.00am and 5.00pm.

**Company** means Cyber One Agents Limited, a company incorporated in the British Virgin Islands.

**Competitor** has the meaning given to that term in the Shareholders' Agreement.

**Confidential Information** means any confidential, non-public or proprietary information relating to the business, assets or affairs of the Group; provided, however, that Confidential Information shall not include information that:

- (a) is or becomes generally available to the public other than as a result of disclosure in violation of this document;
- (b) is or becomes available to the receiving person on a non-confidential basis prior to its disclosure to such person;



- (c) is or has been independently developed or conceived by the receiving person without use of Confidential Information; or
- (d) becomes available to the receiving person on a non-confidential basis from a source other than the Discloser; provided that such source is not known by such person to be bound by a confidentiality agreement with the Discloser.

**Effective Interest in Securities** has the meaning given to that term in the Shareholders' Agreement.

**Financial Supporter** has the meaning given to that term in the Shareholders' Agreement.

**Governmental Agency** means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office, or minister of a government acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary, regulatory, fiscal or tax authority, whether statutory or not.

**Group** means the Company and the Company's Subsidiaries from time to time.

**Law** means any law or legal requirement, including at common law, in equity, under any statute, regulation or by-law and any decision, directive, guidance, guideline or requirement of any Governmental Agency.

**MCE** means Melco Crown Entertainment Limited, a company incorporated in the Cayman Islands.

**Permitted Transferee** has the meaning given to that term in the Shareholders' Agreement.

**Project Lender** has the meaning given to that term in the Shareholders' Agreement.

**Security** has the meaning given to that term in the Shareholders' Agreement.

**Shareholders' Agreement** means the agreement between MCE Cotai Investments Limited, New Cotai, LLC, MCE, and the Company dated [—] 2011, as amended from time to time.

**Subsidiary** has the meaning given to that term in the Companies Ordinance of Hong Kong (Cap 32 of the Laws of Hong Kong).

**Unsuitable Person** has the meaning given to that term in the Shareholders' Agreement.

**Upstream Securities** has the meaning given to that term in the Shareholders' Agreement.

## 1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) a party may give or withhold any consent to be given under this document in its absolute discretion and may impose any conditions on that consent;
- (e) “includes” means includes without limitation;
- (f) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;
- (g) a reference to:
  - (i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a Governmental Agency;
  - (ii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iii) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (iv) a right includes a benefit, remedy, discretion or power;
  - (v) this or any other document includes the document as novated, varied or replaced in accordance with the terms of this document or the other document and despite any change in the identity of the parties;
  - (vi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
  - (vii) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions; and
  - (viii) this document includes all schedules and annexures to it;
  - (ix) if the number of Securities the Effective Interest in Securities represents is required to be calculated, if the number is not a whole number, that number will be rounded up or down, as appropriate, with .5 or greater rounded up;
- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and

- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

2 Confidential Information

**2.1 Duty of confidentiality**

- (a) The Recipient must keep the Confidential Information disclosed by the Discloser to the Recipient confidential and must not disclose any Confidential Information except:
- (i) in the case where the Recipient is a holder of Upstream Securities, where permitted under **clause 2.2, 2.3, or 2.4**; or
  - (ii) in any other case, where permitted under **clause 2.3 or 2.4**.
- (b) The Recipient must not knowingly disclose any information to any Competitor or an Unsuitable Person, or any of their respective directors, officers, or employees.

**2.2 Disclosure by holders of Upstream Securities**

If the Recipient is a holder of Upstream Securities, the Recipient may disclose any Confidential Information:

- (a) received by the Shareholder applicable to such holder of Upstream Securities under clause 30.1 or 31.1(a)(i) of the Shareholders' Agreement and disclosed to the Recipient in compliance with the Shareholders' Agreement to any other holder of Upstream Securities that has an Effective Interest in Securities of 1% or more;
- (b) received by the Shareholder applicable to such holder of Upstream Securities under clauses 30.2, 30.4 or 31.1(a)(ii) of the Shareholders' Agreement and disclosed to the Recipient in compliance with the Shareholders' Agreement to any other holder of Upstream Securities that has an Effective Interest in Securities of 15% or more;
- (c) to Oaktree Capital Management, L.P., or any investment fund or account or entity managed by Oaktree Capital Management, L.P. that is a holder of Upstream Securities, so long as those persons own Effective Interests in Securities of at least 4% in aggregate; or
- (d) to any officer, manager, employee, representative, director (or equivalent) or financial, legal or accounting adviser of or lender to the Recipient or any of the other persons specified in the applicable paragraphs of this **clause 2.2**.

**2.3 Disclosure generally**

The Recipient may disclose any Confidential Information received by it:

- (a) if the Recipient is an investment fund, to any partner in that fund;

- (b) to any officer, manager, employee, director (or equivalent) or financial, legal, valuation or accounting adviser of or lender to the Recipient or any of the other persons specified in this **clause 2.3**;
- (c) to any Project Lender; and
- (d) to any Financial Supporter.

#### **2.4 Exceptions**

- (a) Despite any other provision of this clause to the contrary, but subject to **clause 2.4(b)**, the Recipient may disclose Confidential Information to:
  - (i) any person to whom it is required to disclose the information by Law;
  - (ii) any person to the extent necessary in connection with the exercise of any remedy hereunder;
  - (iii) any Governmental Agency where required by that agency; or
  - (iv) any stock exchange on which its securities, or the securities of any of its Affiliates, are listed if required by the listing or exchange rules of such stock exchange.
- (b) If the Recipient is required to disclose information under **clause 2.4(a)**, the Recipient must use commercially reasonable endeavours to, and to the maximum extent permitted by Law to, limit the form and content of that disclosure.

#### **2.5 Copies and extracts of Confidential Information**

- (a) The Recipient may only copy or extract any Confidential Information to the extent reasonably required by the Recipient.
- (b) Where the Recipient copies or extracts Confidential Information, the Recipient must comply with **clause 3** in respect of any copy or extract.

### **3 Return or destruction of Confidential Information**

#### **3.1 Return or destruction**

Subject to **clause 3.2** and except as required by Law, the Recipient must within three Business Days of [**the Discloser requesting in writing<sup>1</sup>/the Recipient ceasing to be a holder of Upstream Securities<sup>2</sup>**] return to the Discloser (or if the Discloser requests, destroy) all material containing any Confidential Information that is in the possession or control of the Recipient (including any Confidential Information disclosed by that person under **clause 2.2** or **2.3**, as applicable) unless such Confidential Information is in electronic form, in which case the Recipient must use all reasonable endeavours to destroy such Confidential Information.

<sup>1</sup> This will apply in the case where the Recipient is a Prospective Purchaser.

<sup>2</sup> This will apply in all cases other than where the Recipient is a Prospective Purchaser.

### **3.2 Retained papers**

The Recipient may retain board papers, board presentations, board minutes, and any reports containing Confidential Information but must ensure that such information is kept confidential and used only to the extent required by the Recipient.

### **3.3 Obligations to continue after materials returned**

The obligations of the Recipient under this document will, from the date of this document, continue and be enforceable at any time by the Discloser and its Affiliates (under clause (a) of that definition, but not clause (b) or (c) thereof), even if the materials containing the Confidential Information are returned to the Discloser or destroyed, pursuant to **clause 3.1**.

### **3.4 The Recipient must certify destruction of materials**

If the Discloser requests the Recipient to destroy any materials containing Confidential Information pursuant to **clause 3.1** :

- (a) without limiting **clause 3.1**, all electronic or computer data or programs containing Confidential Information must be permanently deleted from the magnetic or other storage media on which it is stored so that it cannot be recovered or reconstructed in any way; and
- (b) the Recipient must certify in writing to the Discloser within five Business Days that the Confidential Information has been permanently and irretrievably deleted.

## **4 Indemnity**

### **4.1 Indemnity**

- (a) The Recipient must indemnify and keep indemnified the Discloser from and against:
  - (i) any cost, expense, loss, liability or damage; and
  - (ii) any liability whatsoever in respect of any action, claim or proceeding brought or threatened to be brought (including all costs and expenses which the Discloser may suffer or incur in disputing any such action, claim or proceeding),in respect of or in connection with any breach of this document.
- (b) This indemnity survives termination of this document.

5 Liability

**5.1 Discloser does not warrant Confidential Information is accurate**

The Recipient acknowledges that:

- (a) the Discloser does not represent that the Confidential Information is accurate or complete; and
- (b) the Confidential Information may:
  - (i) have been prepared without any particular standard of care;
  - (ii) be speculative;
  - (iii) be forward looking and relatively uncertain;
  - (iv) be based on assumptions (stated or unstated) which may not be realised; and
  - (v) contain material which has not been audited or verified.

**5.2 Liability**

Subject to any written agreement between the parties to the contrary, the Discloser is not liable to the Recipient or any other person in relation to the use of the Confidential Information by the Recipient or any other person.

**5.3 Release**

Subject to any written agreement between the parties to the contrary, the Recipient releases the Discloser to the fullest extent permitted by law from any claim regarding any person's reliance on the Confidential Information.

6 Injunctive relief

The Recipient acknowledges that:

- (a) because of the nature of the Confidential Information, damages or an account of profit may be an inadequate remedy for the Discloser in the event of an unauthorised use or disclosure of the Confidential Information; and
- (b) the Discloser is entitled to seek an ex parte interlocutory or final injunction to restrain any actual or threatened unauthorised use or disclosure of the Confidential Information by the Recipient.

7 **[Termination**

- (a) **The Discloser may terminate this document at any time by giving written notice to the Recipient.**

- (b) **Any notice given to terminate this document will be taken to be a request to return or destroy all material containing any Confidential Information in accordance with clause 3.1.]**<sup>3</sup>

8 General

**8.1 Severance**

- (a) Subject to **clause 8.1(b)**, if a provision of this document is illegal or unenforceable in any relevant jurisdiction, it may be severed for the purposes of that jurisdiction without affecting the enforceability of the other provisions of this document.
- (b) **Clause 8.1(a)** does not apply if severing the provision:
- (i) materially alters:
    - (A) the scope and nature of this document; or
    - (B) the relative commercial or financial positions of the parties; or
  - (ii) would be contrary to public policy.

**8.2 Amendment**

This document may only be varied or replaced by a document executed by the parties.

**8.3 Waiver and exercise of rights**

- (a) A single or partial exercise or waiver of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

**8.4 Governing law and jurisdiction**

This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong.

**8.5 Assignment**

Neither party may assign any right or obligation under this document without the other party's prior written consent. Any dealing in breach of this clause is of no effect.

**8.6 Entire understanding**

This document and the Shareholders' Agreement (if applicable) contain the entire understanding between the parties as to the subject matter of this document.

<sup>3</sup> This will apply where the Recipient is a Prospective Purchaser only.

### **8.7 Legal costs**

Except as expressly stated otherwise in this document, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document.

### **8.8 Rights cumulative**

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

### **8.9 Further steps**

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

### **8.10 Counterparts and facsimile copies**

- (a) This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.
- (b) This document may be entered into and becomes binding on the parties upon one party (**Sender**) signing the document and sending a facsimile copy of the signed document to the other party (**Receiver**) and the Receiver either:
  - (i) signing the document received by it and sending it by facsimile transmission to the Sender; or
  - (ii) signing a counterpart of the document received by it and sending it by facsimile transmission to the Sender.

### **8.11 Relationship of parties**

This document is not intended to create a partnership, joint venture or agency relationship between the parties.

### **8.12 Ownership thresholds**

In determining the number of Upstream Securities held by a person in an entity for the purposes of any threshold in this document, Upstream Securities held by an Affiliate of that person in that same entity shall be deemed to be held by that person.

### **8.13 Agreement to Compulsory Transfer**

- (a) If the Recipient is a holder of Upstream Securities having an Effective Interest in Securities greater than 1%, the Recipient:
  - (i) acknowledges and agrees that it has been provided with a copy of clause 27 of the Shareholders Agreement; and
  - (ii) agrees to comply with clause 27 of the Shareholders' Agreement with regard to the requirements of a holder of Upstream Securities to transfer interests in Upstream Securities in the circumstances set out in clause 27 of the Shareholders' Agreement, and the Recipient agrees to be bound by the applicable provisions of such clause as if it was set out in full in this document.



- (b) Despite **clause 8.13(a)**, if the Recipient is a holder of Upstream Securities as of the date of the Shareholders' Agreement and either:
  - (i) the Recipient or any Permitted Transferee to whom those Upstream Securities are transferred in accordance with the Shareholders' Agreement becomes a Competitor or an Unsuitable Person; or
  - (ii) the Recipient is the subject of any notice from a Governmental Agency under clause 27.2(b)(ii) of the Shareholders' Agreement, MCE and the Recipient will meet to agree on a process for resolving the issue.
- (c) The parties acknowledge and agree that the covenants in **clauses 8.13(a)** and **8.13(b)** are given for the benefit of each of the parties to the Shareholders' Agreement and each of the parties to that agreement may enforce those covenants despite not being a party to this document.

9 Notices

**9.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

**9.2 How to give a communication**

A communication must be given by being:

- (a) personally delivered;
- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by reputable international delivery service for delivery within three days; or
- (d) sent by fax to the party's current fax number for notices,

provided that any communication hereunder may also be sent by e-mail (which shall not constitute notice).

**9.3 Particulars for delivery of notices**

- (a) The particulars for delivery of notices for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different than delivery address), (iii) facsimile number for notices, (iv) e-mail address for notices, and (v) the person or office to whom notices are to be addressed, are initially as set out opposite such party's name at the commencement of this document.

(b) Each party may change its particulars for delivery of notices by notice to each other party.

**9.4 Communications by post**

Subject to **clause 9.6**, a communication is deemed given five days after being sent under **clause 9.2(c)**.

**9.5 Communications by fax**

Subject to **clause 9.6**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

**9.6 After hours communications**

If a communication is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in that place.

**9.7 Receipt of notice**

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

Executed as a deed.

**Signed, Sealed and Delivered** )  
as a deed in the name of )  
[Discloser] acting by )

\_\_\_\_\_) )  
its duly authorised representative )  
with authority of the board ) \_\_\_\_\_  
in the presence of: ) Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:

**Signed, Sealed and Delivered** )  
as a deed in the name of )  
[Recipient] acting by )

\_\_\_\_\_) )  
its duly authorised representative )  
with authority of the board ) \_\_\_\_\_  
in the presence of: ) Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:

---

**Annexure D**

**Shareholder Loan Agreement**

[see attached]

---

[Lender]

Cyber One Agents Limited

**Shareholder Loan Agreement**

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**Date**

**Parties**

**Cyber One Agents Limited** a company incorporated in the British Virgin Islands, with its registered office at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands; facsimile number [—]; e-mail address: [—]; attention: [—] (**Borrower**)

[—] of [—]; facsimile number [—]; e-mail address: [—]; attention: [—] (**Lender**)

---

Agreed terms

**1 Interpretation**

**1.1 Definitions**

Any terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Shareholders' Agreement. In this document:

**Advance** means the amount of [US\$[—]/HK\$[—]] advanced by the Lender to the Borrower under this document.

**Business Day** means a day which is not a Saturday, Sunday or bank or public holiday in Hong Kong or New York, nor a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9.00 am and 5.00 pm.

**[HIBOR** means, with respect to the Interest Period, 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)" on the Reuters Screen HIBOR1=R Page. If such rate does not appear on Reuters Screen HIBOR Page as of 11:00 a.m., Hong Kong time, on the applicable Quotation Date, the Lender shall request the principal Hong Kong office of any four prime banks in the Hong Kong interbank market selected by Lender to provide such banks' quotations of the rates at which deposits in HK\$ are offered by such banks at approximately 11:00 a.m., Hong Kong time, to prime banks in the Hong Kong interbank market for a three month period commencing on the first day of the related Interest Period and in a principal amount that is representative for a single transaction in the relevant market at the relevant time. If at least two such offered quotations are so provided, HIBOR will be the arithmetic mean of such quotations (expressed as a percentage and rounded upwards, if necessary, to the nearest one one thousandth (1/1000) of 1.00%).]

**Insolvency Event** means any of the following:

- (a) an application or order is made for the winding up or dissolution or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of a corporation;
- (b) an administrator, provisional liquidator, liquidator or person having a similar or analogous function under the laws of any relevant jurisdiction is appointed in respect of a corporation or any action is taken to appoint any such person and the action is not stayed, withdrawn or dismissed within 90 days;
- (c) a person enters into or takes any action to enter into an arrangement (including a scheme of arrangement or deed of company arrangement), composition or compromise with, or assignment for the benefit of, all or any class of the person's creditors or members or a moratorium involving any of them;
- (d) a petition for the making of a sequestration order against the estate of a person is presented and the petition is not stayed, withdrawn or dismissed within 90 days or a person presents a petition against himself or herself;
- (e) a person presents a declaration of intention for bankruptcy; or
- (f) anything analogous to or of a similar effect to anything described above under the law of any relevant jurisdiction occurs in respect of a person.

**Interest Payment Date** means the last day of each Interest Period.

**Interest Period** means each period determined in accordance with **clause 3.1**.

**Interest Rate** means, in relation to each Interest Period until the Advance becomes due and payable, an interest rate equal to the sum of [LIBOR/HIBOR] and the Margin.

[LIBOR means, with respect to any Interest Period, the rate (expressed as a percentage per annum rounded upwards, if necessary, to the nearest one one thousandth (1/1000) of 1.00%) for deposits in US\$ for a three month period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on the applicable Quotation Date). If such rate does not appear on Reuters Screen LIBO Page as of 11:00 a.m., London time, on the applicable Quotation Date, the Lender shall request the principal London office of any four prime banks in the London interbank market selected by Lender to provide such banks' quotations of the rates at which deposits in U.S. Dollars are offered by such banks at approximately 11:00 a.m., London time, to prime banks in the London interbank market for a three month period commencing on the first day of the related Interest Period and in a principal amount that is representative for a single transaction in the relevant market at the relevant time. If at least two such offered quotations are so provided, LIBOR will be the arithmetic mean of such quotations (expressed as a percentage and rounded upwards, if necessary, to the nearest one one thousandth (1/1000) of 1.00%).]



**Margin** means 7% per annum.

**Outstanding Principal** means the aggregate of the unrepaid Advance.

**Quotation Date** means, in relation to any period for which an interest rate is to be determined, two [London/Hong Kong] Business Days before the first day of that period (or, for the first Interest Period, the first day of that period).

**Repayment Date** means the date which is the 7<sup>th</sup> anniversary of the date hereof.

**Shareholders' Agreement** means the agreement between MCE Cotai Investments Limited, New Cotai, LLC and others dated [—] 2011, as amended to date.

**Tax** means a tax (including any tax in the nature of a goods and services tax), rate, levy, impost or duty (other than a tax on the net overall income of the Lender) imposed by a Governmental Authority and any interest, penalty, fine or expense relating to any of them.

## 1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) a party may give or withhold any consent to be given under this document in its absolute discretion and may impose any conditions on that consent;
- (e) "includes" means includes without limitation;
- (f) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause;
- (g) a reference to:
  - (i) a person includes a partnership, individual, limited liability company, trust, joint venture, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iii) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (iv) a right includes a benefit, remedy, discretion or power;
  - (v) this or any other document includes the document as novated, varied or replaced in accordance with the terms of this document or the other document and despite any change in the identity of the parties;

- (vi) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions; and
  - (vii) this document includes all schedules and annexures to it;
  - (viii) time is to local time in Hong Kong; and
  - (ix) ["US\$" is a reference to the currency of United States of America/"HK\$" is a reference to the currency of Hong Kong SAR];
- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

## 2 Loan

### 2.1 Loan

On the date of this document the Lender makes the Advance in [US\$/HK\$] to the Borrower.

### 2.2 Purpose

The Borrower may use the Advance for such purposes as it determines.

## 3 Interest

### 3.1 Interest Periods

- (a) Subject to **clause 3.1(c)**:
- (i) each Interest Period must be a period of 90 days; and
  - (ii) the first Interest Period for the Advance begins on the date of this document and has the duration described in **clause 3.1(a)(i)**.
- (b) Each subsequent Interest Period for the Advance:
- (i) begins when the preceding Interest Period for the Advance ends; and
  - (ii) has the same duration as the preceding Interest Period.
- (c) An Interest Period which would otherwise end on a day which is not a Business Day ends on the next Business Day and an Interest Period which would otherwise end after the Repayment Date ends on the Repayment Date.

### **3.2 Payment and rate**

Subject to **clauses 3.4** and **4**, interest is payable at the Interest Rate and due on each Interest Payment Date.

### **3.3 Computation**

Interest will:

- (a) accrue from day to day;
- (b) be computed from and including the day when the money on which interest is payable becomes owing to the Lender by the Borrower until but excluding the day of payment of that money; and
- (c) be calculated on the actual number of days elapsed on the basis of a [360/365] day year.

### **3.4 Capitalisation**

To the extent Borrower is prohibited from making regular payments of interest pursuant to the terms of any debt financing advanced, from time to time, by Project Lenders, the Lender shall capitalise on each Interest Payment Date the interest due and payable by the Borrower on that date but which remains unpaid (and the amount so capitalised shall, from that date, be added to and form part of the Loan).

### **3.5 Merger**

If the liability of the Borrower to pay to the Lender any money payable under this document becomes merged in any deed, judgment, order or other thing, the Borrower must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the rate payable under this document.

## **4 Repayment and prepayment**

### **4.1 Repayment**

The Borrower must, subject to the terms of the Shareholders Agreement, repay the Outstanding Principal together with all interest accrued thereon to the Lender on the Repayment Date.

### **4.2 Prepayment on Demand**

Subject to the terms of the Shareholders' Agreement, the Lender may at any time request that the Borrower prepays all or part of the Outstanding Principal and/or any interest accrued thereon to the Lender and the Borrower must comply with such request within 5 Business Days.

### **4.3 Voluntary Prepayment**

- (a) The Borrower may prepay the Advance together with all interest accrued thereon or any part of it at any time without penalty or premium.
- (b) Any money prepaid may not be re-borrowed.

5 Payments

5.1 **Place, manner and time of payment**

The Borrower must make payments to the Lender under this document:

- (a) in accordance with the wiring instructions provided by the Lender;
- (b) by 11.00 am Hong Kong time; and
- (c) in immediately available funds and without set-off, counter claim, condition or, unless required by law, deduction or withholding.

6 Events of Default

6.1 **Nature**

Each of the following is an Event of Default (whether or not caused by anything outside the control of the Borrower):

- (a) **non-payment:** the Borrower does not pay any money due for payment by it under **clauses 4.1 or 4.2;**
- (b) **void document:** this document is void, voidable or otherwise unenforceable by the Lender or is claimed to be so by the Borrower; and
- (c) **Insolvency Event:** an Insolvency Event occurs in relation to the Borrower.

6.2 Acceleration

- (a) If an Event of Default subsists, the Lender may at any time by notice to the Borrower do either or both of the following:
  - (i) cancel the Loan or any part of it specified in the notice; and
  - (ii) make the Outstanding Principal and any unpaid accrued interest or fees either:
    - (A) payable on demand; or
    - (B) immediately due for payment.
- (b) On receipt of a notice under **clause 6.2(a)(ii)(B)**, the Borrower must immediately pay in full the amounts referred to in that notice.

7 Costs and expenses

7.1 **Reimbursement of costs and expenses**

The Borrower must on demand pay and if paid by the Lender reimburse to the Lender:

- (a) the Lender's costs and expenses (including reasonable legal costs and expenses on a full indemnity basis) in relation to:
  - (i) the preparation, execution and stamping of this document and any variation, replacement or discharge of this document; and

- (ii) the exercise or attempted exercise or the preservation of any rights of the Lender under this document; and
- (b) any Taxes and registration or other fees (including fines and penalties relating to the Taxes and fees) which are payable in relation to this document or any transaction contemplated hereby.

8 General

**8.1 Lender's determination and certificate**

A certificate by the Lender relating to this document is, in the absence of manifest error, conclusive evidence against the Borrower of the matters certified.

**8.2 Supervening legislation**

Any present or future legislation which operates to lessen or vary in favour of the Borrower any of its obligations in connection with this document or to postpone, stay, suspend or curtail any rights of the Lender under this document is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

**8.3 Business Days**

If the day on which anything, including a payment, is to be done by the Borrower under this document is not a Business Day, that thing must be done on the preceding Business Day.

**8.4 Amendment**

This document may only be varied or replaced by a document executed by the parties and approved by a Majority of the Minority Shareholders; provided, that any variation or replacement does not materially prejudice any of the Shareholders in a manner disproportionate to its ownership of Securities.

**8.5 Waiver and exercise of rights**

- (a) A right in favour of the Lender under this document, a breach of an obligation of the Borrower under this document or the occurrence of an Event of Default can only be waived by an instrument duly executed by the Lender. No other act, omission or delay of the Lender will constitute a waiver, binding, or estoppel against, the Lender.
- (b) A single or partial exercise or waiver by the Lender of a right relating to this document will not prevent any other exercise of that right or the exercise of any other right.

## **8.6 Approval and consent**

The Lender may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

## **8.7 Assignment**

Other than the granting of security by Lender to an external financier, a party must not assign or otherwise dispose of any right under this document without the written consent of the other.

## **8.8 Governing law and jurisdiction**

This document is governed by and is to be construed in accordance with the laws applicable in Hong Kong. Each of the parties hereby submits to the exclusive jurisdiction of the courts of Hong Kong.

## **8.9 Counterparts and facsimile copies**

- (a) This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.
- (b) This document may be entered into and becomes binding on the parties upon one party (**Sender**) signing the document and sending a facsimile copy of the signed document to the other party (**Receiver**) and the Receiver either:
  - (i) signing the document received by it and sending it by facsimile transmission to the Sender; or
  - (ii) signing a counterpart of the document received by it and sending it by facsimile transmission to the Sender.

## **9 Notices**

### **9.1 General**

A notice, demand, certification, process or other communication relating to this document must be in writing in English and may be given by an agent of the sender.

### **9.2 How to give a communication**

A communication must be given by being:

- (a) personally delivered;
- (b) left at the party's current delivery address for notices;
- (c) sent to the party's current postal address for notices by reputable international delivery service for delivery within five days; or
- (d) sent by fax to the party's current fax number for notices,

provided that any communication hereunder must also be sent by e-mail (which shall not constitute notice).

**9.3 Particulars for delivery of notices**

- (a) The particulars for delivery of notices are as for each party, including such party's (i) delivery address for notices, (ii) postal address for notices (if different to the delivery address), (iii) facsimile number for notices, (iv) e-mail address for notice, and (v) the person or office to whom notices are to be addressed, are initially as set out opposite such party's name at the commencement of this document. A copy of any notice provided to Borrower hereunder shall also be provided to New Cotai and MCE.
- (b) Each party may change its particulars for delivery of notices by notice to each other party.

**9.4 Communications by post**

Subject to **clause 9.6**, a communication is deemed given five days after being sent under **clause 9.2(c)**.

**9.5 Communications by fax**

Subject to **clause 9.6**, a communication is deemed given if sent by fax, when the sender's fax machine produces a report that the fax was sent in full to the addressee. That report is conclusive evidence that the addressee received the fax in full at the time indicated on that report.

**9.6 After hours communications**

If a communication is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday or (in the case of Hong Kong) general holiday in that place.

**9.7 Receipt of notice**

A notice, demand, certification, process or other communication relating to this document shall be deemed received when it is deemed given hereunder.

Executed as an agreement

SIGNED by )  
)  
)  
\_\_\_\_\_)  
for and on behalf of )  
CYBER ONE AGENTS LIMITED )  
as its authorised representative )  
with authority from the board )  
in the presence of: )

\_\_\_\_\_  
Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:

SIGNED by )  
)  
)  
\_\_\_\_\_)  
for and on behalf of )  
[Insert name of Lender] )  
as its authorised representative )  
with authority from the board )  
in the presence of: )

\_\_\_\_\_  
Authorised Representative

\_\_\_\_\_  
Name of witness:  
Title of witness:



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**Annexure E**

**Registration Rights Agreement**

[omitted]

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**Annexure F-1**

**MCE Commitment Letter**

[see attached]

**Silver Point Funds Commitment Letter**

[omitted]

[omitted]

**Other administrative matters**

1 Definitions

For the purposes of this **annexure G**, Facility Operations Agreement and Facility Operation Revenue and Specified Affiliate have the meaning given to those terms in the Implementation Agreement.

2 Acknowledgment

The parties acknowledge the operations referred to in **clause 14.1(b)** and **14.2(b)** will take into account the alternative arrangements in this **annexure G**.

3 Fees

- (a) In the event the Facility Operations Agreement is not able to be amended or the other arrangements referenced in annexure G of the Implementation Agreement are not implemented, or in the event those agreements or arrangements are subsequently invalidated, terminated or breached or modified in a manner materially adverse to the Company (any such circumstance, a **Failure to Amend**), the parties nevertheless acknowledge that the Specified Affiliate must not retain any portion of the Facility Operation Revenue or otherwise be paid any fees in respect thereof, or if those amounts or fees are required to be retained by any third party, the parties agree to work together to agree and implement an arrangement reasonably satisfactory to the Majority of the Minority Shareholders to provide for the reimbursement to the Company of those fees.
- (b) The parties agree that if a Failure to Amend occurs and the parties are unable to reach a satisfactory arrangement on or before the date 120 days prior to the proposed Opening (or, in the case of a Failure to Amend that occurs after such date, within 60 days following the occurrence thereof) to provide for reimbursement to the Company of the fees referred to in **paragraph 3(a)**, the relevant Group Company will be entitled to set-off any such amounts against any amounts payable to MCE or any of its Affiliates by any Group Company in respect of any services provided by MCE or its Affiliates to that Group Company. Any agreement as to the payment or reimbursement for the services to be provided by MCE or any of its Affiliates shall provide for such right of set-off and reimbursement of any fees remaining outstanding under this paragraph.

- (c) The parties further agree that if a Failure to Amend occurs, MCE must implement changes to its, the Company's and/or the Specified Affiliate's operations and flows of funds, and make such other accommodations as are necessary, in each case to ensure that the Company is no worse from an economic and credit risk perspective as if the amendments and other arrangements in annexure G of the Implementation Agreement had been implemented, as reasonably agreed by the Majority of the Minority Shareholders.
- (d) The parties further agree that under no circumstance will the Specified Affiliate be entitled to the payment of the fee upon the termination of the Facility Operations Agreement and MCE will procure the Specified Affiliate waives any right to such payment.

**Additional administrative matters**

1 Definitions

For the purposes of this **annexure H**, Facility Operation Fee, Facility Operations Agreement, Facility Items and Specified Affiliate have the meaning given to those terms in the Implementation Agreement.

2 Facility Operation Fees

- (a) The parties agree that if for any reason after the date of this document any of the Facility Operation Fees payable by the Specified Affiliate under the Facility Operations Agreement are increased, or new Facility Operation Fees are charged, in each case at any time on or following expiry of the Facility Operations Agreement in 2022 or 2032 (as applicable), MCE or the Specified Affiliate may by notice to the Company, charge to the Company, and the Company must pay prior to any amount owed by MCE or the Specified Affiliate becoming delinquent, the amount of increase of the Facility Operation Fees, or if new Facility Operation Fees are charged the amount of those additional Facility Operation Fees, in each case attributable to the period commencing 2033 (together, the **Additional Facility Operation Fees**) determined under **paragraph 2(b)**.
- (b) The amount of Additional Facility Operation Fees payable by the Company equals the product of (i) the Additional Facility Operation Fees multiplied by (ii) a fraction (**MSC Allocation**), the numerator of which is the number of Facility Items at the MSC Property at the time payment is required to be made by the Company, and the denominator of which is the aggregate number of Facility Items allocated to the Specified Affiliate by the Macau government at that time. If, at any time during the term of the Facility Operations Agreement following the extension or renewal thereof in 2032, the MSC Allocation changes (for example, due to the opening of a new MCE Casino), there shall be an appropriate re-allocation of the Additional Facility Operation Fees (based on the proportion that the number of Facility Items at the MSC Property bears to the aggregate number of Facility Items allocated to the Specified Affiliate by the Macau government immediately following such change) and, to the extent required by such re-allocation, a reimbursement to the Company by the Specified Affiliate of Additional Facility Operation Fees actually paid by the Company pursuant to the preceding sentence.

- (c) The amounts payable or reimbursable under **paragraph 2(b)** must be paid or reimbursed, as the case may be, within twenty Business Days following request for payment by the party entitled to any such amounts.





**CYBER ONE AGENTS LIMITED**

**POLICY ON RELATED PARTY TRANSACTIONS**

**I. Purpose**

This Policy was adopted by Cyber One Agents Limited (the “**Company**”) and applies to the Company and all of its Subsidiaries (each a “**Group Company**”) and includes the conduct of an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the Company’s conflicts committee (the “**Conflicts Committee**”). This Policy sets forth procedures for identifying and reviewing Related Party Transactions (as defined below) involving any Group Company.

**II. Definitions**

Capitalized terms used herein have the meanings set out below, unless otherwise defined in the Terms of Reference for Policy on Related Party Transactions (the “**Terms of Reference**”).

- (a) **Related Party List** means the list of Related Parties of the Company updated and maintained by Corporate Legal Department from time to time.
- (b) **Related Party Transaction** means any one or a series of transactions in which a Group Company:
  - (i) makes any payment to; or
  - (ii) sells, leases, transfers, or disposes of any of its property or assets to; or
  - (iii) purchases any property or assets from; or
  - (iv) enters into, or amends, any arrangement, understanding, transaction or agreement with; or
  - (v) loans or advances any amount to; or
  - (vi) guarantees any of the obligations of,any of the Shareholders, any of their respective Affiliates or Connected Persons, or for the benefit of any of the Shareholders or any of their Affiliates or Connected Persons.

### III. Excluded Transactions

This Policy does not apply to any of the following transactions:

- (1) All intercompany transactions in which only Group Companies are parties.
- (2) All securities issues specifically exempted from this Policy under the Shareholders' Agreement.

### IV. Approval Thresholds

In determining the dollar value of a transaction involving a currency other than Hong Kong dollars ("HK\$"), or in the case of a non-cash transaction or transaction involving a currency other than HK\$, the HK\$ equivalent shall apply.

- (1) If the Related Party Transaction has a value of, requires the Group Companies in the aggregate to pay, involves a commitment of, will result in gross revenues to the Group Companies in the aggregate of or otherwise involves less than HK\$2 million, then the relevant Group Company may enter into that Related Party Transaction provided that the Related Party Transaction is beneficial and fair to the relevant Group Company and its terms are commercially arm's length and all relevant provisions of this Policy have been complied with.
- (2) If the Related Party Transaction has a value of, requires the Group Companies to pay, involves a commitment of, will result in gross revenues to the Group Companies in the aggregate of or otherwise involves HK\$2 million or more but, unless paragraph (3) below applies, less than HK\$8 million, the Related Party Transaction must be referred to the Conflicts Committee for approval.
- (3) All Related Party Transactions having a value of, requiring the Group Companies to pay, involving a commitment of, resulting in gross revenues to the Group Companies in the aggregate of or otherwise involving HK\$8 million or more in circumstances where approval is not required under the Shareholders' Agreement or Section V. (C) or where approval is required under Section V. (C) but there exists at the time no Shareholder Group to approve such transaction, must be referred to the Conflicts Committee for approval.
- (4) No Group Company may enter into any of the following Related Party Transactions without first obtaining the approval of the Shareholders in accordance with Section V. (C):
  - (a) Whether or not sub-paragraphs (b) through (f) of this paragraph (4) are applicable, has a value of, requires the Group Companies to pay, involves a commitment of, will result in gross revenues to the Group Companies in the aggregate of or otherwise involves HK\$8 million or more;
  - (b) is any licensing or royalty agreement with the Company as either licensee or licensor (excluding any inter Group Company agreement) having a term (inclusive of all renewal options) of five years or more;

- (c) involves a loan or advance of any amount;
- (d) involves the sale or purchase of real property or the lease of any real property having a term of five years or more (including any option to renew);
- (e) involves a guarantee of the obligations of any Shareholder or any of its Affiliates or Connected Persons; or
- (f) involves a material non-compete or restraint given for the benefit of any of the Shareholders, or any of their respective Affiliates or Connected Persons.

## V. Approval Procedures

### (A) Initiating a Related Party Transaction

Whenever a Group Company, directly or indirectly, proposes to (i) enter into any transaction, other than those requiring Shareholder approval in accordance with Section V. (C), for goods, services, or tangible or intangible assets or (ii) make any loan or guarantee, such proposed transaction or loan or guarantee (each a “**Transaction**”) must be reviewed (the “**RPT Review**”) in accordance with this Policy.

The RPT Review requires:

- (1) checking whether the other party to the Transaction is included on the current Related Party List (which is distributed internally by email); and
- (2) checking the Transaction against the definition of Related Party Transaction as set out in Section II above.

The RPT Review first takes place before a Purchase Requisition Form (“**PRF**”) is finalised or a contract is executed, as applicable. The initiator of the proposed Transaction is required to provide all relevant transaction information and details and the draft Related Party Approval Request Form in the form attached hereto as Annex I (“**RP Form**”), if relevant, to the relevant purchasing department or the Senior Financial Accountant of the Company or equivalent, if there is no purchasing department (the “**Reviewer**”).

The Reviewer must check all draft PRFs, draft contracts and draft RP Forms, if required, submitted to the Reviewer for accuracy and completeness and must conduct a RPT Review to determine whether the Transaction is a Related Party Transaction.

**(B) Approval Process**

If the Reviewer identifies a Related Party Transaction, the relevant Group Company must, prior to entering into the transaction or arrangement, seek the Conflicts Committee's approval in accordance with this Section V. (B) or Shareholder approval under Section V. (C), as the case may be.

The Reviewer must review and submit the RP Form to the business unit head of finance for approval (where such approval has not yet been obtained). To avoid any conflict of interest, management staff on secondment from a Related Party is not authorized to provide such approval. Approval from a manager with a higher level of authorization should be obtained in such cases.

The Reviewer must submit the RP Form signed by the business unit head of finance to the Secretary of the Conflicts Committee and also to the designated personnel from the Corporate Head Office Finance Department to arrange for Conflicts Committee or Shareholder approval (as the case may be). The Secretary of the Conflicts Committee is responsible for:

- (1) reviewing the RP Form to ensure that it contains sufficient justification and support;
- (2) arranging for a recommendation for approval to the Conflicts Committee or Shareholder Groups from the Company's President and Finance Director, in the form attached hereto as Annex II ;
- (3) submitting the approved RP Form for approval (with a copy to a member of Corporate Legal Department):
  - (i) to the Conflicts Committee in the case of Section IV. (2) or (3); or
  - (ii) to the Shareholder Groups through Corporate Legal Department in the case of Section IV. (4); and
- (4) following up with the Conflicts Committee or Corporate Legal Department to ensure that a decision from the Conflicts Committee or Shareholder Groups (as the cases may be) is obtained for all such Related Party Transactions. The procedures of this Section V. also apply to Related Party Transactions that are identified by the Corporate Head Office Finance Department upon quarterly review as requiring approval of the Conflicts Committee or Shareholder Groups.

The Conflicts Committee is responsible for reviewing and approving all Related Party Transactions (except those requiring Shareholder approval) in accordance with this Policy. The Conflicts Committee may from time to time issue guidelines ("**Guidelines**") related to the review process by the Conflicts Committee or Shareholder Groups and approval process by the Conflicts Committee.

Where the actual Related Party Transaction varies in price, quantity or make/model from the original order approved by the Conflicts Committee or the Shareholder Groups, further approval of the adjusted purchase is not required by the Conflicts Committee or the Shareholder Groups (as the case may be) if such variation is not material.

**(C) Shareholder Approval**

If any Group Company proposes to enter into any Related Party Transaction the subject of Section IV. (4) (the “**Relevant Transaction**”), the Group Company must, prior to entering into the transaction or arrangement, seek Shareholder approval in accordance with the procedures in Section V. (B) and this Section V. (C):

- (1) Corporate Legal Department should within two (2) Business Days after receipt of the approved RP Form under Section V. (B) (3) (ii) deliver the same (including all information and attachments provided therewith) to the Shareholder Groups for approval and give a notification of delivery to the Secretary of the Conflicts Committee.
- (2) If any of the Shareholder Groups to whom the approved RP Form is given, returns to Corporate Legal Department a signed denial (the “**Denial**”) on behalf of such Shareholder Group, within three (3) Business Days after receipt of the approved RP Form stating that the relevant Shareholder Group does not approve of the entry by the relevant Group Company into the Relevant Transaction, then the relevant Group Company must not enter into the Relevant Transaction. Corporate Legal Department shall notify the Secretary of the Conflicts Committee of such Denial as soon as practicable.
- (3) If Corporate Legal Department does not receive a Denial from any Shareholder Group within three (3) Business Days after the approved RP Form is given, then that Shareholder Group shall be deemed to have approved the Relevant Transaction. In the event there is no Denial or no response from or approval is given by the Shareholder Groups, or a combination of these circumstances exist, three (3) Business Days after the approved RP Form is given, then as soon as practicable thereafter, Corporate Legal Department shall notify the Secretary of the Conflicts Committee that approval or deemed approval from the Shareholder Groups are obtained.
- (4) If the relevant Group Company receives through the Secretary of the Conflicts Committee or Corporate Legal Department, any notice signed on behalf of any relevant Shareholder Group, approving entry into the Relevant Transaction subject to the satisfaction of certain conditions, subject to the satisfaction of those conditions, the relevant Group Company is not required to seek further approval under this Section V.

When giving notice to the Shareholder Groups, Corporate Legal Department shall do so by reference to the relevant notice provisions in the Shareholders' Agreement. Notices under this Section V. (C) shall be deemed given and received as provided in clause 39 of the Shareholders' Agreement.

## **VI. Record, Maintenance, Reporting and Verification**

### **(A) Maintaining Related Party Information**

Corporate Legal Department is responsible for updating the Related Party List by requesting that each Director and Executive Officer provide annual confirmations regarding those companies and individuals in respect of which such Director or Executive Officer is a Related Party, as well as any Related Party Transactions they have entered into or could be entering into during the upcoming year. Each half year, the Directors and Executive Officers must advise the Corporate Legal Department of any changes to their annual confirmation and the Corporate Legal Department must send a written reminder (including an email) each half year regarding this requirement. The Corporate Legal Department must also review the share register and divisional contract registers each half year to identify any further Related Parties to add to the Related Party List. The Corporate Head Office Finance Department, upon receipt of the updated Related Party List from Corporate Legal Department shall then forward the same to Directors, Executive Officers, the Company employees authorized to make purchasing decisions, divisional purchasing staff and accounting staff.

The Related Party List must be submitted to the VP, Corporate Financial Reporting & Compliance and Finance Director, who must arrange for divisional finance and purchasing staff to make a detailed review of the Related Party List against accounting and purchasing records, to detect any transactions that may have been entered into without prior approval from the Conflicts Committee or Shareholder Groups (as applicable). Any transactions requiring prior approval from the Conflicts Committee or Shareholder Groups (as applicable) but not so approved shall be submitted to the Conflicts Committee or Shareholder Groups (as applicable) for consideration, and if appropriate, ratified by the Conflicts Committee or Shareholder Groups (as applicable) in accordance with this Policy and the Guidelines.

The Corporate Head Office Finance Department must summarize all Related Party Transactions on a quarterly basis and submit such summary to Corporate Legal Department and the Conflicts Committee.

**(B) Reporting Related Party Transactions in Financial Statements**

The indirect majority Shareholder of the Company, Melco Crown Entertainment Limited (“MCE”), is required to disclose significant Related Party relationships and transactions (other than compensation arrangements, expense allowances and similar items in the ordinary course of business) in MCE’s financial statements in accordance with US generally accepted accounting principles.

The Corporate Head Office Finance Department (in consultation with the Finance Director) will review the presentation and disclosure of material Related Party relationships and transactions within the quarterly and annual financial statements of the MCE and investigate to ensure that the information in such summary appears to be completely and accurately disclosed.

At year end, the Corporate Head Office Finance Department will use the information contained in the approved Related Party Transaction summaries described in Section VI. (A) to draft the Related Party disclosure footnote for the financial statements to be filed with MCE’s annual report on Form 20-F.

**(C) Verification of Related Party Transactions**

The internal audit department will perform an annual internal audit on the Related Party Transaction approval process and disclosures. Such internal audit procedures will include:

- (1) determining that sufficient evidence exists to support the understanding of the substance and business purpose of each Related Party Transaction, and to support the presentation and disclosures;
- (2) determining whether the appropriate officials approved the Related Party Transactions during the audited period;
- (3) reviewing a sample of material cash disbursements, advances, and investments during the audited period to determine whether the Company disbursed funds to a Related Party;
- (4) having discussions with third party service providers (e.g. those who have provided professional services to the Company) regarding their knowledge of the principal parties to material transactions;
- (5) reviewing previous regulatory filings to determine the names of possible additional Related Parties and other businesses in which Directors and officers occupy directorship or management positions;



- (6) cross-checking with revenue recognition tests of any large or unusual Related Party Transactions (particularly transactions materializing near the end of a financial reporting period or involving circumstances such as a substantial portion of the purchase price remaining unpaid, or where the seller, in effect, still controls the asset it sold) and being alert to circular indications, such as a seller's concurrent obligation to purchase goods or services, or provide other benefits to, the buyer; and
- (7) reviewing additional background information (such as financial publications, trade journals and credit agencies) with respect to a sampling of material customers, suppliers, or other business partners to confirm whether or not they are a Related Party.

**VII. Consequence of Violation**

Any employee or officer of any Group Company or any Conflicts Committee member who is found to have wilfully violated this Policy and/or the Guidelines will be subject to disciplinary action which may include termination of employment or office (as the case the may be).

Issue No. 1

Approval Date : [                      ]

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To [Enter name of Secretary], Secretary, Conflicts Committee  
[Enter personnel from Corporate Head Office Finance Department name and position / title]

From [Enter Reviewer name and position / title]  
[Enter business unit head of finance name and position / title]

Copy To [Enter Initiator name and position / title]

Date [Enter date of request]

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**Background of Transaction**

[Include terms of the proposed Related Party Transaction (e.g. parties, description of product or service, quantity, cost price (and basis for pricing))].

**Justification**

[To be provided by Initiator to purchasing department, or Senior Accounting Officer of the Company, as Reviewer/business unit head of finance for review and approval. Details to support your justification should also be attached.]

- (1) Terms of the proposed Related Party Transaction including the parties to such transaction.
- (2) Cost and benefit analysis including cost savings obtained by the relevant Group Company from such transaction (include what are the alternatives and implications without the purchase, whether expenditure is within budget).
- (3) Fairness of the commercial terms, negotiated at arm’s length (i.e. Have proper tender/bid policies been followed in accordance with the Company’s Purchasing Policies? For example, obtaining quotations and other market comparables from non-related parties, independence of the individuals in the buying decision).
- (4) Documentary evidence that the terms are commercially arm’s length (including copies (or summary of material terms) of not less than two proposals from non-related parties to provide substantially the same products and/or services, to the extent such products and/or services are available, and if not, explain the reasons why).
- (5) Product and/or service expertise.
- (6) Nature of the Related Party’s relationship with the Company (i.e. Why are they a Related Party?).
- (7) Whether the decision to award this contract has been made independent of any influence from the Related Party.
- (8) A statement that this request is in compliance with the Company’s Policy on Related Party Transactions.

To [Enter name of Chairman], Chairman, Conflicts Committee

From [Enter name of President], President  
 [Enter name of Finance Director], Finance Director

Date [Enter date]

Copy [Enter name of Secretary], Secretary, Conflicts Committee  
 To:

**RELATED PARTY APPROVAL REQUEST  
 CYBER ONE AGENTS LIMITED (the “Company”)**

**Review and Recommendation to Conflicts Committee**

*[To be updated upon review of justification]*

Please refer to the following memo which relates to the following matter:

Prepared by: [Enter Name & Position of Preparer]  
 [Enter Name & Position of business unit head of finance]

Regarding: [Enter short description of approval RPT Request]

We have reviewed the information presented in the attached memorandum and recommend to the Conflicts Committee that approval of the Related Party Transaction as contemplated herein is given, considering that;

Our view that terms to be offered are fair to the Company and have been determined at arm’s length from a commercial perspective; and

It is our opinion that the decision to award this contract to the Related Party is made by the Company management independent of any influence from the Related Party to this contract.

If the information as presented above and within the supporting memorandum is complete and demonstrates that the transactions are beneficial and fair to the Company and on commercial arm’s length terms, please reply to this memo and confirm the Conflicts Committee’s approval of the Related Party Transaction as contemplated herein.

Best regards,

\_\_\_\_\_  
 [Enter Name]  
 President

\_\_\_\_\_  
 [Enter Name]  
 Finance Director

**CYBER ONE AGENTS LIMITED**

**TERMS OF REFERENCE  
FOR POLICY ON RELATED PARTY TRANSACTIONS**

Cyber One Agents Limited (the “**Company**”) has adopted a Policy on Related Party Transactions (the “**RPT Policy**”). These Terms of Reference for Policy on Related Party Transactions (the “**Terms**”) are issued by the Company and shall be used in interpreting and administering the Charter of the Conflicts Committee, the RPT Policy and the Guidelines and Standards for the Approval of Related Party Transactions.

This document contains confidential information and its circulation shall be restricted to Directors, Conflicts Committee members, senior management, and legal counsel of Corporate Legal Department for their reference and administration of the approval process and all other relevant matters under the RPT Policy.

The Terms are adopted from and substantially the same as those in the Shareholders’ Agreement dated [*insert date*] and made between the Shareholders of the Company, as amended from time to time (the “**Shareholders’ Agreement**”). To the extent such terms are inconsistent with those set out in the Shareholders’ Agreement, the definitions of those terms in the Shareholders’ Agreement shall prevail.

The following capitalized terms have the meanings set out below:

- (a) **Affiliate** means in relation to a person (**First Person**), any other person:
  - (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, the First Person;
  - (ii) who is a director or officer of the First Person or any Subsidiary of the First Person or of any person referred to in paragraph (i) of this definition; or
  - (iii) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, parent-in-law, grandchild, and grandparent of the First Person or of a person described in paragraph (ii) of this definition.
- (b) **Articles** means the memorandum and articles of association of the Company, as may be amended from time to time in accordance with the Shareholders’ Agreement.
- (c) **Board** means the board of Directors from time to time.

- (d) **Conflicts Committee** means a committee to approve certain transactions between any Group Company and any of the Shareholders, their Affiliates or Connected Persons.
- (e) **Connected Person** has the meaning given to that term in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).
- (f) **Corporate Head Office Finance Department** means the chief head office finance department of the Company.
- (g) **Corporate Legal Department** means the chief legal department of the Company.
- (h) **Director** means a member of the Board of the Company from time to time.
- (i) **Executive Officer** means the President, the Finance Director, any other officer who performs a chief executive or financial role for the Company.
- (j) **Group Companies** means the Company and any company which is or becomes a Subsidiary of the Company from time to time and the expression **Group Company** means any of them.
- (k) **MCE** means Melco Crown Entertainment Limited.
- (l) **MCE Shareholders** means MCE and any Affiliate (under paragraph (i) of that definition, but not paragraph (ii) or (iii) thereof) of MCE to whom Securities are issued or Transferred under the Shareholders' Agreement.
- (m) **Minority Shareholders** means any Shareholder as at the date of the Shareholders' Agreement (other than any MCE Shareholder) and any person (other than any MCE Shareholder) to whom a Shareholder (other than, with respect to Transfers of Securities to persons who are not Minority Shareholders at the time of such Transfer, any MCE Shareholder) Transfers Securities.
- (n) **Oaktree Funds** means, each of OCM Opportunities Fund V, L.P., OCM Asia Principal Opportunities Fund, L.P., and OCM Opportunities Fund VI, L.P.

- (o) **Performance Failure** means, in respect of any employee of a Group Company:
- (i) continued failure to perform the duties and responsibilities described in the person's employment agreement for his or her position in any Group Company to the standard reasonably required by the Group Company (including the employee's supervisor) or continued failure to follow a reasonable and lawful order or direction of the relevant Group Company (including that from the employee's supervisor), other than any such failure resulting from employee's sickness or disability;
  - (ii) misconduct, such conduct being inconsistent with the due and faithful discharge of his or her duties under his or her employment agreement with such Group Company; or
  - (iii) continued failure, habitual neglect of his or her duties and responsibilities under his employment agreement with such Group Company.
- (p) **Permitted Transferee** means:
- (i) in the case of a MCE Shareholder, any Affiliate of MCE;
  - (ii) in the case of a Minority Shareholder (A) any Affiliate of that Minority Shareholder or (B) any holder of Upstream Securities in that Minority Shareholder or any Affiliate of that holder of Upstream Securities;
  - (iii) in the case of a holder of Upstream Securities in a Minority Shareholder, (A) any holder of Upstream Securities in that holder of Upstream Securities or (B) any Affiliate of the holder of Upstream Securities or of any person in paragraph (A);
  - (iv) in the case of a natural person, any spouse or any other person cohabitating as a spouse, child or step-child, parent or step-parent, parent-in-law, grandchild or grandparent of that person; and
  - (v) any Project Lender in accordance with (and as such term is defined in) clause 22.6 of the Shareholders' Agreement.
- A person who becomes a holder of Upstream Securities by purchasing such securities in a primary issuance shall not, as a result, become a Permitted Transferee. As used in this definition, Affiliate shall include paragraph (i) of the definition thereof, but shall not include paragraph (ii) or (iii) of the definition thereof.
- (q) **Related Party** means any of the Shareholders or any of their respective Affiliates or Connected Persons.
- (r) **Security** means a fully paid share in the capital of the Company carrying the rights and obligations set out in the Shareholders' Agreement and the Articles.

- (s) **Shareholder** means a holder of Securities from time to time.
- (t) **Shareholder Group** means each Minority Shareholder who, together with its Permitted Transferees to whom Securities have been Transferred, holds 10% or more of the Securities on issue calculated pursuant to clause 41.16 of the Shareholders' Agreement and who is not, or whose Affiliate or Connected Person is not, a party to the Related Party Transaction requiring approval.
- (u) **Silver Point Funds** means each of Silver Point Capital Fund, L.P. and Silver Point Capital Offshore Master Fund, L.P.
- (v) **Subsidiary** has the meaning given to that term in the Companies Ordinance of Hong Kong (Cap 32 of the Laws of Hong Kong).
- (w) **Transfer** means to transfer, sell, assign, convey, or otherwise dispose of.
- (x) **Upstream Securities** means, in respect of a Shareholder, any equity securities or interests in equity securities issued by that Shareholder or by any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially) holds an interest in Securities held by that Shareholder, but does not include any equity securities or interests in equity securities:
  - (i) in either of Silver Point Funds, or in any other investment fund or account managed by Silver Point Capital, L.P., or any of the Oaktree Funds, or in any other investment fund or account managed by Oaktree Capital Management, L.P., or in any successors or Affiliates of the foregoing, or in any person that, directly or indirectly through one or more interposed entities (whether legally or beneficially) holds equity securities or interests in equity securities in any such person;
  - (ii) in MCE, or any of its shareholders or any person that directly, or indirectly through one or more interposed entities (whether legally or beneficially) holds equity securities or interests in equity securities in those shareholders; or
  - (iii) in any other Shareholder or holder of Upstream Securities whose shares are listed on an internationally recognized stock exchange.

Issue No. 1

Approval Date : [                      ]

**CYBER ONE AGENTS LIMITED**

**CONFLICTS COMMITTEE CHARTER**

This Conflicts Committee Charter (this “**Charter**”) was adopted by Cyber One Agents Limited (the “**Company**”).

**I. Purpose**

The purpose of the Conflicts Committee (the “**Committee**”) is to:

(a) consider and review Related Party Transactions and certain other transactions between any Group Company and any of the Shareholders, their Affiliated or Connected Persons (except those requiring Shareholder approval) in accordance with the Policy on Related Party Transactions (the “**RPT Policy**”) and grant approval where appropriate;

(b) consider and approve any amendment to the RPT Policy provided that any change to the criteria for the approval process of transactions under the RPT Policy or any other material provisions of the RPT Policy should be subject to approval of the Shareholder Groups;

(c) have oversight as to the compliance of shared vendor provisions as set out in the Shareholders’ Agreement; and

(d) consider and review the request of the Board of Directors (the “**Board**”) to remove the Finance Director of the Company due to Performance Failure and to grant approval where appropriate.

The policies and procedures of the Committee shall remain flexible in order to best react to changing conditions.

In addition to the powers and responsibilities expressly conferred on or delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities conferred on or delegated to it by the Board, in relation to matters that the Board believes are appropriate for consideration by the Committee and consistent with this Charter, as amended from time to time, and the Articles. The powers and responsibilities conferred on or delegated to the Committee as referred to in this Charter shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers conferred on or delegated to the Committee hereunder) shall be at the Committee’s sole discretion.

**II. Definitions**

Capitalized terms used herein have the meanings set out below, unless otherwise defined in the Terms of Reference for Policy on Related Party Transactions.



- (a) **Related Party Transaction** or **RPT** means any one or a series of transactions in which a Group Company:
- (i) makes any payment to; or
  - (ii) sells, leases, transfers, or disposes of any of its property or assets to; or
  - (iii) purchases any property of assets from; or
  - (iv) enters into, or amends, any arrangement, understanding, transaction or agreement with; or
  - (v) loans or advances any amount to; or
  - (vi) guarantees any of the obligations of,
- any of the Shareholders, any of their respective Affiliates or Connected Persons, or for the benefit of any of the Shareholders or any of their Affiliates or Connected Persons.

### III. Membership

The Committee shall consist of three members, each of whom, as determined by the relevant appointing party referred to below, has experience, in the business judgment of the appointing party, that would be helpful in addressing the matters that form part of the powers and responsibilities of the Committee.

(a) The members will be appointed as follows:

- (i) the Shareholder who, together with its Permitted Transferees to whom Securities have been Transferred, holds in aggregate the greatest number of Securities on issue (the “**First Shareholder Group**”) will together, or if those Shareholders have appointed a Director, that Director may, from time to time, appoint one member of the Committee;
- (ii) the Shareholder who, together with its Permitted Transferees to whom Securities have been Transferred, holds in aggregate the second greatest number of Securities on issue and which is not an Affiliate of the First Shareholder Group (the “**Second Shareholder Group**”) will together, or if those Shareholders have appointed a Director, that Director may, from time to time, appoint one member of the Committee; and
- (iii) the First Shareholder Group and Second Shareholder Group will, or one of each Director appointed by them may, from time to time, together appoint one member of the Committee (the “**Independent Member**”).

(b) It is a condition of the appointment of the member of the Committee under the above paragraph (a)(iii), that the member is independent of each of the First Shareholder Group and Second Shareholder Group, any Directors appointed by them, and any of their respective Affiliates and Connected Persons.

(c) If the First Shareholder Group and Second Shareholder Group cannot agree within 30 days of being requested in writing by the other to appoint a member of the Committee under the above paragraph (a)(iii), then either may instruct Heidrick & Struggles / Russell Reynolds / Korn Ferry / Spencer Stuart to appoint an independent committee member who will be deemed to have been appointed by the First Shareholder Group and Second Shareholder Group on the date the committee member agrees in writing to accept that appointment.

(d) Each member of the Committee has one vote, and all decisions of the Committee will be by simple majority.

(e) The First Shareholder Group, Second Shareholder Group, or any of the Directors appointed by them (respectively) may appoint and remove any member of the Committee appointed by them under the above paragraph (a)(i) or (a)(ii) (as applicable) by notice to the Company.

(f) The First Shareholder Group and Second Shareholder Group may, or one of each Director appointed by them may, appoint and remove the member of the Committee appointed by them under the above paragraph (a)(iii) or appointed under paragraph (c) by joint notice to the Company.

(g) Despite the above paragraph (a), if an MCE Shareholder (and its Permitted Transferees to whom Securities have been Transferred) are the only Shareholders holding 10% or more of the Securities on issue, those Shareholders or any Director appointed by those Shareholders may appoint all of the members of the Committee, however two of the members must be independent of the MCE Shareholder, each MCE Director, and their respective Affiliates and Connected Persons.

The Independent Member of the Committee may not accept any consulting, advisory or other compensatory fee from the Company other than for service as a member of the Board, if relevant, and the Committee.

#### **IV. Structure and Operations**

The position of the chairperson (the “**Chair**”) shall be assumed by each member of the Committee on a rotation basis every year, with the following sequence:

- (a) member appointed by the First Shareholder Group;
- (b) member appointed by the Second Shareholder Group; and
- (c) Independent member.

The Chair (or in his or her absence, a member designated by the Chair or nominated by the other members of the Committee) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. The Chair shall provide notice of any Committee meetings to each member at least five (5) days prior to the scheduled date of such meeting and set forth the date, place, and agenda of the meeting. The notice requirements may be waived with the written or oral consents thereon of all of the members. The presence of more than 50% of all members shall constitute a quorum. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution or other Committee action. The affirmative vote of a majority of the members of the Committee by email is acceptable by the Committee in all cases where the Committee’s approval is sought.

The Committee shall have the authority to establish:

(a) its own rules and procedures for notice and conduct of its meetings; and

(b) rules, procedures and guidelines related to the review and approval process for Related Party Transactions (except those requiring Shareholder approval),

so long as they are not inconsistent with any provisions of the Articles or this Charter.

A meeting of the Committee may be conducted in person or via telephone conference where all meeting participants can hear one another. Members shall be entitled to participate in any meeting by telephone, video-conferencing or similar equipment, such participation will be as effective as if any member participating in such fashion were present in person, and the Committee must use reasonable efforts to accommodate time zone differences when scheduling meetings. Minutes of the meetings shall be kept by a person designated by the Chair. Draft and final versions of the minutes of meetings shall be sent to all Committee members for their comments and records respectively, in both cases within a reasonable time after the meetings.

The Committee may, at its discretion, include in its meetings members of the Company's management and any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate.

## **V. Duties and Responsibilities**

The Committee's duties and responsibilities shall include each of the items enumerated in this Section V. and such other matters as may from time to time be conferred on or delegated to the Committee by the Board.

(a) The Committee shall review all RPT as reported to the Committee, on an ongoing basis and designated as within the authority of the Committee under the RPT Policy. The Committee is authorized to approve such transactions under the RPT policy without further approval by the Board to the extent it is a RPT (except those requiring Shareholder approval). Any RPT that is otherwise subject to Board approval shall also be submitted to the Board for its approval.

(b) The Committee shall report to the Board periodically on all matters for which the Committee has responsibility.

(c) The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. Such evaluation shall include an assessment of whether the Committee members have sufficient time and resources to properly discharge their duties and responsibilities as members of the Committee. The Committee shall conduct such performance evaluation in such manner as the Committee and the Board deem appropriate, and may report the results of its performance evaluation through an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.

(d) The Committee shall annually review and reassess the adequacy of this Charter and recommend to the Board for approval such changes as the Committee believes are appropriate.

(e) The Committee shall exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be conferred on or delegated to the Committee by the Board.

## **VI. Committee Approval**

(a) The Committee may, in its sole discretion, approve or deny any Related Party Transaction required to be referred to it under the RPT Policy.

(b) Approval of a Related Party Transaction may be conditional on the relevant Group Company taking certain actions that the Committee deems appropriate.

(c) In determining whether to approve a Related Party Transaction the Committee will consider the following factors, in addition to any other factors that it considers appropriate:

- (i) whether or not the terms are fair and beneficial to the relevant Group Company and based on arm's length negotiations from a commercial perspective;
- (ii) whether or not the Related Party Transaction is material to the relevant Group Company as a whole;
- (iii) whether the Related Party Transaction is appropriate and necessary or desirable to achieve the objectives of the Group Companies;
- (iv) the role the Related Party has played in arranging the Related Party Transaction;
- (v) the structure of the Related Party Transaction; and
- (vi) the interests of all Related Parties in the Related Party Transaction.

(d) A Related Party Transaction will only be approved by the Committee if it determines that the Related Party Transaction is beneficial and fair to the Group Company and terms of the Related Party Transaction are commercially arm's length.

(e) Any Related Party Transaction must be noted at the next Committee meeting and recorded in the minutes of such meeting by the secretary of the Committee.

Issue No. 1

Approval Date : [                    ]

**CYBER ONE AGENTS LIMITED**  
**GUIDELINES AND STANDARDS**  
**FOR THE APPROVAL OF RELATED PARTY TRANSACTIONS**

**I. Purpose**

Cyber One Agents Limited (the “**Company**”) has adopted a Policy on Related Party Transactions (the “**RPT Policy**”). Under the RPT Policy, the Conflicts Committee of the Company is authorized to issue, from time to time, guidelines related to the review process by the Conflicts Committee or Shareholder Groups and approval process by the Conflicts Committee. The Conflicts Committee recognizes that Related Party Transactions present a heightened risk of conflicts of interest and/or improper valuation or the perception thereof. As such, to implement the RPT Policy, the Conflicts Committee has adopted these Guidelines and Standards for the Approval of Related Party Transactions (the “**RPT Guidelines**”), which set out the standards and procedures to be followed by the Conflicts Committee in reviewing and approving Related Party Transactions. All capitalized terms used, but not defined, herein have the same meanings as in the RPT Policy or the Terms of Reference for Policy on Related Party Transactions as relevant.

**II. Inapplicable Transactions**

The RPT Guidelines do not apply to the following transactions:

- (1) All intercompany transactions in which only the Group Companies are parties.
- (2) All securities issues specifically exempted from this Policy under the Shareholders’ Agreement.

**III. Review of Related Party Transactions**

The approval of the Conflicts Committee or the Shareholder Groups (as the case may be) for all Related Party Transactions in accordance with the RPT Policy and the RPT Guidelines must be obtained before the Company or Subsidiary management agrees (verbally or in writing) to the terms of any contractual arrangement in relation to all applicable Related Party Transactions.

If there is a potential Related Party Transaction, the Reviewer of the Transaction is responsible to submit all supporting documents to the Secretary of the Conflicts Committee for seeking approval from the Conflicts Committee or the Shareholder Groups (as the case may be) in accordance with the RPT Policy and the RPT Guidelines, following the RPT Review procedures stated therein. Upon receipt of the supporting documents, the Secretary of Conflicts Committee must promptly provide via e-mail the relevant details to (i) all the members of the Conflicts Committee if approval is to be sought from the Conflicts Committee; and (ii) a member of Corporate Legal Department. The relevant details shall include:

- (1) Terms of the proposed Related Party Transaction including the parties to such transaction;
- (2) Cost and benefit analysis including cost savings obtained by the relevant Group Company from such transaction (include what are the alternatives and implications without the purchase, whether expenditure is within budget).
- (3) Fairness of the commercial terms, negotiated at arm's length (i.e. Have proper tender/bid policies been followed in accordance with the Company's Purchasing Policies? For example, obtaining quotations and other market comparables from non-related parties, independence of the individuals in the buying decision).
- (4) Documentary evidence that the terms are commercially arm's length (including copies (or summary of material terms) of not less than two proposals from non-related parties to provide substantially the same products and/or services, to the extent such products and/or services are available, and if not, explain the reasons why).
- (5) Product and/or service expertise.
- (6) Nature of the Related Party's relationship with the Company (i.e. Why are they a Related Party?).
- (7) Whether the decision to award this contract has been made independent of any influence from the Related Party.
- (8) A statement that this request is in compliance with the Company's Policy on Related Party Transactions.

For Related Party Transactions requiring the Conflicts Committee approval, the Chairman of the Conflicts Committee will oversee the process of reviewing and approving such Related Party Transaction after consulting with members of the Conflicts Committee and Corporate Legal Department. Any Related Party Transaction approved by the Conflicts Committee shall be noted at the next Conflicts Committee meeting, and it shall be recorded in the minutes of such meeting by the Secretary of the Conflicts Committee. The approval process will also be conducted in accordance with the Charter of the Conflicts Committee.

**IV. Standards for Approval of Transactions by Conflicts Committee**

The Conflicts Committee will analyze the following factors, in addition to any other factors the Conflicts Committee deems appropriate, in determining whether to approve a Related Party Transaction:

- (1) whether or not the terms are fair and beneficial to the relevant Group Company and based on arm's length negotiations from a commercial perspective;
- (2) whether or not the Related Party Transaction is material to the relevant Group Company as a whole;
- (3) whether the Related Party Transaction is appropriate and necessary or desirable to achieve the objectives of the Group Companies;
- (4) the role the Related Party has played in arranging the Related Party Transaction;
- (5) the structure of the Related Party Transaction; and
- (6) the interests of all Related Parties in the Related Party Transaction.

A Related Party Transaction will only be approved by the Conflicts Committee if it determines that the Related Party Transaction is fair and beneficial to the relevant Group Company and the terms of the Related Party Transaction are commercially arm's length.

**V. Approval Process by Conflicts Committee**

The Conflicts Committee may, in its sole discretion, approve or deny any Related Party Transaction submit to it for approval. Approval of a Related Party Transaction may be conditional upon the relevant Group Company and the Related Party taking any or all of the following additional actions, or any other actions that the Conflicts Committee deems appropriate:

- (1) assuring that the Related Party will not be directly involved in negotiating the terms of the Related Party Transaction or in the ongoing relationship between the relevant Group Company and the other persons or entities involved in the Related Party Transaction;
- (2) limiting the duration or magnitude of the Related Party Transaction;
- (3) requiring that information about the Related Party Transaction be documented and that reports reflecting the nature and amount of the Related Party Transaction be delivered to the Conflicts Committee on a regular basis;
- (4) requiring that the relevant Group Company has the right to terminate the Related Party Transaction by giving a specified period of advance notice;
- (5) appointing a Company representative to monitor various aspects of the Related Party Transaction; and/or
- (6) requiring the Related Party to resign from, or change position within, an entity that is involved in the Related Party Transaction with the relevant Group Company.

If the Group Companies have ongoing relationships with certain Related Parties and periodically enters into Related Party Transactions with them, the Conflicts Committee may establish guidelines for the Group Companies' management to follow in terms of (1) how such ongoing relationships should be managed, and (2) the procedure to follow in reporting each individual Related Party Transaction (as they, from time to time, arise in the ordinary course of business) to the Conflicts Committee before any contractual terms are agreed between any Group Company and such Related Parties. Additionally, the Conflicts Committee, on at least an annual basis, shall review and assess the ongoing relationships with the Related Parties.

#### **VI. Consequence of Violation**

Any employee or officer of any Group Company or any Conflicts Committee member who is found to have willfully violated the RPT Policy and/or the RPT Guidelines, will be subject to disciplinary action which may include termination of employment or office (as the case may be).



**VII. Failure to Follow the Approval Process**

Where Related Party Transactions are subsequently identified to have occurred without the prior requisite approval of the Conflicts Committee or Shareholder Group, as the case may, they are to be (1) reported by the Secretary of the Conflicts Committee or Corporate Legal Department (as relevant) to the Conflicts Committee or the Shareholder Groups (as relevant) and Corporate Legal Department immediately via e-mail with an explanation as to why they were not approved in advance and what steps have been taken to prevent a re-occurrence; and (2) considered by the Conflicts Committee or the Shareholder Groups (as the case may be) whether to ratify the Related Party Transaction retroactively. For matters requiring Conflicts Committee approval, the lack of approval referred to in the foregoing shall be placed on the agenda at the next meeting of the Conflicts Committee for noting and it is to be recorded in the minutes of such meeting.

Issue No. 1

Approval Date : [                      ]



## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT, dated as of \_\_\_\_\_ (this "Agreement"), is made by and among Cyber One Agents Limited, a company incorporated in the British Virgin Islands (the "Company"), and those parties set forth on the Schedule of Shareholders attached hereto (each, a "Shareholder" and collectively, the "Shareholders").

A. The Shareholders, among other parties, are parties to an implementation agreement (the "Implementation Agreement"), dated as of [—], 2011, pursuant to which, among other things, the Shareholders and the other parties thereto have agreed, at the Effective Time of the transactions contemplated by the Implementation Agreement, to (i) enter into a shareholders' agreement (the "Shareholders' Agreement") to govern their relationship in connection with, and the conduct and operations of, the Company and its subsidiaries, and (ii) cause the Company to enter into this Agreement with the Shareholders and provide to the Shareholders (and their transferees) the registration and other rights provided herein.

B. Capitalized terms used in this Agreement are used as defined in Section 11.

Now, therefore, the parties hereto agree as follows:

1. IPO Demand. The right of Holders to require the Company to effect an IPO is set forth in clause 29 of the Shareholders' Agreement. If the conditions to effecting an IPO in such clause of the Shareholders' Agreement have been satisfied, then the notification to the Company demanding an IPO under clause 29.1(a) of the Shareholders' Agreement shall constitute an "IPO Registration Request" which shall be governed by the terms of this Agreement, including Section 2(a) hereof.

2. Demand Registrations.

(a) Requests for Registration. At any time following an IPO, the Required Holders may request in writing that the Company or IPO HoldCo (as the case may be, the "Registering Entity") effect the registration of all or any part of the Registrable Securities held by such Required Holders (a "Post-IPO Registration Request" and, together with an IPO Registration Request, a "Registration Request"). Promptly after its receipt of any Registration Request, the Registering Entity will give written notice of such request to all other Holders, and will use its reasonable best efforts to register, in accordance with the provisions of this Agreement, all Registrable Securities that have been requested to be registered by the Holders in the Registration Request or by any other Holders that have provided written notice to the Registering Entity within 30 days after the date the Registering Entity has given such Holders notice of the Registration Request, provided that, other than in connection with an IPO Registration Request, the Registering Entity will not be required to effect a registration pursuant to this Section 2(a) unless the minimum aggregate value of the Registrable Securities that are proposed to be sold in such registration by such Holders shall be at least US\$50,000,000. The Registering Entity will pay all Registration Expenses incurred in connection with any registration pursuant to this Section 2.

(b) Limitation on Demand Registrations. Following an IPO, the Registering Entity will not be obligated to effect more than five registrations pursuant to this Section 2, provided that a request for registration will not count for the purposes of this limitation if (i) the Holders of a majority of Registrable Securities covered by a particular registration determine in good faith to withdraw (prior to the effective date of the Registration Statement relating to such request) the proposed registration, (ii) the Registration Statement relating to such request is not declared effective within 120 days of the date such registration statement is first filed with the Commission, (iii) if, after such Registration Statement becomes effective, such Registration Statement becomes subject to any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason, (iv) the Holders are not able to register and sell at least 80% of the Registrable Securities requested to be included in such registration, other than by reason of such Holders withdrawing their request or terminating the offering, (v) the conditions to closing specified in the underwriting agreement or purchase agreement entered into in connection with the registration relating to such request are not satisfied (other than as a result of a material default or material breach thereunder by the Holders), or (vi) if the Registration Statement relating to such request has not remained effective until the earlier of the time when all the Registrable Securities requested to be included in such registration is sold and the end of the period described in Section 2(g). Notwithstanding the foregoing, the Registering Entity will pay all Registration Expenses in connection with any request for registration pursuant to Section 2(a) regardless of whether or not such request counts toward the limitation set forth above. The Registering Entity shall not be required to file and cause to become effective more than one registration statement in any six month period.

(c) Shelf Registrations. At any time following a Qualified IPO, the Required Holders may request in writing that the Registering Entity effect the registration described in Section 2(a) on Form S-3 (a "Shelf Registration Statement") (provided that the Registering Entity is eligible to use such form) for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act and to use reasonable best efforts to cause such registration statement to become effective and to maintain the effectiveness of such shelf registration statement with respect to such Registrable Securities in the Registering Entity of Holders participating in the registration for the period provided in Section 2(g) hereof (a "Shelf Demand Registration"). To the extent the Registering Entity is a well known seasoned issuer (a "WKSI") (as defined in Rule 405 under the Securities Act) at the time any Required Holders make a Shelf Demand Registration, the Registering Entity shall file a Shelf Registration Statement under procedures applicable to WKSI's. The Registering Entity shall not be obligated to file more than one Shelf Demand Registration in any twelve-month period.

(d) Restrictions on Demand Registrations. The Registering Entity may postpone for a reasonable period of time, not to exceed 90 days, the filing of a prospectus or the effectiveness of a Registration Statement for a registration pursuant to this Section 2 if the Registering Entity furnishes to the Holders a certificate signed by the Chief Executive Officer of the Registering Entity, following consultation with, and after obtaining the good faith approval of, the board of directors of the Registering Entity, stating that the Registering Entity believes that such postponement is necessary in order to avoid premature disclosure of a material matter required, as determined by the Registering Entity after consultation with outside counsel, to be otherwise disclosed in the prospectus the disclosure of which the board has determined would have a material adverse effect on any proposal or plan by the Registering Entity to engage in any acquisition of assets (other than in the ordinary course of business) or any merger, amalgamation, consolidation, tender offer or similar transaction, or otherwise would have a material adverse effect on the business, assets, operations, prospects or financial condition of the Registering Entity, provided, however, that the Registering Entity shall not be entitled to so postpone unless it shall (A) concurrently request the suspension of sales by other security holders under registration statements covering securities held by such other security holders, (B) in accordance with the Registering Entity's policies from time to time in effect, forbid purchases and sales in the open market by senior executives of the Registering Entity, and (C) itself refrain from any public offering and open market purchases during the postponement, provided further, however, that the Registering Entity may not effect such a postponement more than once in any 360-day period. If the Registering Entity so postpones the filing of a prospectus or the effectiveness of a Registration Statement, the Holders of a majority of Registrable Securities covered by a particular registration will be entitled to withdraw such request and, if such request is withdrawn, such registration request will not count for the purposes of the limitation set forth in Sections 2(b) and 2(c). The Registering Entity shall provide written notice to the Holders of the Registering Entity's decision to file or seek effectiveness of a Registration Statement following such postponement and the effectiveness of such Registration Statement. The Registering Entity will pay all Registration Expenses incurred in connection with any such postponed filing and any such postponed effectiveness of a Registration Statement.

(e) Selection of Underwriters. In connection with the IPO Registration Request and any other Registration Request in which the Required Holders intend to distribute the Registrable Securities by means of an underwritten offering, they will so advise the Registering Entity as a part of the Registration Request, and the Registering Entity will include such information in the notice sent by the Registering Entity to the other Holders with respect to such Registration Request. In such event, the Holders of a majority of the Registrable Securities covered by such Registration Request will have the right to select the managing underwriter to administer the offering; provided that (i) in the case of an IPO Registration Request, such underwriter shall be selected after consultation with Melco Crown Entertainment Limited and (ii) in the case of all other Registration Requests, such underwriter shall be subject to the Registering Entity's approval which will not be unreasonably withheld, conditioned or delayed. If the offering is underwritten, the right of any Holder to registration pursuant to this Section 2 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise agreed by the Holders of a majority of Registrable Securities covered by a particular registration), and each such Holder will (together with the Registering Entity and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. If any Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Registering Entity, the managing underwriter and the Required Holders.

(f) Priority on Demand Registrations. The Registering Entity will not include in any underwritten registration pursuant to Section 2(a) or 2(c) any securities that are not Registrable Securities without the prior written consent of the Holders making the Registration Request. In the case of any proposed registration that is initiated by a Holder pursuant to Section 2, if the managing underwriter in good faith advises the Registering Entity that in its opinion the number of Registrable Securities (and, if permitted hereunder, other securities requested to be included in such offering) exceeds the number of securities that can be sold in such offering without adversely affecting the marketability or price per share of securities to be sold in such offering, the Registering Entity will include in such offering only such number of securities that in the opinion of such underwriters can be sold without adversely affecting the marketability or price per share of securities to be sold in such offering, which securities will be so included in the following order of priority: (i) first, the Registrable Securities requested to be included in such registration, *pro rata* among the Holders of such Registrable Securities on the basis of the number of Registrable Securities so requested to be included therein by each such Holder, (ii) second, the securities the Registering Entity proposes to issue and sell for its own account, and (iii) third, other securities requested to be included in such registration pursuant to other registration rights agreements or otherwise.

(g) Effective Period of Demand Registrations. After any Registration Statement filed pursuant to Section 2(a) has become effective, the Registering Entity shall use its reasonable best efforts to keep such Registration Statement effective for a period of either (i) 180 days from the date on which the Commission declares such Registration Statement effective (or if such Registration Statement is not effective during any period within such 180 days or if disposition of Registrable Securities is suspended in the circumstances described in Section 7(b), such 180-day period shall be extended by the number of days during such period when such Registration Statement is not effective or is suspended as provided in Section 7(b)) or, if such Registration Statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer or (ii) such shorter period which shall terminate when all of the Registrable Securities covered by such Registration Statement have been sold pursuant to such Registration Statement. After any Shelf Registration Statement filed pursuant to Section 2(c) has become effective, the Registering Entity agrees to use its reasonable best efforts to keep the Shelf Registration Statement continuously effective and usable for the resale of the Registrable Securities registered thereunder for a period ending on the first date on which all the Registrable Securities covered by such Shelf Registration Statement shall have been sold pursuant to such Shelf Registration Statement.

(h) Other Registration Rights. Except as provided in this Agreement, the Registering Entity will not grant to any holder or prospective holder of any securities of the Registering Entity registration rights with respect to such securities which are senior or *pari passu* to the rights granted hereunder without the prior written consent of the Holders of a majority of Registrable Securities.

### 3. Piggyback Registrations.

(a) Right to Piggyback. Whenever the Registering Entity proposes to register any of its securities (other than a registration on Form S-4, Form S-8 or a comparable form, or a registration of securities relating solely to an offering and sale to employees pursuant to any employee stock plan or other employee benefit plan arrangement) other than pursuant to a Registration Request (each, a "Piggyback Registration"), the Registering Entity will give prompt written notice (and in any event within 15 days after its receipt of notice of any exercise of other demand registration rights or its decision to effect a primary offering, as applicable) to all Holders of its intention to effect such a registration and will include in such registration on the same terms as the Registering Entity and the other Persons selling securities in connection with such registration all Registrable Securities with respect to which the Registering Entity has received written requests for inclusion therein within fifteen (15) days after the date of the Registering Entity's notice. The Registering Entity's notice shall specify, at a minimum, the number of securities proposed to be registered, the proposed date of filing of such registration statement with the Commission, the proposed means of distribution, the proposed managing underwriter or underwriters (if any and if known) and a good faith estimate by the Registering Entity of the proposed minimum offering price of such securities. Any Holder that has made such a written request may withdraw all or any part of its Registrable Securities from such Piggyback Registration by giving written notice to the Registering Entity and the managing underwriter, if any, on or before the fifteenth (15th) day prior to the planned effective date of such Piggyback Registration. The Registering Entity may terminate or withdraw any registration under this Section 3 prior to the effectiveness of such registration, whether or not any Holder has elected to include Registrable Securities in such registration, and except for the obligation to pay Registration Expenses pursuant to Section 3(c) the Registering Entity will have no liability to any Holder in connection with such termination or withdrawal.

(b) Underwritten Registration. If the registration referred to in Section 3(a) is proposed to be underwritten, the Registering Entity will so advise the Holders as a part of the written notice given pursuant to Section 3(a). In such event, the right of any Holder to registration pursuant to this Section 3 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting, and each such Holder will (together with the Registering Entity and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Registering Entity. If any Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Registering Entity and the managing underwriter.

(c) Piggyback Registration Expenses. The Registering Entity will pay all Registration Expenses in connection with any Piggyback Registration, whether or not any registration or prospectus becomes effective or final.

(d) Priority on Primary Registrations. If a Piggyback Registration relates to an underwritten primary offering on behalf of the Registering Entity, and the managing underwriters advise the Registering Entity in writing that in their opinion the number of securities requested to be included in such registration exceeds the number of securities that can be sold in such registration without adversely affecting the marketability or price per share of securities to be sold in such offering, the Registering Entity will include in such registration only such number of securities that in the opinion of such underwriters can be sold without such a material and adverse effect, which securities will be so included in the following order of priority: (i) first, the securities the Registering Entity proposes to issue and sell for its own account, (ii) second, the Registrable Securities requested to be included in such registration, *pro rata* among the Holders of such Registrable Securities on the basis of the number of Registrable Securities so requested to be included therein owned by each such Holder, and (iii) third, other securities requested to be included in such registration pursuant to other registration rights agreements or otherwise.



(e) Priority on Secondary Registrations. If a Piggyback Registration relates to an underwritten secondary registration on behalf of other holders of the Registering Entity's securities, and the managing underwriters advise the Registering Entity in writing that in their opinion the number of securities requested to be included in such registration exceeds the number of securities that can be sold in such registration without adversely affecting the marketability or price per share of securities to be sold in such offering, the Registering Entity will include in such registration only such number of securities that in the opinion of such underwriters can be sold without such a material and adverse effect, which securities will be so included in the following order of priority: (i) first, the securities requested to be included therein by the holders requesting such registration and the Registrable Securities requested to be included in such registration, *pro rata* among the holders of such securities and Registrable Securities on the basis of the number of securities so requested to be included therein owned by each such holder, and (ii) second, other securities requested to be included in such registration pursuant to other registration rights agreements or otherwise.

(f) Other Registrations. If the Registering Entity files a Registration Statement with respect to Registrable Securities pursuant to Section 2 or Section 3, and if such registration has not been withdrawn or abandoned, the Registering Entity will not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S-4 or S-8 or any successor or similar forms), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least 180 days have elapsed from the effective date of the effectiveness of such Registration Statement.

4. Registration Procedures. Subject to Section 2(d), whenever the Holders have requested that any Registrable Securities be registered pursuant to this Agreement, the Registering Entity will use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of disposition thereof. Without limiting the generality of the foregoing, the Registering Entity will, as expeditiously as possible:

(a) prepare and (within 60 days after the end of the thirty-day period within which requests for registration may be given to the Registering Entity pursuant to Section 2(a) or 2(c)) file with the Commission a Registration Statement with respect to such Registrable Securities, make all required filings with FINRA and use its reasonable best efforts to cause such Registration Statement to become effective as soon as practicable thereafter, provided that before filing a Registration Statement or any amendments or supplements thereto, a Prospectus included in such Registration Statement (including a preliminary Prospectus) or filed under Rule 424 of the Securities Act with the Commission, the Registering Entity will furnish to the Holders covered by such Registration Statement copies of all such documents proposed to be filed, including exhibits thereto and exhibits incorporated by reference; and the Registering Entity will give one counsel selected by the Holders of a majority of the Registrable Securities covered by such Registration Statement the opportunity to participate in the preparation of such Registration Statement, each Prospectus (including preliminary Prospectus) included therein or filed under Rule 424 of the Securities Act with the Commission, and each amendment thereof or supplement thereto, in each case at the Registering Entity's reasonable expense in accordance with Section 5(b). Unless such counsel earlier informs the Registering Entity that it has no objections to the filing of such Registration Statement, Prospectus, amendment or supplement, the Registering Entity will not file such Registration Statement, Prospectus, amendment or supplement prior to the date that is five Business Days from the date that such Holders received such document. The Holders covered by such Registration Statement will have the opportunity to object to any information pertaining to such Holders that is contained in the Registration Statement, Prospectus, amendment or supplement, and the Registering Entity will make the corrections reasonably requested by such Holders with respect to such information prior to filing any Registration Statement or amendment thereto or any Prospectus or any supplement thereto. The Registering Entity will not, without the prior consent (which will not be unreasonably withheld, conditioned or delayed) of the Holders representing a majority of the Registrable Securities covered by such Registration Statement, make any offer relating to the Registrable Securities that would constitute a "free writing Prospectus," as defined in Rule 405 of the Securities Act. The Registering Entity will not file any Registration Statement or amendment or post-effective amendment or supplement to such Registration Statement or any Prospectus to which such counsel will have reasonably objected in writing on the grounds that (and explaining why) such document does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective for the period provided in Section 2(g), and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such Registration Statement;

(c) furnish to each seller of Registrable Securities such number of copies, without charge, of such Registration Statement, each amendment and supplement thereto, including each preliminary Prospectus, final Prospectus, all exhibits and other documents filed therewith and such other documents as such seller may reasonably request including in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller and any underwriter(s) reasonably request and do any and all other acts and things that may be necessary or reasonably advisable to enable such seller and any underwriter(s) to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Registering Entity will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) use its reasonable best efforts to cause all Registrable Securities covered by such Registration Statement to be registered with or approved by such other governmental agencies, authorities or self-regulatory bodies as may be necessary or reasonably advisable in light of the business and operations of the Registering Entity to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities in accordance with the intended method or methods of disposition thereof;

(f) promptly notify each seller of such Registrable Securities, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the discovery of the happening of any event as a result of which, the Prospectus included in such Registration Statement or filed under Rule 424 of the Securities Act with the Commission contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and, as promptly as practicable, prepare and furnish to such seller a reasonable number of copies of a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(g) promptly notify each seller of any Registrable Securities covered by such Registration Statement and the underwriter(s), if any: (i) when the Registration Statement, any pre-effective amendment, the Prospectus or any Prospectus supplement or post-effective amendment has been filed and, with respect to such Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission for amendments or supplements to such Registration Statement or to amend or to supplement such Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement or the initiation of any proceedings for any of such purposes, (iv) of the issuance by the Commission of a notification of objection to the use of the form on which the Registration Statement has been filed, or of the happening of any event that causes the Registering Entity to become an “ineligible issuer,” as defined in Rule 405 of the Securities Act, and (v) of the receipt by the Registering Entity of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or “blue sky” laws of any jurisdiction;

(h) use its reasonable best efforts to cause all such Registrable Securities to be listed on each Exchange on which similar securities issued by the Registering Entity are then listed or, if no similar securities issued by the Registering Entity are then listed on any Exchange, use its reasonable best efforts to cause all such Registrable Securities to be listed on the Exchange in which the IPO is to be effected as provided by and in accordance with the Shareholders’ Agreement;

(i) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such Registration Statement;

(j) enter into such customary agreements (including underwriting agreements with customary provisions) and take all such other actions as the sellers of Registrable Securities or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a share split or a combination of shares);

(k) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and documents relating to the business of the Registering Entity, and cause the Registering Entity’s officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such Registration Statement; provided that each Holder will, and will use its commercially reasonable efforts to cause each such underwriter, accountant or other agent to, (i) enter into a confidentiality agreement in form and substance reasonably satisfactory to the Registering Entity and (ii) minimize the disruption to the Registering Entity’s business in connection with the foregoing;

(l) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Registering Entity's first full calendar quarter after the effective date of the Registration Statement, which earnings statement will satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(m) in the event of the issuance of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related prospectus or ceasing trading of any securities included in such Registration Statement for sale in any jurisdiction, use its reasonable best efforts promptly to obtain the withdrawal of such order;

(n) enter into such agreements and take such other actions as the sellers of Registrable Securities or the underwriters reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, including, without limitation, preparing for and participating in such number of "road shows" and all such other customary selling efforts as the underwriters reasonably request in order to expedite or facilitate such disposition;

(o) obtain one or more comfort letters, addressed to the sellers of Registrable Securities and the underwriter(s) (if any), dated the effective date of or the date of the final receipt issued for such Registration Statement (and, if such registration includes an underwritten public offering dated the date of the closing under the underwriting agreement for such offering), signed by the Registering Entity's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the Holders of a majority of the Registrable Securities being sold in such offering and such underwriter(s) reasonably request;

(p) provide legal opinions of the Registering Entity's outside counsel, addressed to the underwriter(s) (if any) and the Holders of the Registrable Securities being sold, dated the effective date of or the date of the final receipt issued for such Registration Statement, each amendment and supplement thereto (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), with respect to the Registration Statement, each amendment and supplement thereto (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by legal opinions of such nature;

(q) promptly respond to any and all comments received from the Commission, with a view towards causing each Registration Statement or any amendment thereto to be declared effective by the Commission as soon as practicable and file an acceleration request as soon as practicable following the resolution or clearance of all Commission comments or, if applicable, following notification by the Commission that any such Registration Statement or any amendment thereto will not be subject to review;

(r) furnish each seller of Registrable Securities with a copy of all documents submitted to any Exchange and all amendments thereto. In connection with any offering of Registrable Securities pursuant to this Agreement, the Registering Entity shall instruct the transfer agent and registrar of the securities to release any stop transfer orders with respect to the securities so sold;

(s) furnish to any seller of Registrable Securities such information and assistance as such seller may reasonably request in connection with any “due diligence” effort which such seller deems appropriate; and

(t) provide a CUSIP number for the Registrable Securities and use its reasonable best efforts to take or cause to be taken all other actions, and do and cause to be done all other things, necessary or reasonably advisable in the opinion of any seller of Registrable Securities or the underwriter(s), if any, to effect the registration of such Registrable Securities contemplated hereby.

The Registering Entity agrees not to file or make any amendment to any Registration Statement with respect to any Registrable Securities, or any amendment of or supplement to the Prospectus used in connection therewith, that refers to any Holder covered thereby by name, or otherwise identifies such Holder as the holder of any securities of the Registering Entity, without the consent of such Holder, such consent not to be unreasonably withheld or delayed, unless and to the extent such disclosure is required by law.

The Registering Entity may require each Holder as to which any registration is being effected to furnish the Registering Entity with such information regarding such Holder and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Registering Entity may from time to time reasonably request in writing.

If any such Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Registering Entity, then such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder, to the effect that the holding by such Holder of such securities does not necessarily make such holder a “controlling person” of the Registering Entity within the meaning of the Securities Act and is not to be construed as a recommendation by such Holder of the investment quality of the Registering Entity’s securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Registering Entity, or (ii) in the event that such reference to such Holder by name or otherwise is not required by the Commission or Securities Act or any similar federal statute then in force, the deletion of the reference to such Holder.

In addition to the obligations contained in this Section 4, in connection with any Application in respect of a sale or distribution by the Holders of Registrable Securities outside the United States, the Registering Entity shall further assist and facilitate such sale or distribution, including without limitation, by providing such information as the relevant Holders may reasonably request for purposes of such Application and the related offering. Without limiting the foregoing, the assistance, documents and procedures, provisions for payment of expenses, requirement for information from Holders, indemnification and other provisions set forth in Sections 4 through 6 hereof shall apply to the Registration Statement and sale or distribution of Registrable Securities, with such reasonable and necessary adjustments as would customarily apply in the applicable jurisdictions where the public offering and the Registration Statement is made, and with all references herein to United States securities laws being deemed replaced by references to applicable provisions of local law, regulation or stock exchange requirements in such jurisdictions.

#### 5. Registration Expenses.

(a) Except as otherwise provided for herein, all expenses incidental to the Registering Entity’s performance of or compliance with this Agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, word processing, duplicating and printing expenses, messenger and delivery expenses, listing application fees, transfer agent’s and registrar’s fees, costs of distributing Prospectus in preliminary and final form as well as any supplements thereto, and fees and disbursements of counsel for the Registering Entity and all independent certified public accountants, underwriters and other Persons retained by the Registering Entity (all such expenses, “Registration Expenses”), will be borne by the Registering Entity, and the Registering Entity will also pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit or quarterly review, the expenses of any liability insurance and the expenses and fees for listing the securities on an Exchange. All Selling Expenses will be borne by the holders of the securities so registered *pro rata* on the basis of the number of their shares so registered.



(b) In connection with each registration initiated hereunder, the Registering Entity shall reimburse the Holders covered by such registration or sale for the reasonable fees and disbursements of one law firm (and one local counsel) chosen by Holders holding a majority of the Registrable Securities to be included in the applicable registration. The amount of reimbursement under this Section 5(b) is limited to US\$1,300,000 in respect of a registration initiated in connection with an IPO, and US\$800,000 in the aggregate for all other registrations initiated hereunder.

(c) The obligation of the Registering Entity to bear the expenses described in Section 5(a) and to reimburse the Holders for the expenses described in Section 5(b) shall apply irrespective of whether any sales of Registrable Securities ultimately take place.

#### 6. Indemnification.

(a) The Registering Entity agrees to indemnify and hold harmless, and hereby does indemnify and hold harmless, to the fullest extent permitted by law, each Holder, its Affiliates and their respective officers, directors, employees and partners and each Person who controls such Holder (within the meaning of the Securities Act) against, and pay and reimburse such Holder, Affiliate, director, officer, employee or partner or controlling person for any losses, claims, damages, expenses (including but not limited to reasonable legal fees and expenses), liabilities, joint or several, to which such Holder or any such Affiliate, director, officer, employee or partner or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, expenses or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (i) any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any "issuer free writing Prospectus" (as defined in Rule 433 under the Securities Act) or any "issuer free writing Prospectus" or any amendment thereof or supplement thereto, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Registering Entity of any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws applicable to the Registering Entity, and the Registering Entity will pay and reimburse such Holder and each such Affiliate, director, officer, partner, employee and controlling person for any legal or any other expenses actually and reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, expense, liability, action or proceeding, provided that the Registering Entity will not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement, or omission or alleged omission, made in such Registration Statement, any such Prospectus or preliminary Prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished to the Registering Entity by such Holder expressly for use therein. In connection with an underwritten offering, the Registering Entity, if requested, will indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holders.

(b) In connection with any Registration Statement in which a Holder is participating, each such Holder will furnish to the Registering Entity in writing such information and affidavits as the Registering Entity reasonably requests for use in connection with any such Registration Statement or Prospectus and will indemnify and hold harmless, to the fullest extent permitted by law, the Registering Entity, its directors and officers, each underwriter and each other Person who controls the Registering Entity (within the meaning of the Securities Act) and each such underwriter against any losses, claims, damages, expenses (including but not limited to reasonable legal fees and expenses), liabilities, joint or several, to which such Holder or any such director or officer, any such underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, expenses, or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (i) any untrue or alleged untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any "issuer free writing Prospectus" (as defined in Rule 433 under the Securities Act) or any amendment thereof or supplement thereto or (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is made in such Registration Statement, any such Prospectus or preliminary Prospectus or any "issuer free writing Prospectus" or any amendment or supplement thereto in reliance upon and in conformity with written information prepared and furnished to the Registering Entity by such Holder expressly for use therein, and such Holder will reimburse the Registering Entity and each such director, officer, underwriter and controlling Person for any legal or any other expenses actually and reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, expense, liability, action or proceeding, provided that the obligation to indemnify and hold harmless will be individual and several, not joint and several, to each holder and will be in proportion to and limited to the net amount of proceeds received by such Holder (after underwriting discounts and commissions) from the sale of Registrable Securities pursuant to such Registration Statement.

(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). The indemnifying party shall not enter into any settlement of the claims so assumed without the consent of the indemnified party, provided, that the consent of the indemnified party will not be required if the settlement involves only the payment of money damages all of which are indemnifiable losses hereunder and does not involve the imposition of any equitable remedy or admission of wrongdoing. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. Failure to give prompt written notice shall not release the indemnifying party from its obligations hereunder except to the extent that (and only to the extent that) such failure shall have caused the damages for which the indemnifying party is obligated to be greater than such damages would have been had prompt written notice been given.

(d) The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the registration and sale of any securities by any Person entitled to any indemnification hereunder and the expiration or termination of this Agreement.

(e) If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party thereunder, will contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense. The relative fault of the indemnifying party and the indemnified party will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount any Holder will be obligated to contribute pursuant to this Section 6(e) will be limited to an amount equal to the net proceeds (after underwriting discounts and commissions) to such Holder of the Restricted Securities sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Holder has otherwise been required to pay in respect of such loss, claim, damage, liability or action or any substantially similar loss, claim, damage, liability or action arising from the sale of such Restricted Securities) or the amount for which such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under Section 6(a) or 6(b) hereof had been available under the circumstances.

## 7. Participation in Underwritten Registrations.

(a) No Holder may participate in any registration hereunder that is underwritten unless such Holder (i) agrees to sell its Registrable Securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to the terms of any over-allotment or “green shoe” option requested by the managing underwriter(s), provided that no Holder will be required to sell more than the number of Registrable Securities that such Holder has requested the Registering Entity to include in any registration), (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, and (iii) cooperates with the Registering Entity’s reasonable requests in connection with such registration or qualification (it being understood that the Registering Entity’s failure to perform its obligations hereunder, which failure is caused by such Holder’s failure to cooperate, will not constitute a breach by the Registering Entity of this Agreement). Notwithstanding the foregoing, no Holder will be required to agree to any indemnification obligations on the part of such Holder that are greater than its obligations pursuant to Section 7(b).

(b) Each Holder that is participating in any registration hereunder agrees that, upon receipt of any notice from the Registering Entity, after consultation with outside counsel, of the happening of any event of the kind described in Section 4(f) above, such Holder will forthwith discontinue the disposition of its Registrable Securities pursuant to the Registration Statement until such Holder receives copies of a supplemented or amended Prospectus as contemplated by such Section 4(f), provided, however, that the Registering Entity shall promptly use its reasonable best efforts to file a post effective amendment or take such other action so as to obviate the need for such a notice as soon as reasonably practicable in the good faith judgment of the Registering Entity and promptly after filing such amendment (and in any event within 24 hours of such filing) deliver sufficient copies of such supplemented or amended Prospectuses pursuant to Section 4(c) to such sellers to resume such disposition, provided further, however, that such postponement of sales of Registrable Securities by the Holders shall not exceed 120 days in the aggregate in any one year. In the event the Registering Entity gives any such notice, the applicable the period of time during which a Registration Statement is to remain effective pursuant to this Agreement will be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 7(b) to and including the date when each seller of a Registrable Security covered by such Registration Statement will have received the copies of the supplemented or amended Prospectus contemplated by Section 4(f). In any event, the Registering Entity shall not deliver more than three notices under this Section 7(b) in any one year.

8. Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may permit the sale of the restricted securities to the public without registration, the Registering Entity agrees to:

(i) make and keep adequate current public information available as those terms are understood and defined in Rule 144 under the Securities Act, at all times to the extent required to enable the holders of Registrable Securities covered by a Registration Statement to sell such Registrable Securities without registration under the Securities Act within the limitations of the exemptions provided by Rule 144 thereunder, and

(ii) file with the Commission in a timely manner all reports and other documents required of the Registering Entity under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements.

9. Certain Agreements.

(a) Lock Up Agreements. In consideration for the Registering Entity agreeing to its obligations under this Agreement, each Holder agrees in connection with any registration of the Registering Entity's securities (whether or not such Holder is participating in such registration) upon the request of the Registering Entity and the underwriters managing any underwritten offering of the Registering Entity's securities, not to effect (other than pursuant to such registration) any public sale or distribution of Registrable Securities, including, but not limited to, any sale pursuant to Rule 144, or make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities, any other equity securities of the Registering Entity or any securities convertible into or exchangeable or exercisable for any equity securities of the Registering Entity without the prior written consent of the Registering Entity or such underwriters, as the case may be, for such period of time (not to exceed 180 days in the case of the Registering Entity's initial public offering, or 90 days in the case of any other offering) from the effective date of such registration unless the underwriters managing the registration otherwise agree to a shorter period.

(b) Holdback Agreement. The Registering Entity agrees not to, directly or indirectly, sell, pledge, contract to sell, grant an option to purchase or otherwise dispose of any equity securities of the Registering Entity or any securities convertible into or exchangeable or exercisable for any equity securities of the Registering Entity during the 10 days prior to and during the 90 days (or 180 days in the case of the Registering Entity's initial public offering) beginning on the effective date of any underwritten registration pursuant to Section 2 or Section 3 (except as part of such underwritten registration or pursuant to registrations on Form S-8 or S-4 or any successor forms thereto) unless the underwriters managing the registration otherwise agree to a shorter period.

10. Term. This Agreement will be effective as of the date hereof and will continue in effect thereafter until the earliest of (a) its termination by the consent of the Company and each Holder, (b) the date on which no Registrable Securities remain outstanding and (c) the dissolution, liquidation or winding up of the Registering Entity.

11. Defined Terms. Capitalized terms when used in this Agreement have the following meanings:

"Affiliate" of any Person means any other Person which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlling," "controlled by" and "under common control with") as used with respect to any Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Application" means any application to any Foreign Exchange to have shares traded on such Foreign Exchange, whether or not in connection with a public offering, including copies of all documents submitted to such Foreign Exchange and all amendments thereto, any prospectus included therein (including a preliminary prospectus and all amendments and supplements thereto), in each case including all exhibits, and such other documents as may be reasonably necessary for the purposes of the proposed sale or distribution of Registrable Securities to be made in connection with such application.

"Board" means the board of directors of the Company from time to time.

"Commission" means the Securities and Exchange Commission or any other federal agency administering the Securities Act.

"Exchange" means a stock or securities exchange or quotation system.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any similar federal statute and the rules and regulations thereunder, as in effect from time to time.

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Foreign Exchange” means any Exchange outside the United States.

“Holder” means the Shareholders and any transferees of such Shareholder in accordance with the Shareholders’ Agreement (if the Shareholders’ Agreement has not earlier terminated).

“IPO” means the initial public offering of the Ordinary Shares (or securities of IPO Holdco, as applicable) to the general public.

“IPO Holdco” means a new holding company formed as a special purpose vehicle for the IPO; provided that, as part of, or immediately after an IPO, a Shareholder has the right, at its sole option, to cause the Company to exchange any or all of its Ordinary Shares for the securities in such new holding company.

“Ordinary Shares” means a fully paid share in the capital of the Company carrying the rights and obligations set out in the Shareholders’ Agreement and in the Memorandum and Articles of Association (as defined in the Shareholders’ Agreement).

“Person” means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization or a government or department or agency thereof.

“Prospectus” means the prospectus or prospectuses forming a part of, or deemed to form a part of, or included in, or deemed included in, any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.

“Register,” “registered” and “registration” refers to a registration effected by preparing and filing a Registration Statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such Registration Statement, and compliance with applicable state securities laws of the states with respect to which Holders notify the Registering Entity of their intention to offer Registrable Securities and, in the case of a sale or distribution of Registrable Securities outside the United States, “Register,” “registered” and “registration” includes any Application.

“Registrable Securities” means (i) any Ordinary Shares or securities of IPO HoldCo, as applicable, (ii) any other stock or securities that the holders of the Ordinary Shares or securities of IPO HoldCo, as applicable, may be entitled to receive, or have received, or (iii) any securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (i) or (ii) by way of conversion, substitution or exchange thereof or therefor or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization. As to any particular securities constituting Registrable Securities, such securities will cease to be Registrable Securities when (x) they have been effectively registered or qualified for sale by prospectus filed under the Securities Act and disposed of in accordance with the Registration Statement covering therein, or (y) they have been sold to the public through a broker, dealer or market maker pursuant to Rule 144 or other exemption from registration under the Securities Act. For purposes of this Agreement, a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

“Registration Expenses” has the meaning set forth in Section 5.

“Registration Request” means an IPO Registration Request or a Post-IPO Registration Request, as applicable. The term Registration Request will also include, where appropriate, a Shelf Registration request made pursuant to Section 2(c).

“Registration Statement” means the registration statement (including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all materials incorporated by reference in such registration statement) filed with the Commission to effect a registration under the Securities Act and, in the case of a sale or distribution of Registrable Securities outside the United States, “Registration Statement” includes any Application.

“Required Holders” means Holders holding in aggregate at least 10% of the issued and outstanding Ordinary Shares or securities in IPO HoldCo, as applicable.



“Rule 144” means Rule 144 under the Securities Act or any successor or similar rule as may be enacted by the Commission from time to time, as in effect from time to time.

“Securities Act” means the Securities Act of 1933, as amended, or any similar federal statute and the rules and regulations thereunder, as in effect from time to time.

“Selling Expenses” means all underwriting discounts and selling commissions applicable to the sale of Registrable Securities hereunder.

“underwritten offering” or “underwritten registration” means a registration in which securities of the Registering Entity are sold to one or more underwriters (as defined in Section 2(a)(11) of the Securities Act) for resale to the public.

## 12. Miscellaneous.

(a) No Inconsistent Agreements. The Registering Entity will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) Adjustments Affecting Registrable Securities. The Registering Entity will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration or qualification for sale by prospectus undertaken pursuant to this Agreement or which would adversely affect the marketability of such Registrable Securities in any such registration or qualification (including, without limitation, effecting a share split or a combination of shares).

(c) Remedies. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party hereto will have the right to injunctive relief, in addition to all of its other rights and remedies at law or in equity, to enforce the provisions of this Agreement.

(d) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Registering Entity and the Holders of a majority of the Registrable Securities held by all Holders, provided that in the event that such amendment or waiver would treat a Holder or group of Holders in a manner different from any other Holders, then such amendment or waiver will require the consent of such Holder or the Holders of a majority of the Registrable Securities of such group adversely treated.

(e) Successors and Assigns. This Agreement will be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment will have been made, the provisions of this Agreement which are for the benefit of the Holders of the Registrable Securities (or any portion thereof) as such will be for the benefit of and enforceable by any subsequent holder of any Registrable Securities (or of such portion thereof), subject to the provisions respecting the minimum numbers or percentages of shares of Registrable Securities (or of such portion thereof) required in order to be entitled to certain rights, or take certain actions, contained herein. For the avoidance of doubt, if the Company is not the registering entity in an IPO, it shall cause the registering entity to assume all as the Registering Entity under this Agreement prior to commencement of such IPO.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(g) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

(h) Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(i) Governing Law. This Agreement and the rights and duties of the parties hereto hereunder shall be governed by and construed in accordance with laws of the State of New York, without giving effect to its principles or rules of conflict of laws to the extent such principles or rules are not mandatorily applicable by statute and would require or permit the application of the laws of another jurisdiction.

(j) Arbitration. For so long as the Shareholders' Agreement is in effect, if a dispute arises out of or relates to this Agreement or the transactions contemplated hereby, such dispute shall be resolved through arbitration pursuant to the procedures set out in clause 37 of the Shareholders' Agreement.

(k) Aggregation of Shares. All Registrable Securities held by or acquired by any Affiliate of a Holder will be aggregated together with the Registrable Securities held by such Holder for the purpose of determining the availability of any rights under this Agreement.

(l) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or received by certified mail, return receipt requested, or sent by guaranteed overnight courier service. Such notices, demands and other communications will be sent to the Company and the Shareholders in the manner and at the addresses set forth in the Shareholders' Agreement.

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IN WITNESS WHEREOF, the undersigned have set their hands and seals as of the above date.

**CYBER ONE AGENTS LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NEW COTAI, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE OF SHAREHOLDERS**

<u>Name</u>	<u>Address</u>
New Cotai, LLC	c/o New Cotai Holdings, LLC PMB 145, 2654 W. Horizon Ridge Parkway, B-5 Henderson, Nevada 89052



**1. Amendments to Facility Operations Agreement (subject to Macau government approval)**

1. Amendments to reflect new MSC Project ownership and project (including amendments to reflect that MCE Subconcessionaire shall be the sole Operator (as defined in the Facility Operations Agreement) of the MSC property and that New Cotai Entertainment should no longer be a party to the Facility Operations Agreement).
2. Reduction of the Operator Consideration (as defined in the Facility Operations Agreement) to 0.5% of the VIP revenues, 1% of the mass market revenue and 2% of adjusted EBITDA of the MSC Casino in line with market practice.
3. All MCE Subconcessionaire costs incurred for the operation of the MSC Casino, including shared services between MSC Casino and MCE Subconcessionaire's other casinos (but always excluding senior managers) are to be borne by New Cotai Entertainment Macau. As a consequence, certain amendments are required to be made to the definition of Costs of Operation (as defined in the Facility Operations Agreement).
4. Rent (as defined in the Facility Operations Agreement) paid by MCE Subconcessionaire is to be calculated on the basis of the rent paid by New Cotai Entertainment Macau to PropCo pursuant to a new right to use agreement (such rent to be agreed by the parties from time to time). Rent is to be paid monthly in arrears instead of daily.
5. Termination Fee (as defined in the Facility Operations Agreement) stipulated in clause 11.4 and 14.1 of the Facility Operations Agreement of the would be deleted as it would no longer apply given that MCE would be an indirect shareholder of New Cotai Entertainment Macau and of the MCE Subconcessionaire.
6. MCE Subconcessionaire shall apply for an extension of the Gaming License (as defined in the Facility Operations Agreement) and assuming the MCE Subconcession is extended beyond its term of 2022, the Facility Operations Agreement shall be extended for the duration of the MCE Subconcession (and any renewals and extensions thereof) pursuant to the terms currently set out in (1) and (2) of section 2.2 of the Facility Operations Agreement.

7. Granting of credit to gaming patrons is to be determined by the MCE Subconcessionaire in line with credit policy governing the grant, collection and monitoring of gaming credit and a credit approval matrix for approval of granting of credit. In accordance with Macau law, the MCE Subconcessionaire shall continue to be the sole entity entitled to grant gaming credit to patrons.
8. MCE Subconcessionaire to be responsible for sales, marketing and advertising and shall solely control recruitment, training and all other matters related to Casino Employees (as defined in the Facility Operations Agreement). This amendment shall enhance the MCE Subconcessionaire's control over the standards of the MSC Casino.
9. Pre-opening expenses should be paid from general operating account. Operating Budget (as defined in the Facility Operations Agreement) would be prepared 30 days prior to commencement of each fiscal year (instead of 90 days). Further, Budget Variance Limit (as defined in the Facility Operations Agreement) is to be abandoned. These changes relate solely to certain operational constraints created by the current form of the Facility Operations Agreement.
10. New Cotai Entertainment Macau consideration shall be based on receipts and not revenue.
11. Most favoured nations clause is to be deleted as it is not applicable to the new commercial understanding between MCE Subconcessionaire and New Cotai Entertainment Macau.



## 2. Reimbursement Arrangement

2.1. Subject to Macau Government approval (if required):

- (a) MCE Subconcessionaire, New Cotai Entertainment and New Cotai Entertainment Macau agree to amend the Facility Operations Agreement to decrease the amount of gaming revenue retained by MCE Subconcessionaire under the Facility Operations Agreement to reflect current market practice (approximately 0.5% VIP revenue, 1% mass revenue and 2% adjusted EBITDA) and make certain other agreed amendments mentioned in section 1 of this Annexure G.
- (b) MCE Subconcessionaire and New Cotai Entertainment Macau enter into an agreement under which MCE Subconcessionaire agrees to pay an amount equivalent to the (reduced) amount retained under section 2.1.(a) of this Annexure G (excluding Rent) to New Cotai Entertainment Macau. To comply with such obligation MCE Subconcessionaire shall irrevocably direct that such amount equivalent to the (reduced) amount retained under section 2.1.(a) of this Annexure G (excluding Rent) be paid to New Cotai Entertainment Macau from the amounts standing in the Trust Account, when MCE Subconcessionaire is entitled to receive it under the Facility Operations Agreement. To give effect to such direction, MCE Subconcessionaire shall agree, upon establishment of the Trust Account and at any other times requested by New Cotai Entertainment Macau, to give the required instructions pursuant to the Trust Account Arrangements (as defined in the Facility Operations Agreement) of the Trust Account and agrees that such instructions may only be withdrawn or amended with the prior written consent of New Cotai Entertainment Macau (except upon termination of the agreement mentioned in this section 2.1. (b)).

2.2. MCE Cotai and MCE Subconcessionaire enter into a “*make whole arrangement*” under which MCE Cotai agrees to pay to MCE Subconcessionaire, if required by it from time to time, an amount equal to the amount paid by MCE Subconcessionaire to New Cotai Entertainment Macau under section 2.1. (b).

**ACORDO DE CESSÃO DE QUOTAS E  
ALTERAÇÃO PARCIAL DO PACTO SOCIAL**

— Considerando que a “**NEW COTAI HOLDINGS, LLC**” e a “**NEW COTAI ENTERTAINMENT, LLC**”, abaixo identificadas, são as únicas sócias da sociedade comercial por quotas denominada “**NEW COTAI DIVERSÕES (MACAU) LIMITADA**”, com sede em Macau, na Avenida da Praia Grande, n.º 429, Edifício Centro Comercial da Praia Grande, 25.º andar, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o n.º 27610, com o capital social de MOP\$100.000,00 (a “**Sociedade**”). \_\_\_\_\_ Considerando que a “**NEW COTAI HOLDINGS, LLC**” possui na Sociedade uma quota com o valor nominal de **MOP\$1.000,00** (mil patacas) e a “**NEW COTAI ENTERTAINMENT, LLC**” possui na mesma Sociedade uma quota com o valor nominal de **MOP\$99.000,00** (noventa e nove mil patacas).

— **ENTRE:**

— **PRIMEIRA:**

— “**NEW COTAI HOLDINGS LLC**” sociedade comercial, com sede em Two Greenwich Plaza, Greenwich, Connecticut, 06830, representada por [—];

— **SEGUNDA:**

— “**NEW COTAI ENTERTAINMENT, LLC**” sociedade comercial, com sede em Two Greenwich Plaza, Greenwich, Connecticut, 06830, representada por [—]; e

— **TERCEIRA:**

— **["BVI CO"]**, sociedade comercial com sede em [ **morada** ], representada por [—].

— **É ACORDADO O SEGUINTE:**

— A Primeira Contraente cede a quota com o valor nominal de **MOP\$1.000,00** (mil patacas), que possui na Sociedade, a favor da Terceira Contraente.

— A referida cessão produz efeitos a partir da presente data e é feita pelo preço igual ao do respectivo valor nominal, que a Primeira Contraente declara por este documento ter já recebido.

— Mais declara a Terceira Contraente que aceita, para todos os efeitos legais, a cessão de quota acima referida.

— Na qualidade de únicas e actuais sócias da Sociedade, a Segunda e a Terceira Contraentes decidem proceder à alteração parcial do pacto a qual se reflecte na modificação dos artigos primeiro, terceiro, quarto, quinto, sexto, sétimo, oitavo e nono, com destituição e designação de administradores e eliminação do artigo décimo, com a redacção adiante transcrita que por este documento aprovam:

#### **Artigo Primeiro**

— UM – A sociedade adopta a firma “MSC COTAI DIVERSÕES, LIMITADA”, em Português, “[—]”, em Chinês, e “MSC COTAI ENTERTAINMENT LIMITED”<sup>12</sup>, em Inglês e tem a sua sede em Macau, na Avenida Dr. Mário Soares, n.º 25, Edifício Montepio, 1.º andar, sala 13.

— DOIS – A sociedade poderá deslocar a sua sede para outro lugar e abrir ou encerrar filiais, sucursais ou outras formas de representação dentro ou fora de Macau, mediante simples deliberação da Administração.

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<sup>12</sup> Subject to availability of the name in Macau

### **Artigo Terceiro**

- UM – O capital social, integralmente subscrito e realizado em dinheiro é de cem mil Patacas e está distribuído da seguinte forma:
- a) New Cotai Entertainment, LLC, uma quota de noventa e nove mil patacas;
- b) [BVI CO], uma quota de mil patacas.
- DOIS – É livre a divisão de quotas e a sua transmissão entre os sócios.
- TRÉS – Na transmissão de quotas a favor de estranhos, terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.
- QUATRO – Na venda ou adjudicação judicial terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.

### **Artigo Quarto**

- UM – A gestão dos negócios da sociedade pertence a um Conselho de Administração composto por 3 (três) membros, sendo dois do Grupo A e um do Grupo B, nomeados em Assembleia Geral, aos quais não se exige que detenham quotas ou que caucionem o exercício das suas funções através de depósito ou por outro meio.
- DOIS – Sem prejuízo de a Assembleia Geral poder também determinar sobre as seguintes matérias, o Conselho de Administração terá os mais amplos poderes permitidos por Lei para administrar os negócios da sociedade, competindo-lhe, designadamente:
- a) Alienar por venda, troca ou a outro título oneroso, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais, e bem assim, constituir hipotecas ou quaisquer garantias ou ónus sobre os mesmos bens; — b) Adquirir, por qualquer modo, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais em sociedades preexistentes ou a constituir;

- c) Tomar ou dar de arrendamento quaisquer prédios ou parte dos mesmos;
- d) Abrir, movimentar e encerrar contas bancárias, depositar e levantar dinheiro, emitir, subscrever, aceitar e endossar letras, livranças, cheques e quaisquer outros títulos de crédito;
- e) Conceder ou contrair empréstimos, conceder ou obter quaisquer outras modalidades de financiamento e realizar todas e quaisquer outras operações de crédito, com ou sem a prestação de garantias reais ou pessoais de qualquer tipo ou natureza, e distratar ou por qualquer outro modo extinguir ou cancelar as referidas garantias;
- f) Constituir mandatários da sociedade; e
- g) Realizar a legalização dos livros da sociedade

#### **Artigo Quinto**

— A sociedade disporá de um secretário a quem compete desempenhar as funções previstas na lei e bem assim as que lhe forem atribuídas pela Assembleia Geral ou pelo Conselho de Administração da sociedade.

#### **Artigo Sexto**

- UM – Para que a sociedade se considere obrigada e validamente representada, em juízo e fora dele, é necessário que os respectivos actos, contratos ou quaisquer outros documentos se mostrem assinados por um administrador do Grupo A.
- DOIS – São desde já nomeados os seguintes administradores, que iniciam de imediato os respectivos mandatos:
- GRUPO A: [Nome e dados pessoais] e [Nome e dados pessoais];

— GRUPO B: [Nome e dados pessoais].

— TRÊS – A sociedade pode constituir mandatários, nos termos do artigo duzentos e trinta e cinco do Código Comercial, sendo ainda conferida aos administradores a faculdade de delegar total ou parcialmente os seus poderes, e de se fazer livremente representar no exercício das suas funções, nos termos do artigo trezentos e oitenta e quatro do referido Código.

#### **Artigo Sétimo**

— UM – Os Administradores podem deliberar sem recurso a reunião do Conselho de Administração desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.

— DOIS – As deliberações votadas nos termos do número anterior ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

— TRÊS – As deliberações do Conselho de Administração podem ainda ser tomadas por voto escrito nos termos dos números seguintes.

— QUATRO – Para efeitos do número anterior, o Secretário envia a todos os Administradores carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

— CINCO – O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

— SEIS – A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum Administrador não responda.

— SETE – Não pode ser tomada a deliberação por voto escrito quando algum Administrador esteja impedido de votar.

— OITO – Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário deve dar conhecimento daquela, por carta registrada, a todos os Administradores.

#### **Artigo Oitavo**

— UM – As Assembleias Gerais são convocadas, excepto quando a lei exigir outra formalidade, por meio de cartas registradas, expedidas aos sócios com, pelo menos, 7 dias de antecedência em relação à data marcada para a reunião da Assembleia.

— DOIS – A falta de antecedência prevista no número anterior poderá ser suprida pela aposição da assinatura de todos os sócios no aviso de convocação.

— TRÊS – As Assembleias Gerais podem ter lugar fora da sede social, quando estejam presentes ou representados todos os sócios.

— QUATRO – Os sócios poderão fazer-se livremente representar nas Assembleias Gerais por qualquer pessoa.

— CINCO – Para assegurar validamente a representação prevista no parágrafo anterior bastará uma carta assinada pelo sócio e dirigida ao presidente da mesa. — SEIS – Sem prejuízo da faculdade de poder sempre designar outras pessoas para o efeito, as sócias NEW COTAI ENTERTAINMENT LLC e [BVI CO] serão representadas para todos os efeitos, nomeadamente nas assembleias gerais de sócios, por um dos seguintes representantes: [Nome, estado civil, nacionalidade e domicílio].

### Artigo Nono

— UM – Os sócios podem deliberar sem recurso a Assembleia Geral desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.— DOIS – As deliberações votadas nos termos do número anterior ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

— TRÊS – As deliberações dos sócios podem ainda ser tomadas por voto escrito nos termos dos números seguintes e nos termos dos n.ºs 4 e seguintes do artigo 217.º do Código Comercial.

— QUATRO – Para efeitos do número anterior, o presidente da mesa ou quem o substitua envia a todos os sócios carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

— CINCO – O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

— SEIS – A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum sócio não responda.

— SETE – Não pode ser tomada a deliberação por voto escrito quando algum sócio esteja impedido de votar. — OITO – Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário da sociedade deve dar conhecimento daquela, por carta registada, a todos os sócios.

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— Macau, aos **dia** de **mês** de 2011.



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**Pela Primeira Contraente,**

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[Name]

**Pela Segunda Contraente,**

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[Name]

**Pela Terceira Contraente,**

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[Name]

**SHARE TRANSFER AND  
AMENDMENT OF ARTICLES OF ASSOCIATION AGREEMENT**

**Whereas** “NEW COTAI HOLDINGS, LLC” and “NEW COTAI ENTERTAINMENT, LLC”, below identified, are the sole shareholders of the company “NEW COTAI ENTERTAINMENT (MACAU) LIMITED”, with head office in Macau, at Avenida da Praia Grande, no. 429, Edifício Centro Comercial da Praia Grande, 25<sup>th</sup> floor, registered with the Macau Commercial and Movable Assets Registry under no. 27610, with a share capital of MOP100,000 (the “Company”);

**Whereas** “NEW COTAI HOLDINGS, LLC” is the holder of a share with the nominal value of MOP1,000 (one thousand Patacas) in the Company and that “NEW COTAI ENTERTAINMENT, LLC” is the holder of a share in such Company with the nominal value of MOP99,000 (ninety nine thousand Patacas).

**Between:**

**Party One:**

“NEW COTAI HOLDINGS, LLC”, a company with head office at Two Greenwich Plaza, Greenwich, Connecticut, 06830, herein represented by [—];

**Party Two:**

“NEW COTAI ENTERTAINMENT, LLC”, a company with head office at Two Greenwich Plaza, Greenwich, Connecticut, 06830, herein represented by [—]; and

**Party Three:**

[BVI CO], a company with head office at [—], herein represented by [—].

**It is hereby agreed as follows:**

Party One transfers to Party Three a share with the nominal value of MOP1,000 (one thousand Patacas), held by it in the Company.

The above described share transfer shall be effective as of the present date and is made for a consideration equal to the nominal value of the transferred share, and Party One hereby declares to have received such amount.

Party Three declares that it accepts, for all legal purposes, the above mentioned share transfer.

Party Two and Party Three, in their capacity of only and current shareholders of the Company decide to amend the Articles of Association of the Company, by modifying articles 1, 3, 4, 5, 6, 7, 8 and 9, including the dismissal and appointment of managers, and by deleting article 10, which are approved by this document, with the following wording:

#### Article 1

1. The company adopts the name “MSC Cotai Diversões, Limitada”, in Portuguese, “[—]” in Chinese and “MSC Entertainment Limited”<sup>13</sup> in English and shall have its head office in Macau, at Avenida Dr. Mário Soares, no. 25, Edifício Montepio, 1<sup>st</sup> floor, room 13.
2. The company shall be able to move its head office to another location and to open or close affiliates, branches or other forms of representation in or out of Macau, by simple resolution of the Board of Directors.

#### Article 3

1. The share capital, wholly subscribed and paid up in cash is one hundred thousand patacas and shall be allocated as follows:
  - a) New Cotai Entertainment, LLC, a share in the amount of ninety nine thousand patacas;
  - b) [BVI CO], a share in the amount of one thousand patacas.
2. The division of shares and the transfer thereof between the shareholders is free.
3. The shareholders shall have a preemptive right with regard to the transfer of shares to third parties, whilst the Company shall have a second preemptive right therein.
4. The shareholders shall have a first preemptive right in the judicial sale or allocation of shares of the company, whilst the Company shall have a second preemptive right therein.

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<sup>13</sup> Subject to availability of the name in Macau.

#### Article 4

1. The management of the business of the Company belongs to a Board of Directors composed of three (3) members, two (2) of Group A and one (1) of Group B, appointed by the General Assembly and such members are not required to hold any shares in the Company or to provide any deposit or any other guarantee with respect to the performance of their functions.

2. Notwithstanding the right of the General Assembly to decide on the following subjects, the Board of Directors shall have the broadest powers permitted by the law, to manage the business of the company, and shall be specifically empowered :

(a) To alienate by selling, exchanging or, in any other manner, any immovable or movable assets, values and rights, including obligations and any existing companies, as well as granting mortgages or any other guarantees and encumbrances over such assets;

(b) To acquire, in any way, immovable or movable assets, values and rights, including obligations and stakes in existing companies or companies to be incorporated;

(c) To lease and to rent any buildings or any parts of the same;

(d) To open, operate and close bank accounts, deposit and draw money, issue, underwrite, accept and endorse "letras", "livranças", cheques and any other credit instruments; and

(e) To contract or grant loans or to grant or obtain any other forms of financing and to perform any other credit operations, with or without the granting of real or personal guarantees of any kind or nature and to cancel or otherwise terminate the aforementioned guarantees

(f) To appoint attorneys for the company; and

(g) To legalize the books of the company.

#### **Article 5**

The Company shall have a Secretary, who shall perform all functions set forth in the relevant legal provisions as well as such functions as may be assigned to the Secretary by the General Assembly or the Board of Directors of the company.

#### **Article 6**

1. The Company shall be validly bound and represented, in court and out of court, by the signature of one Group A director in the relevant acts, contracts or any other documents.

2. The following directors are hereby appointed, with immediate effects: Group A: [Name and personal details] and [Name and personal details]; Group B: [Name and personal details].

3. The Company may appoint attorneys, under the terms of article 235 of the Commercial Code, and the directors are hereby authorized to delegate their powers, in whole or in part, and to be freely represented in the performance of their functions, under article 384 of the Commercial Code.

#### **Article 7**

1. The Directors may pass resolutions without a meeting of the Board of Directors, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.

2. The resolutions passed in accordance with number 1 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.
3. The Board of Directors can also pass resolutions in writing, in accordance with numbers 4 to eight below.
4. For purposes of number 3 above, the Secretary shall send to all directors, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.
5. The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.
6. The resolution shall be considered taken on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the directors does not reply.
7. A resolution by written votes may not be taken whenever any of the directors is incapable of voting.
8. Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.

#### **Article 8**

1. The General Assembly shall be convened, except as otherwise stated in the law, by registered post, sent to the shareholders, at least 7 days prior to the date of the scheduled meeting.
2. The absence of the prior notice referred to in number 1 above may be overcome by the signing of the summons letter by all shareholders.

3. The meetings of the General Assembly may take place out of the head office provided that all shareholders are present or duly represented.
4. The shareholders may be freely represented by any person in the General Assembly.
5. In order to assure the validity of the representation set forth in paragraph 4 above, a letter signed by the relevant shareholder and addressed at the chairman of the General Assembly shall suffice.
6. Notwithstanding their right to appoint other people for such purpose, the shareholders NEW COTAI ENTERTAINMENT LLC and [BVI CO] shall be represented for all purposes, including but not limited to the general assemblies of shareholders, by one of the following representatives [Name, marital status, nationality and domicile].

#### **Article 9**

1. The shareholders may pass resolutions without a meeting of the General Assembly, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.
2. The resolutions passed in accordance with number 1 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.
3. The shareholders can also pass resolutions in writing, in accordance with numbers 4 to 8 below and numbers 4 ss of article 217 of the Commercial Code.



4. For purposes of number 3 above, the chairman or someone who shall substitute him or her, shall send to all shareholders, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.
5. The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.
6. The resolution shall be considered taken on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the shareholders does not reply.
7. A resolution by written votes may not be taken whenever any of the shareholders is incapable of voting.
8. Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.

Macau, [day] [month] 2011

For and on behalf

Party One

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For and on behalf

Party Two

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For and on behalf

Party Three

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1. DIRECTORS' DECLARATION OF ACCEPTANCE

**DECLARAÇÃO**

Eu, [nome, estado civil, nacionalidade, domicílio], por este meio declaro, nos termos e para os efeitos do Artigo 35.º do Código do Registo Comercial de Macau, que aceito exercer o cargo de Administrador da “**MSC COTAI DIVERSÕES, LIMITADA**”.

Em [data]

[Assinatura]

[Nome]

**DECLARATION**

I, [name, marital status, nationality, domicile], hereby declare, pursuant to section 35, no. 1 c) of the Commercial Registry Code of Macau, that I accept my appointment as a Director of the Company “**MSC COTAI ENTERTAINMENT LIMITED**”.

[date]

[signature]

[name]

**ACTO DE ALTERÇÃO INTEGRAL DO PACTO SOCIAL**

Considerando que por deliberações tomadas em [data], na Assembleia Geral da sociedade comercial denominada “EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA”, com sede em Macau, na Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o número 14311, com o capital social de SEIS MILHÕES DE PATACAS, foi decidido proceder à destituição de todos os administradores, à eleição de novos membros do Conselho de Administração e à alteração integral do pacto social;

O abaixo assinado [nome, estado civil, nacionalidade, domicílio profissional], Outorga, neste acto, em representação da supra identificada sociedade e vem por este instrumento declarar e reduzir a escrito o seguinte:

Que a sociedade “EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA”, com sede em Macau, na Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o número 14311, com o capital social de SEIS MILHÕES DE PATACAS, por este documento procede à alteração integral do pacto social da sociedade, a qual se reflecte na modificação dos artigos primeiro a décimo primeiro, os quais passam a ter a seguinte redacção:

## ARTIGO PRIMEIRO

A sociedade adopta a denominação em português “**MSC Desenvolvimentos, Limitada**”, em chinês “[—]”, e em inglês “**MSC Developments Limited**”, e tem a sua sede na Av. Dr. Mário Soares, n.º 25, Edifício Montepio, 1.º andar, sala 13.

## ARTIGO SEGUNDO

O seu objecto consiste i) na televisão por satélite, gestão de participações sociais próprias em sociedades com o mesmo objecto, assim como negócios de média similares, nomeadamente internet e imprensa escrita; ii) no aproveitamento, construção e operação de infra-estruturas dedicadas ao comércio, centros de reuniões e conferências, entretenimento, estúdios de produção, salas de concertos, cinemas e outras infra-estruturas afins em Macau; e iii) toda e qualquer actividade industrial ou comercial ou de prestação de serviços em qualquer área, desde que permitida em Macau.

## ARTIGO TERCEIRO

O capital social, integralmente subscrito e realizado em dinheiro, é de MOP6.000.000,00 (seis milhões de patacas), o qual corresponde à soma de duas quotas assim discriminadas:

- a) Uma quota no valor nominal de MOP5.760.000,00 (cinco milhões, setecentos e sessenta mil patacas), pertencente à sociedade “**Cyber Neighbour Limited**”; e
- b) Uma quota no valor nominal de MOP240.000,00 (duzentas e quarenta mil patacas), pertencente à sociedade “**Cyber One Agents Limited**”.

## ARTIGO QUARTO

Na transmissão de quotas a favor de estranhos terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.

#### **PARÁGRAFO PRIMEIRO**

Na venda ou adjudicação judicial terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.

#### **PARÁGRAFO SEGUNDO**

É livre a divisão de quotas e a sua transmissão entre os sócios.

#### **ARTIGO QUINTO**

A gestão dos negócios da sociedade e a sua representação pertence a um Conselho de Administração, que será composto por 3 (três) membros, sendo dois do Grupo A e um do Grupo B, nomeados em Assembleia Geral, os quais poderão ser ou não sócios da sociedade, sendo desde já nomeados administradores os não sócios [Nome e dados pessoais] e [Nome e dados pessoais], ambos do Grupo A e [Nome e dados pessoais], do Grupo B, os quais exercerão os respectivos cargos com dispensa de caução e por tempo indeterminado.

#### **PARÁGRAFO PRIMEIRO**

Para que a sociedade se considere obrigada e validamente representada, em juízo e fora dele, é necessário que os respectivos actos, contratos ou quaisquer outros documentos se mostrem assinados por um administrador do Grupo A.

#### **PARÁGRAFO SEGUNDO**

A sociedade pode constituir mandatários, nos termos do artigo duzentos e trinta e cinco do Código Comercial, sendo ainda conferida aos administradores a faculdade de delegar total ou parcialmente os seus poderes, e de se fazer livremente representar no exercício das suas funções, nos termos do artigo trezentos e oitenta e quatro do referido Código.

## ARTIGO SEXTO

Sem prejuízo de a Assembleia Geral poder também determinar sobre as seguintes matérias, o Conselho de Administração terá os mais amplos poderes permitidos por Lei para administrar os negócios da sociedade, competindo-lhe, designadamente:

- a) Alienar por venda, troca ou a outro título oneroso, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais, e bem assim, constituir hipotecas ou quaisquer garantias ou ónus sobre os mesmos bens;
- b) Adquirir, por qualquer modo, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais em sociedades preexistentes ou a constituir;
- c) Tomar ou dar de arrendamento quaisquer prédios ou parte dos mesmos;
- d) Abrir, movimentar e encerrar contas bancárias, depositar e levantar dinheiro, emitir, subscrever, aceitar e endossar letras, livranças, cheques e quaisquer outros títulos de crédito;
- e) Conceder ou contrair empréstimos, conceder ou obter quaisquer outras modalidades de financiamento e realizar todas e quaisquer outras operações de crédito, com ou sem a prestação de garantias reais ou pessoais de qualquer tipo ou natureza, e distratar ou por qualquer outro modo extinguir ou cancelar as referidas garantias;
- f) Constituir mandatários da sociedade; e
- g) Realizar a legalização dos livros da sociedade

## **ARTIGO SÉTIMO**

A sociedade disporá de um secretário a quem compete desempenhar as funções previstas na lei e bem assim as que lhe forem atribuídas pela Assembleia Geral ou pelo Conselho de Administração da sociedade.

## **ARTIGO OITAVO**

Os Administradores podem deliberar sem recurso a reunião do Conselho de Administração desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.

### **PARÁGRAFO PRIMEIRO**

As deliberações votadas nos termos do proémio deste artigo ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

### **PARÁGRAFO SEGUNDO**

As deliberações do Conselho de Administração podem ainda ser tomadas por voto escrito nos termos dos números seguintes.

### **PARÁGRAFO TERCEIRO**

Para efeitos do número anterior, o Secretário envia a todos os Administradores carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

### **PARÁGRAFO QUARTO**

O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

#### **PARÁGRAFO QUINTO**

A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum sócio não responda.

#### **PARÁGRAFO SEXTO**

Não pode ser tomada a deliberação por voto escrito quando algum Administrador esteja impedido de votar.

#### **PARÁGRAFO SÉTIMO**

Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário deve dar conhecimento daquela, por carta registada, a todos os Administradores.

#### **ARTIGO NONO**

As Assembleias Gerais, quando a lei não prescrever outras formalidades, são convocadas por meio de carta registada, dirigida aos sócios, que contenha o aviso convocatório e expedida com a antecedência mínima de sete dias relativamente à data marcada para a reunião.

#### **PARÁGRAFO PRIMEIRO**

A falta de antecedência prevista no número anterior poderá ser suprida pela aposição da assinatura de todos os sócios no aviso de convocação.

#### **PARÁGRAFO SEGUNDO**

Os sócios poderão fazer-se livremente representar nas Assembleias Gerais por qualquer pessoa.

#### **PARÁGRAFO TERCEIRO**

Para assegurar validamente a representação prevista no parágrafo anterior bastará uma carta assinada pelo sócio e dirigida ao presidente da mesa.

#### **ARTIGO DÉCIMO**

Sem prejuízo da faculdade de poder sempre designar outras pessoas para o efeito, as sócias Cyber Neighbour Limited e Cyber One Agents Limited serão representadas para todos os efeitos, nomeadamente nas assembleias gerais de sócios, por um dos seguintes representantes: [Nome, estado civil, nacionalidade e domicílio].



## **ARTIGO DÉCIMO PRIMEIRO**

Os sócios podem deliberar sem recurso a Assembleia Geral desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.

### **PARÁGRAFO PRIMEIRO**

As deliberações votadas nos termos do número anterior ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

### **PARÁGRAFO SEGUNDO**

As deliberações dos sócios podem ainda ser tomadas por voto escrito nos termos dos números seguintes e nos termos dos n.ºs 4 e seguintes do artigo 217.º do Código Comercial.

### **PARÁGRAFO TERCEIRO**

Para efeitos do parágrafo anterior, o presidente da mesa ou quem o substitua envia a todos os sócios carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

### **PARÁGRAFO QUARTO**

O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

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**PARÁGRAFO QUINTO**

A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum Sócio não responda.

**PARÁGRAFO SEXTO**

Não pode ser tomada a deliberação por voto escrito quando algum sócio esteja impedido de votar.

**PARÁGRAFO SÉTIMO**

Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário da sociedade deve dar conhecimento daquela, por carta registada, a todos os sócios.

**[Termo de Autenticação]**

**FULL AMENDMENT OF ARTICLES OF ASSOCIATION ACT**

Whereas the company EAST ASIA SATELLITE TELEVISION LIMITED, with registered office in Macau at Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registered with the Commercial and Movable Assets Registry under no. 14311, with the share capital of SIX MILLION PATACAS, resolved, as shown in the minutes of the General Assembly held on [date], to remove all directors from office and elect new members of the Board of Directors, and to fully amend the articles of association;

The undersigned [name, marital status, nationality and professional domicile] on behalf of the abovementioned company hereby grants and says the following:

That EAST ASIA SATELLITE TELEVISION LIMITED, with registered office in Macau at Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registered with the Commercial and Movable Assets Registry under no. 14311, with the share capital of SIX MILLION PATACAS, hereby fully amends its articles of association, by the amendment of articles 1 to 11, which shall read as follows:

**Article 1**

1. The company adopts the name “MSC Desenvolvidos, Limitada”, in Portuguese, “[—]” in Chinese and “MSC Developments Limited”<sup>14</sup> in English and shall have its head office in Macau, at Avenida Dr. Mário Soares, no. 25, Edifício Montepio, 1<sup>st</sup> floor, room 13.

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<sup>14</sup> Subject to availability of the name in Macau.

## **Article 2**

The object of the company is (i) satellite television, management of corporate securities in companies performing the same activities, as well as other similar media related business, such as internet and written press; (ii) development, construction and operation of facilities for retail, meeting centers, conference centers, entertainment, production studios, concert halls, cinemas and similar facilities in Macau; (iii) any other industrial or commercial activities or the provision of services of any kind, permitted in Macau.

## **Article 3**

The share capital, wholly subscribed and paid up in cash is six million patacas, which is allocated as follows:

- a) Cyber Neighbour Limited, a share in the amount of five million, seven hundred and sixty thousand patacas;
- b) Cyber One Agents Limited, a share in the amount of two hundred forty thousand patacas.

## **Article 4**

The shareholders shall have a first preemptive right with regard to the transfer of shares to third parties, whilst the Company shall have a second preemptive right therein.

### **Paragraph 1**

The shareholders shall have a first preemptive right in the judicial sale or allocation of shares of the company, whilst the Company shall have a second preemptive right therein.

### **Paragraph 2**

The transfer division of shares and the transfer thereof between the shareholders is free.

## **Article 5**

The management of the business of the Company belongs to a Board of Directors composed of three (3) members, two (2) of Group A and one (1) of Group B, appointed by the General Assembly, who are not required to be shareholders of the Company, and the following directors are hereby appointed, with immediate effects, for Group A: [Name and personal details] and [Name and personal details]; and for Group B: [Name and personal details], such directors being exempted from making a deposited, and being hereby appointed for an unlimited period of time.

### **Paragraph 1**

The Company shall be validly bound and represented, in court and out of court, by the signature of one Group A director in the relevant acts, contracts or any other documents.

### **Paragraph 2**

The Company may appoint attorneys, under the terms of article 235 of the Commercial Code, and the directors are hereby authorized to delegate their powers, in whole or in part, and to be freely represented in the performance of their functions, under article 384 of the Commercial Code.

## **Article 6**

Notwithstanding the right of the General Assembly to decide on the following subjects, the Board of Directors shall have the broadest powers permitted by the law, to manage the business of the company, and shall be specifically empowered :

(a) To alienate by selling, exchanging or, in any other manner, any immovable or movable assets, values and rights, including obligations and any existing companies, as well as granting mortgages or any other guarantees and encumbrances over such assets;

- (b) To acquire, in any way, immovable or movable assets, values and rights, including obligations and stakes in existing companies or companies to be incorporated;
- (c) To lease and to rent any buildings or any parts of the same;
- (d) To open, operate and close bank accounts, deposit and draw money, issue, underwrite, accept and endorse “letras”, “livranças”, cheques and any other credit instruments; and
- (e) To contract or grant loans or to grant or obtain any other forms of financing and to perform any other credit operations, with or without the granting of real or personal guarantees of any kind or nature and to cancel or otherwise terminate the aforementioned guarantees
- (f) To appoint attorneys for the company; and
- (g) To legalize the books of the company.

#### **Article 7**

The Company shall have a Secretary, who shall perform all functions set forth in the relevant legal provisions as well as such functions as may be assigned to the Secretary by the General Assembly or the Board of Directors of the company.

#### **Article 8**

The Directors may pass resolutions without a meeting of the Board of Directors, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.

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**Paragraph 1**

The resolutions passed in accordance with Article 8 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.

**Paragraph 2**

The Board of Directors can also pass resolutions in writing, in accordance with the following paragraphs.

**Paragraph 3**

For purposes of Paragraph 2 above, the Secretary shall send to all directors, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.

**Paragraph 4**

The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.

**Paragraph 5**

The resolution shall be considered taken on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the directors does not reply.

**Paragraph 6**

A resolution by written votes may not be taken whenever any of the directors is incapable of voting.

**Paragraph 7**

Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.

## **Article 9**

The General Assembly shall be convened, except as otherwise stated in the law, by letter sent to the shareholders by registered post, containing the summons notice, at least 7 days prior to the date of the scheduled meeting.

### **Paragraph 1**

The absence of the prior notice referred to in number 1 above may be overcome by the signing of the summons letter by all shareholders.

### **Paragraph 2**

The shareholders may be freely represented by any person in the General Assembly.

### **Paragraph 3**

In order to assure the validity of the representation set forth in the preceding paragraph, a letter signed by the relevant shareholder and addressed at the chairman of the General Assembly shall suffice.

## **Article 10**

Notwithstanding their right to appoint other people for such purpose, the shareholders CYBER NEIGHBOUR LIMITED and CYBER ONE AGENTS LIMITED shall be represented for all purposes, including but not limited to the general assemblies of shareholders, by one of the following representatives [Name, marital status, nationality and domicile].

## **Article 11**

The shareholders may pass resolutions without a meeting of the General Assembly, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.

### **Paragraph 1**

The resolutions passed in accordance with Article 10 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.



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**Paragraph 2**

The shareholders can also pass resolutions in writing, in accordance with the following paragraphs and numbers 4 ss of article 217 of the Commercial Code.

**Paragraph 3**

For purposes of paragraph 2 above, the chairman or someone who shall substitute him or her, shall send to all shareholders, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.

**Paragraph 4**

The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.

**Paragraph 5**

The resolution shall be considered adopted on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the shareholders does not reply.

**Paragraph 6**

A resolution by written votes may not be taken whenever any of the shareholders is incapable of voting.

**Paragraph 7**

Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.



**1. COMPLETE AND UPDATED VERSION OF THE ARTICLES OF ASSOCIATION TEXTO COMPLETO, NA SUA REDACÇÃO ACTUALIZADA, DOS ESTATUTOS DA SOCIEDADE COMERCIAL MSC DESENVOLVIMENTOS, LIMITADA**

**ARTIGO PRIMEIRO**

A sociedade adopta a denominação em português “**MSC Desenvolvidimentos, Limitada**”, em chinês “[—]”, e em inglês “**MSC Developments Limited**”, e tem a sua sede na Av. Dr. Mário Soares, n.º 25, Edifício Montepio, 1.º andar, sala 13.

**ARTIGO SEGUNDO**

O seu objecto consiste i) na televisão por satélite, gestão de participações sociais próprias em sociedades com o mesmo objecto, assim como negócios de média similares, nomeadamente internet e imprensa escrita; ii) no aproveitamento, construção e operação de infra-estruturas dedicadas ao comércio, centros de reuniões e conferências, entretenimento, estúdios de produção, salas de concertos, cinemas e outras infra-estruturas afins em Macau; e iii) toda e qualquer actividade industrial ou comercial ou de prestação de serviços em qualquer área, desde que permitida em Macau.

### **ARTIGO TERCEIRO**

O capital social, integralmente subscrito e realizado em dinheiro, é de MOP6.000.000,00 (seis milhões de patacas), o qual corresponde à soma de duas quotas assim discriminadas:

- a) Uma quota no valor nominal de MOP5.760.000,00 (cinco milhões, setecentos e sessenta mil patacas), pertencente à sociedade “**Cyber Neighbour Limited**”; e
- b) Uma quota no valor nominal de MOP240.000,00 (duzentas e quarenta mil patacas), pertencente à sociedade “**Cyber One Agents Limited**”.

### **ARTIGO QUARTO**

Na transmissão de quotas a favor de estranhos terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.

### **PARÁGRAFO PRIMEIRO**

Na venda ou adjudicação judicial terão direito de preferência em primeiro lugar os sócios e, depois, a sociedade.

### **PARÁGRAFO SEGUNDO**

É livre a divisão de quotas e a sua transmissão entre os sócios.

### **ARTIGO QUINTO**

A gestão dos negócios da sociedade e a sua representação pertence a um Conselho de Administração, que será composto por 3 (três) membros, sendo dois do Grupo A e um do Grupo B, nomeados em Assembleia Geral, os quais poderão ser ou não sócios da sociedade, sendo desde já nomeados administradores os não sócios [Nome e dados pessoais] e [Nome e dados pessoais], ambos do Grupo A e [Nome e dados pessoais], do Grupo B, os quais exercerão os respectivos cargos com dispensa de caução e por tempo indeterminado.

## **PARÁGRAFO PRIMEIRO**

Para que a sociedade se considere obrigada e validamente representada, em juízo e fora dele, é necessário que os respectivos actos, contratos ou quaisquer outros documentos se mostrem assinados por um administrador do Grupo A.

## **PARÁGRAFO SEGUNDO**

A sociedade pode constituir mandatários, nos termos do artigo duzentos e trinta e cinco do Código Comercial, sendo ainda conferida aos administradores a faculdade de delegar total ou parcialmente os seus poderes, e de se fazer livremente representar no exercício das suas funções, nos termos do artigo trezentos e oitenta e quatro do referido Código.

## **ARTIGO SEXTO**

Sem prejuízo de a Assembleia Geral poder também determinar sobre as seguintes matérias, o Conselho de Administração terá os mais amplos poderes permitidos por Lei para administrar os negócios da sociedade, competindo-lhe, designadamente:

a) Alienar por venda, troca ou a outro título oneroso, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais, e bem assim, constituir hipotecas ou quaisquer garantias ou ónus sobre os mesmos bens;

b) Adquirir, por qualquer modo, bens móveis ou imóveis, valores e direitos, incluindo obrigações e quaisquer participações sociais em sociedades preexistentes ou a constituir;

c) Tomar ou dar de arrendamento quaisquer prédios ou parte dos mesmos;

d) Abrir, movimentar e encerrar contas bancárias, depositar e levantar dinheiro, emitir, subscrever, aceitar e endossar letras, livranças, cheques e quaisquer outros títulos de crédito;

e) Conceder ou contrair empréstimos, conceder ou obter quaisquer outras modalidades de financiamento e realizar todas e quaisquer outras operações de crédito, com ou sem a prestação de garantias reais ou pessoais de qualquer tipo ou natureza, e distratar ou por qualquer outro modo extinguir ou cancelar as referidas garantias;

f) Constituir mandatários da sociedade; e

g) Realizar a legalização dos livros da sociedade

#### **ARTIGO SÉTIMO**

A sociedade disporá de um secretário a quem compete desempenhar as funções previstas na lei e bem assim as que lhe forem atribuídas pela Assembleia Geral ou pelo Conselho de Administração da sociedade.

#### **ARTIGO OITAVO**

Os Administradores podem deliberar sem recurso a reunião do Conselho de Administração desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.

#### **PARÁGRAFO PRIMEIRO**

As deliberações votadas nos termos do número anterior ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

#### **PARÁGRAFO SEGUNDO**

As deliberações do Conselho de Administração podem ainda ser tomadas por voto escrito nos termos dos números seguintes.

#### **PARÁGRAFO TERCEIRO**

Para efeitos do número anterior, o Secretário envia a todos os Administradores carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

#### **PARÁGRAFO QUARTO**

O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

#### **PARÁGRAFO QUINTO**

A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum sócio não responda.

#### **PARÁGRAFO SEXTO**

Não pode ser tomada a deliberação por voto escrito quando algum Administrador esteja impedido de votar.

#### **PARÁGRAFO SÉTIMO**

Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário deve dar conhecimento daquela, por carta registada, a todos os Administradores.

#### **ARTIGO NONO**

As Assembleias Gerais, quando a lei não prescrever outras formalidades, são convocadas por meio de carta registada, dirigida aos sócios, que contenha o aviso convocatório e expedida com a antecedência mínima de sete dias relativamente à data marcada para a reunião.

#### **PARÁGRAFO PRIMEIRO**

A falta de antecedência prevista no número anterior poderá ser suprida pela aposição da assinatura de todos os sócios no aviso de convocação.

#### **PARÁGRAFO SEGUNDO**

Os sócios poderão fazer-se livremente representar nas Assembleias Gerais por qualquer pessoa.

#### **PARÁGRAFO TERCEIRO**

Para assegurar validamente a representação prevista no parágrafo anterior bastará uma carta assinada pelo sócio e dirigida ao presidente da mesa.



## **ARTIGO DÉCIMO**

Sem prejuízo da faculdade de poder sempre designar outras pessoas para o efeito, as sócias Cyber Neighbour Limited e Cyber One Agents Limited serão representadas para todos os efeitos, nomeadamente nas assembleias gerais de sócios, por um dos seguintes representantes: [Nome, estado civil, nacionalidade e domicílio].

## **ARTIGO DÉCIMO PRIMEIRO**

Os sócios podem deliberar sem recurso a Assembleia Geral desde que todos declarem por escrito o sentido do seu voto, em documento que inclua a proposta de deliberação, devidamente datado, assinado e endereçado à sociedade.

### **PARÁGRAFO PRIMEIRO**

As deliberações votadas nos termos do número anterior ter-se-ão por aprovadas no dia em que a última das comunicações ali referidas seja recebida na sede da sociedade.

### **PARÁGRAFO SEGUNDO**

As deliberações dos sócios podem ainda ser tomadas por voto escrito nos termos dos números seguintes e nos termos dos n.ºs 4 e seguintes do artigo 217.º do Código Comercial.

### **PARÁGRAFO TERCEIRO**

Para efeitos do parágrafo anterior, o presidente da mesa ou quem o substitua envia a todos os sócios carta registada contendo a proposta concreta de deliberação, acompanhada dos elementos necessários para a esclarecer, fixando para o exercício do voto um prazo não inferior a sete dias.

### **PARÁGRAFO QUARTO**

O voto escrito deve identificar a proposta e conter a aprovação ou não aprovação desta, considerando-se que qualquer modificação da proposta ou condicionamento do voto implica a não aprovação da proposta.

### **PARÁGRAFO QUINTO**

A deliberação considera-se tomada no dia em que for recebida a última resposta ou no fim do prazo marcado, caso algum Sócio não responda.

### **PARÁGRAFO SEXTO**

Não pode ser tomada a deliberação por voto escrito quando algum sócio esteja impedido de votar.

### **PARÁGRAFO SÉTIMO**

Uma vez tomada a deliberação nos termos dos números anteriores, o Secretário da sociedade deve dar conhecimento daquela, por carta registada, a todos os sócios.

Para os efeitos previstos nos artigos 39.º e 58.º do Código do Registo Comercial, certifica-se que o texto acima transcrito é o texto completo dos estatutos da sociedade “MSC DESENVOLVIMENTOS, LIMITADA”, na sua redacção actualizada e entra em vigor em [—].

Macau, aos [—]

O Representante

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[Nome]

**COMPLETE AND UPDATED VERSION OF THE ARTICLES OF ASSOCIATION OF  
MSC DEVELOPMENTS LIMITED**

**Article 1**

The company adopts the name “MSC Desenvolimentos, Limitada”, in Portuguese, “[—]” in Chinese and “MSC Developments Limited”<sup>15</sup> in English and shall have its head office in Macau, at Avenida Dr. Mário Soares, no. 25, Edifício Montepio, 1<sup>st</sup> floor, room 13.

**Article 2**

The object of the company is (i) satellite television, management of corporate securities in companies performing the same activities, as well as other similar media related business, such as internet and written press; (ii) development, construction and operation of facilities for retail, meeting centers, conference centers, entertainment, production studios, concert halls, cinemas and similar facilities in Macau; (iii) any other industrial or commercial activities or the provision of services of any kind, permitted in Macau.

### **Article 3**

<sup>15</sup> Subject to availability of the name in Macau.

The share capital, wholly subscribed and paid up in cash is six million patacas, which is allocated as follows:

- a) Cyber Neighbour Limited, a share in the amount of five million, seven hundred and sixty thousand patacas;
- b) Cyber One Agents Limited, a share in the amount of two hundred forty thousand patacas.

### **Article 4**

The shareholders shall have a first preemptive right with regard to the transfer of shares to third parties, whilst the Company shall have a second preemptive right therein.

#### **Paragraph 1**

The shareholders shall have a first preemptive right in the judicial sale or allocation of shares of the company, whilst the Company shall have a second preemptive right therein.

#### **Paragraph 2**

The division of shares and the transfer thereof between the shareholders is free.

## **Article 5**

The management of the business of the Company belongs to a Board of Directors composed of three (3) members, two (2) of Group A and one (1) of Group B, appointed by the General Assembly, who are not required to be shareholders of the Company, and the following directors are hereby appointed, with immediate effects, for Group A: [Name and personal details] and [Name and personal details]; and for Group B: [Name and personal details], such directors being exempted from making a deposited, and being hereby appointed for an unlimited period of time.

### **Paragraph 1**

The Company shall be validly bound and represented, in court and out of court, by the signature of one Group A director in the relevant acts, contracts or any other documents.

### **Paragraph 2**

The Company may appoint attorneys, under the terms of article 235 of the Commercial Code, and the directors are hereby authorized to delegate their powers, in whole or in part, and to be freely represented in the performance of their functions, under article 384 of the Commercial Code.

## **Article 6**

Notwithstanding the right of the General Assembly to decide on the following subjects, the Board of Directors shall have the broadest powers permitted by the law, to manage the business of the company, and shall be specifically empowered :

(a) To alienate by selling, exchanging or, in any other manner, any immovable or movable assets, values and rights, including obligations and any existing companies, as well as granting mortgages or any other guarantees and encumbrances over such assets;

(b) To acquire, in any way, immovable or movable assets, values and rights, including obligations and stakes in existing companies or companies to be incorporated;

(c) To lease and to rent any buildings or any parts of the same;

(d) To open, operate and close bank accounts, deposit and draw money, issue, underwrite, accept and endorse “letras”, “livranças”, cheques and any other credit instruments; and (e) To contract or grant loans or to grant or obtain any other forms of financing and to perform any other credit operations, with or without the granting of real or personal guarantees of any kind or nature and to cancel or otherwise terminate the aforementioned guarantees

(f) To appoint attorneys for the company; and

(g) To legalize the books of the company.

#### **Article 7**

The Company shall have a Secretary, who shall perform all functions set forth in the relevant legal provisions as well as such functions as may be assigned to the Secretary by the General Assembly or the Board of Directors of the company.

#### **Article 8**

The Directors may pass resolutions without a meeting of the Board of Directors, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.

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**Paragraph 1**

The resolutions passed in accordance with Article 8 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.

**Paragraph 2**

The Board of Directors can also pass resolutions in writing, in accordance with the following paragraphs.

**Paragraph 3**

For purposes of Paragraph 2 above, the Secretary shall send to all directors, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.

**Paragraph 4**

The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.

**Paragraph 5**

The resolution shall be considered taken on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the directors does not reply.



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**Paragraph 6**

A resolution by written votes may not be taken whenever any of the directors is incapable of voting.

**Paragraph 7**

Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.

**Article 9**

The General Assembly shall be convened, except as otherwise stated in the law, by letter sent to the shareholders by registered post, containing the summons notice, at least 7 days prior to the date of the scheduled meeting.

**Paragraph 1**

The absence of the prior notice referred to in number 1 above may be overcome by the signing of the summons letter by all shareholders.

**Paragraph 2**

The shareholders may be freely represented by any person in the General Assembly.

**Paragraph 3**

In order to assure the validity of the representation set forth in the preceding paragraph, a letter signed by the relevant shareholder and addressed at the chairman of the General Assembly shall suffice.

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#### **Article 10**

Notwithstanding their right to appoint other people for such purpose, the shareholders CYBER NEIGHBOUR LIMITED and CYBER ONE AGENTS LIMITED shall be represented for all purposes, including but not limited to the general assemblies of shareholders, by one of the following representatives [Name, marital status, nationality and domicile].

#### **Article 11**

The shareholders may pass resolutions without a meeting of the General Assembly, provided that all of them declare in writing their respective vote, in a document which contains the proposed resolution, duly dated, signed and addressed to the Company.

#### **Paragraph 1**

The resolutions passed in accordance with Article 10 above shall be deemed approved in the date when the last vote, as therein described, is received in the Company's head office.

#### **Paragraph 2**

The shareholders can also pass resolutions in writing, in accordance with the following paragraphs and numbers 4 ss of article 217 of the Commercial Code.

#### **Paragraph 3**

For purposes of paragraph 2 above, the chairman or someone who shall substitute him or her, shall send to all shareholders, by registered post, a specific proposal, together with all elements necessary to clarify such proposal, setting a deadline for the exercise of the voting right of no less than 7 days.

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**Paragraph 4**

The written vote must identify the proposal and contain the approval or non-approval thereof and any change to such proposal shall be deemed as its non-approval.

**Paragraph 5**

The resolution shall be considered adopted on the date in which the last reply is received or upon the elapse of the established deadline, in case any of the shareholders does not reply.

**Paragraph 6**

A resolution by written votes may not be taken whenever any of the shareholders is incapable of voting.

**Paragraph 7**

Upon passing a resolution under the above described terms, the Secretary must give notice thereof, by registered post, to all directors.

**For the purposes of articles 39 and 58 of the Commercial Registry Code, it is hereby certified that the above written text is the complete and updated version of the articles of association of MSC DEVELOPMENTS LIMITED, and shall be effective as of [•].**

Macau, [date]

The Representative

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[name]

## 2. PROPCO'S MINUTES

### ACTA

No dia [—] do mês de [—] dois mil e onze, pelas dez horas, reuniu na sua sede social, sita em Macau, na Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, a assembleia geral da sociedade comercial denominada “EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA” (a “Sociedade”), em assembleia geral extraordinária devidamente convocada.

Presentes as sócias “CYBER NEIGHBOUR LIMITED” e “CYBER ONE AGENTS LIMITED”, ambas ora representadas por [nome, estado civil, nacionalidade, domicílio], conforme cartas mandadeiras recebidas e arquivadas na sociedade.

Verificando-se estarem presentes sócias que representam a totalidade do capital social, e a conseqüente existência de quórum, assumiu a presidência [—], em representação da sócia “CYBER NEIGHBOUR LIMITED”, que também secretariou.

#### Ordem do dia:

(1) Alteração total do pacto social, em todos os seus artigos, designadamente com a possibilidade de eliminação de artigos e aditamento de novos artigos e especificamente com a modificação da firma, da sede, da composição da Administração, da forma de obrigar e das regras aplicáveis à cessão de quotas;

(2) Destituição de todos os administradores da Sociedade – Lam Kin Ngok Peter; Lam Hau Yin, Lester; Cheung Wing Sum, Ambrose; Parag Mahesh Vora; Gary Evan Moross; David Friedman; Skardon Francis Baker; Cheung Shin How; Wong Heang Fine; e Robert Barry Goldberg;

(3) Eleição de [nome] e [nome] como administradores que integrarão o Grupo A do Conselho de Administração e [nome] como administrador que integrará o Grupo B do Conselho de Administração; e

(4) Designação de [nome] como representante da Sociedade na outorga de toda e qualquer documentação necessária ou conveniente, pública ou particular, para a validade e eficácia dos actos jurídicos referidos na alínea (1).

Aberta a sessão e apreciados e discutidos os assuntos da ordem do dia, foi deliberado por unanimidade o seguinte:

1) Alterar totalmente o pacto social, em todos os seus artigos, designadamente com possibilidade de eliminação de artigos e aditamento de novos artigos, por forma a reflectir nomeadamente, mas não só: (i) a alteração da firma da Sociedade para “**MSC Desenvolvimentos, Limitada**”, em chinês “[—]”, e em inglês “**MSC Developments Limited**”; (ii) a alteração da sede da Sociedade para Av. Dr. Mário Soares, n.º 25, Edifício Montepio, 1.º andar, sala 13; (iii) a modificação da composição da Administração, que passará a estar a cargo de um Conselho de Administração, composto por dois Grupos – Grupo A, com dois Administradores, e Grupo B, com um Administrador; (iv) a alteração da forma de obrigar da Sociedade, que passará a estar validamente representada, em juízo e fora dele quando os respectivos actos, contratos ou quaisquer outros documentos se mostrem assinados por um administrador do Grupo A; e (v) alteração das regras aplicáveis à cessão de quotas, passando a existir direito de preferência apenas da sociedade, excepto quando se trate de venda ou adjudicação judicial, caso em que tem direito de preferência primeiro os sócios e depois a sociedade, sendo livre a transmissão e/ou divisão de quotas pelos sócios;

2) Destituir com efeitos a partir da presente data, os administradores da sociedade Lam Kin Ngok Peter; Lam Hau Yin, Lester; Cheung Wing Sum, Ambrose; Parag Mahesh Vora; Gary Evan Moross; David Friedman; Skardon Francis Baker; Cheung Shin How; Wong Heang Fine; e Robert Barry Goldberg, dos respectivos cargos;

3) Eleger, com efeitos a partir da presente data, [nome, estado civil, nacionalidade, domicílio] e [nome, estado civil, nacionalidade, domicílio] como administradores do Grupo A do Conselho de Administração e [nome, estado civil, nacionalidade, domicílio] como administrador do Grupo B do Conselho de Administração;

4) Designar, como auxiliar da Sociedade, nos termos do n.º 3 do artigo 235.º do Código Comercial de Macau, [nome, estado civil, nacionalidade, domicílio], para em nome e representação da Sociedade praticar com plena liberdade, todos os actos jurídicos necessários e convenientes à plena validade e eficácia do acto jurídico de alteração total de pacto social acima deliberado, designadamente a celebração do respectivo acto de alteração do pacto social, alteração que poderá incidir sobre todos e quaisquer artigos do pacto social, eliminando e aditando artigos nos termos e com a redacção que livremente entender, bem como subscrever e assinar quaisquer outros documentos públicos ou privados considerados necessários ou convenientes à plena validade e eficácia das deliberações supra mencionadas, para o que lhe são conferidos plenos poderes.

E não havendo outros assuntos a tratar, foi encerrada a sessão.

MINUTES

On the [—] day of [—] of two thousand and eleven, at 10:00 a.m., in its registered office in Macau, at Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, the meeting of the general assembly of EAST ASIA SATELLITE TELEVISION LIMITED (the “Company”) took place, upon being dully convened.

The shareholders “CYBER NEIGHBOUR LIMITED” and “CYBER ONE AGENTS LIMITED” were present, being both represented by [name, marital status, nationality and domicile], according to the mandate letters received and archived in the Company’s registered office.

Being present the shareholders which represent 100% of the Company’s share capital, and consequently existing quorum, [name] chaired, in representation of the shareholder “CYBER NEIGHBOUR LIMITED”, and also acted as secretary.

Agenda:

(1) Full amendment of the articles of association, in all the respective articles, namely by deleting articles and inserting new ones, including but not limited to the change of name, head office, structure of the Administration, form of representation and rules applicable to share transfers;

(2) Removal from office of all directors of the Company – Lam Kin Ngok Peter; Lam Hau Yin, Lester; Cheung Wing Sum, Ambrose; Parag Mahesh Vora; Gary Evan Moross; David Friedman; Skardon Francis Baker; Cheung Shin How; Wong Heang Fine; and Robert Barry Goldberg;



(3) Appointment of [name] and [name] as directors, who shall be part of Group A of the Board of Directors and [name], as director, who shall be part of Group B of the Board of Directors; and

(4) Appointment of [name] as representative of the Company in the execution of any documents necessary or convenient, public or private, for the validity and effectiveness of the actions referred to in item (1) above.

The meeting was initiated and the agenda was considered and discussed, upon which it as unanimously resolved:

1) To fully amend the articles of association, in all the respective articles, namely by deleting articles and inserting new ones, including but not limited to: (i) amendment of the name of the Company, which shall be “ MSC **Desenvolvimentos, Limitada**” in Portuguese, “[—]” in Chinese, and “**MSC Developments Limited**”<sup>16</sup> in English; (ii) moving the registered office of the Company to Av. Dr. Mário Soares, n.º 25, Edifício Montepio, 1.º andar, sala 13; (iii) modification of the structure of the Administration, by creating a Board of Directors, composed of two Groups – Group A, with two directors and Group B with one director; (iv) amendment of the form of representation of the Company, which shall be validly bound and represented, in court and out of court, by the signature of one Group A director in the relevant acts, contracts or any other documents; and (v) amendment of the rules applicable to share transfers, which shall be subject to a pre-emptive right of the Company only, except as regards to judicial sale or adjudication, in which case the shareholders shall have a first pre-emptive right, followed by the Company, and the transfer or division of shares by the shareholders being free;

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<sup>16</sup> Subject to availability of the name in Macau

2) To remove from office, with effects as of the present date, the directors of the Company: Lam Kin Ngok Peter; Lam Hau Yin, Lester; Cheung Wing Sum, Ambrose; Parag Mahesh Vora; Gary Evan Moross; David Friedman; Skardon Francis Baker; Cheung Shin How; Wong Heang Fine; and Robert Barry Goldberg;

3) To appoint, with effects as of the present date, [name, marital status, nationality and domicile] and [name, marital status, nationality and domicile] as directors of Group A of the Board of Directors and [name, marital status, nationality and domicile] as director of Group B of the Board of Directors;

4) To appoint as auxiliary of the Company, under article 235.3 of the Macau Commercial Code [name, marital status, nationality and domicile] to, for and on behalf of the Company, perform with full freedom all legal actions required or convenient for the full validity and effectiveness of the above resolved amendment of the articles of association, including but not limited to the execution of the relevant amendment of articles of association act, which may include the amendment, deletion or insertion of any articles as he/she may freely decide, as well as to sign and execute any public or private documents considered necessary or convenient to the full validity and effectiveness of the above mentioned resolutions, and he/she is hereby granted with full powers for such purposes.

In the absence of further issues to discuss, the meeting was, hence, closed.

### 3. PROPCO'S SHAREHOLDERS MANDATE LETTERS

Exmo.º Senhor  
Presidente da Mesa da Assembleia Geral  
“EAST ASIA – TELEVISÃO POR SATLITE, LIMITADA”  
Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C  
Região Administrativa Especial de Macau

To  
Chairman of the General Meeting  
“EAST ASIA SATELLITE TELEVISION LIMITED” (the “Company”)  
Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C  
Macau Special Administrative Region

CYBER NEIGHBOUR LIMITED, sociedade com sede em P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, ora representada pelo seu [qualidade], [nome, estado civil, nacionalidade, domicílio], designa, na qualidade de sócia da EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA, com sede em Macau, na Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o número 14311, com o capital social de SEIS MILHÕES DE PATACAS, [nome, estado civil, nacionalidade, domicílio], como seus representantes legais, para conjunta ou separadamente, a representarem em todas as Assembleias Gerais, podendo, nessa qualidade, discutir e votar livremente sobre os assuntos constantes das respectivas ordens do dia.

CYBER NEIGHBOUR LIMITED, a company with is registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, hereby represented by its [capacity of representative], [name, marital status, nationality and domicile], being a shareholder of EAST ASIA SATELLITE TELEVISION LIMITED, with registered office at Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, in Macau, registered with the Macau Commercial and Movable Assets Registry under no. 14311, with a share capital of SIX MILLION PATACAS, hereby appoints [name, marital status, nationality and domicile] to act jointly or separately as legal representative of the Company at all General Meetings of the Company, with powers to freely discuss, vote and approve all the resolutions in the items of the agenda of the meetings.

Mais comunica que expressamente consente e autoriza o(s) supra designado(s) representante(s) também representar(em) outros sócios da Sociedade nas supra aludidas Assembleias Gerais da Sociedade.

The Company hereby acknowledges and authorizes that the above mentioned authorized representatives can also represent other shareholders in the mentioned shareholders' meetings.

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[name / title]

Exmo.º Senhor  
Presidente da Mesa da Assembleia Geral  
“EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA”  
Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C  
Região Administrativa Especial de Macau

To  
Chairman of the General Meeting  
“EAST ASIA SATELLITE TELEVISION LIMITED” (the “Company”)  
Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C  
Macau Special Administrative Region

CYBER ONE AGENTS LIMITED, sociedade com sede em P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, ora representada pelo seu [qualidade], [nome, estado civil, nacionalidade, domicílio], designa, na qualidade de sócia da EAST ASIA – TELEVISÃO POR SATÉLITE, LIMITADA, com sede em Macau, na Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o número 14311, com o capital social de SEIS MILHÕES DE PATACAS, [nome, estado civil, nacionalidade, domicílio], como seus representantes legais, para conjunta ou separadamente, a representarem em todas as Assembleias Gerais, podendo, nessa qualidade, discutir e votar livremente sobre os assuntos constantes das respectivas ordens do dia.

CYBER ONE AGENTS LIMITED, a company with its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, hereby represented by its [capacity of representative], [name, marital status, nationality and domicile], being a shareholder of EAST ASIA SATELLITE TELEVISION LIMITED, with registered office at Avenida Dr. Mário Soares, n.º 323, Edifício Banco da China, 32.º andar C, in Macau, registered with the Macau Commercial and Movable Assets Registry under no. 14311, with a share capital of SIX MILLION PATACAS, hereby appoints [name, marital status, nationality and domicile] to act jointly or separately as legal representative of the Company at all General Meetings of the Company, with powers to freely discuss, vote and approve all the resolutions in the items of the agenda of the meetings.

Mais comunica que expressamente consente e autoriza o(s) supra designado(s) representante(s) também representar(em) outros sócios da Sociedade nas supra aludidas Assembleias Gerais da Sociedade.

The Company hereby acknowledges and authorizes that the above mentioned authorized representatives can also represent other shareholders in the mentioned shareholders' meetings.

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[name / title]

4.DIRECTORS' DECLARATION OF ACCEPTANCE

**DECLARAÇÃO**

Eu, [nome, estado civil, nacionalidade, domicílio], por este meio declaro, nos termos e para os efeitos do Artigo 35.º do Código do Registo Comercial de Macau, que aceito exercer o cargo de Administrador da “**MSC DESENVOLVIMENTOS, LIMITADA**”.

Em [data]

[Assinatura]

[Nome]

**DECLARATION**

I, [name, marital status, nationality, domicile], hereby declare, pursuant to section 35, no. 1 c) of the Commercial Registry Code of Macau, that I accept my appointment as a Director of the Company “**MSC DEVELOPMENTS LIMITED**”.

[date]

[signature]

[name]

Form of Completion Items

- (a) New Cotai Entertainment board resolutions

***TO ALL TO WHOM THESE PRESENTS SHALL COME***

I, *[name of Notary]*, of *[address of Notary's office]*, notary public duly admitted, authorized and sworn, practicing in the State of Delaware, United States of America, DO HEREBY CERTIFY in accordance with documents which I have reviewed that NEW COTAI ENTERTAINMENT LLC (the "said company") is a company incorporated on *[date of incorporation]* in the State of Delaware, United States of America; that *[name of director]* is/are Director(s) of the said Company; and that the resolutions passed in the Board Meeting as per minutes hereto attached duly comply with the Articles of Association of the said Company and the laws of the State of Delaware.

IN TESTIMONY whereof I hereunto  
Subscribed my name and affixed my Seal of  
Office this *[date]*

*[signature]*

---

*[name of Notary]*  
Notary Public



WRITTEN RESOLUTION OF THE DIRECTORS OF THE COMPANY PASSED ON  
[insert date] 2011 IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION  
OF THE COMPANY

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1. **AMENDMENT OF ARTICLES OF ASSOCIATION**

THE COMPANY shall approve the amendment of the Articles of Association of **NEW COTAI ENTERTAINMENT (MACAU) LIMITED ("NEW COTAI MACAU")** pursuant to the terms to be freely decided by the Company's representatives, appointed in paragraph 2 below, and agreed with the other shareholder of NEW COTAI MACAU.

2. **AUTHORIZED REPRESENTATIVES**

IT IS RESOLVED that [—] be appointed, jointly or separately, to act as the Company's representatives in respect of the matters referred to in paragraph 1 above, and to perform in the Macau SAR any duties in connection therewith, representing the Company as shareholder of NEW COTAI MACAU at any shareholders' meetings, and signing on behalf of the Company any documents, including but not limited to any shareholders' resolutions of NEW COTAI MACAU.

**3. BUSINESS WITH HIMSELF**

IT WAS UNANIMOUSLY RESOLVED that the Company acknowledges and authorizes that the abovementioned authorized representatives can also represent other persons, corporations or entities in any shareholders' meetings, namely represent NEW COTAI MACAU or any other shareholder of NEW COTAI MACAU in any proceedings, which include signing any documents necessary or convenient for the validity and effectiveness of the above mentioned resolutions. The Company hereby gives its consent to such circumstance.

**4. GENERAL AUTHORISATION**

IT IS RESOLVED that, in connection with the actions contemplated by the foregoing resolutions, each of the authorized representatives be, and such other persons as are authorized by any of them be, and each hereby is, authorized, in the name and on behalf of the Company, to do such further acts and things as any authorized representative or such duly authorized other person shall deem necessary or appropriate in connection with, or to carry out the actions contemplated by, the foregoing resolutions, including to do and perform (or procure to be done and performed), in the name and on behalf of the Company, all such acts and to make, execute, deliver, issue or file (or procure to be made, executed, delivered or filed) with any person including any governmental authority or agency, all such agreements, documents, instruments, certificates, consents and waivers, and all amendments to any such agreements, documents, instruments or certificates, and to pay, or procure to be paid, all such payments, as any of them may deem necessary or advisable to carry out the intent of the foregoing resolutions, the authority for the taking of any such action and the execution and delivery of such of the foregoing to be conclusively evidenced thereby.

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[Name]  
Director

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[Name]  
Director

**(b) New Cotai Holdings board resolutions**

***TO ALL TO WHOM THESE PRESENTS SHALL COME***

I, *[name of Notary]*, of *[address of Notary's office]*, notary public duly admitted, authorized and sworn, practicing in the State of Delaware, United States of America, DO HEREBY CERTIFY in accordance with documents which I have reviewed that NEW COTAI HOLDINGS LLC (the "said company") is a company incorporated on *[date of incorporation]* in the State of Delaware, United States of America; that *[name of director]* is/are Director(s) of the said Company; and that the resolutions passed in the Board Meeting as per minutes hereto attached duly comply with the Articles of Association of the said Company and the laws of the State of Delaware.

IN TESTIMONY whereof I hereunto  
Subscribed my name and affixed my Seal of  
Office this *[date]*

*[signature]*

---

*[name of Notary]*

Notary Public

**WRITTEN RESOLUTION OF THE DIRECTORS OF THE COMPANY PASSED ON  
[insert date] 2011 IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION  
OF THE COMPANY**

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**1. TRANSFER OF SHARES**

IT IS UNANIMOUSLY RESOLVED that the Company transfers to **[BVI CO]**, a company incorporated in the British Virgin Islands, with head office at [—], one share (quota) with the nominal value of MOP1,000.00, in **NEW COTAI ENTERTAINMENT (MACAU) LIMITED** (“**NEW COTAI MACAU**”), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under no. 27610, for a consideration of MOP1,000.00.

**2. AUTHORIZED REPRESENTATIVES**

IT IS RESOLVED that [—] be appointed, jointly or separately, to act as the Company’s representatives in respect of the matters referred to in paragraph 1 above, and to perform in the Macau SAR any duties in connection therewith, representing the Company as shareholder of NEW COTAI MACAU at any shareholders’ meetings, and signing on behalf of the Company any documents, including but not limited to any shareholders’ resolutions of NEW COTAI MACAU.

**3. BUSINESS WITH HIMSELF**

IT WAS UNANIMOUSLY RESOLVED that the Company acknowledges and authorizes that the abovementioned authorized representatives can also represent other persons, corporations or entities in the transfer of shares, namely represent NEW COTAI MACAU or any other shareholders of NEW COTAI MACAU in any transfer proceedings, which include signing, on behalf of NEW COTAI MACAU, any documents necessary or convenient for the validity and effectiveness of the said transfer. The Company hereby gives its consent to such circumstance.

**4. GENERAL AUTHORISATION**

IT IS RESOLVED that, in connection with the actions contemplated by the foregoing resolutions, each of the authorized representatives be, and such other persons as are authorized by any of them be, and each hereby is, authorized, in the name and on behalf of the Company, to do such further acts and things as any authorized representative or such duly authorized other person shall deem necessary or appropriate in connection with, or to carry out the actions contemplated by, the foregoing resolutions, including to do and perform (or procure to be done and performed), in the name and on behalf of the Company, all such acts and to make, execute, deliver, issue or file (or procure to be made, executed, delivered or filed) with any person including any governmental authority or agency, all such agreements, documents, instruments, certificates, consents and waivers, and all amendments to any such agreements, documents, instruments or certificates, and to pay, or procure to be paid, all such payments, as any of them may deem necessary or advisable to carry out the intent of the foregoing resolutions, the authority for the taking of any such action and the execution and delivery of such of the foregoing to be conclusively evidenced thereby.

---

[Name]  
Director

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[Name]  
Director

(c) BVI CO board resolutions

**TO ALL TO WHOM THESE PRESENTS SHALL COME**

I, *[name of Notary]*, of *[address of Notary's office]*, Road Town, Tortola, British Virgin Islands, notary public duly admitted, authorized and sworn, practicing at Road Town, Tortola, British Virgin Islands, DO HEREBY CERTIFY in accordance with documents which I have reviewed that [BVI CO] (the "said company") is a company incorporated on *[date of incorporation]* in the Territory of the British Virgin Islands (BVI); that *[name of director]* is/are Director(s) of the said Company; and that the resolutions passed in the Board Meeting as per minutes hereto attached duly comply with the Articles of Association of the said Company and the laws of the BVI.

IN TESTIMONY whereof I hereunto  
Subscribed my name and affixed my Seal of  
Office this *[date]*

*[signature]*

---

*[name of Notary]*

Notary Public



WRITTEN RESOLUTION OF THE DIRECTORS OF THE COMPANY PASSED ON  
[insert date] 2011 IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION  
OF THE COMPANY

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1. **ACQUISITION OF SHARES**

IT IS UNANIMOUSLY RESOLVED that the Company acquires one share (quota) with the nominal value of MOP1,000.00, in **NEW COTAI ENTERTAINMENT (MACAU) LIMITED** (“NEW COTAI MACAU”), a company incorporated under the laws of the Macau SAR, registered with the Macau Commercial Registry under no. 27610, from **NEW COTAI HOLDINGS LLC**, for a consideration of MOP1,000.00.

2. **AMENDMENT OF ARTICLES OF ASSOCIATION**

THE COMPANY shall approve the amendment of the Articles of Association of NEW COTAI MACAU pursuant to the terms to be freely decided by the Company’s representatives, appointed in paragraph 3 below, and agreed with the other shareholder of NEW COTAI MACAU.

3. **AUTHORIZED REPRESENTATIVES**

IT IS RESOLVED that [—] be appointed, jointly or separately, to act as the Company’s representatives in respect of the matters referred to in paragraph 1 and 2 above, and to perform in the Macau SAR any duties in connection therewith, representing the Company as shareholder of NEW COTAI MACAU at any shareholders’ meetings, and signing on behalf of the Company any documents, including but not limited to any shareholders’ resolutions of NEW COTAI MACAU.

**4. BUSINESS WITH HIMSELF**

IT WAS UNANIMOUSLY RESOLVED that the Company acknowledges and authorizes that the abovementioned authorized representatives can also represent other persons, corporations or entities in the transfer of shares, namely represent NEW COTAI MACAU or any shareholders of NEW COTAI MACAU in any transfer proceedings or shareholders meetings, which include signing, on behalf of NEW COTAI MACAU, any documents necessary or convenient for the validity and effectiveness of the said transfer and amendment of the articles of association of NEW COTAI MACAU. The Company hereby gives its consent to such circumstance.

**5. GENERAL AUTHORISATION**

IT IS RESOLVED that, in connection with the actions contemplated by the foregoing resolutions, each of the authorized representatives be, and such other persons as are authorized by any of them be, and each hereby is, authorized, in the name and on behalf of the Company, to do such further acts and things as any authorized representative or such duly authorized other person shall deem necessary or appropriate in connection with, or to carry out the actions contemplated by, the foregoing resolutions, including to do and perform (or procure to be done and performed), in the name and on behalf of the Company, all such acts and to make, execute, deliver, issue or file (or procure to be made, executed, delivered or filed) with any person including any governmental authority or agency, all such agreements, documents, instruments, certificates, consents and waivers, and all amendments to any such agreements, documents, instruments or certificates, and to pay, or procure to be paid, all such payments, as any of them may deem necessary or advisable to carry out the intent of the foregoing resolutions, the authority for the taking of any such action and the execution and delivery of such of the foregoing to be conclusively evidenced thereby.

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[Name]  
Director

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[Name]  
Director

**DECLARATION**

I, [name, nationality, marital status, identity document], by means of this declaration and for all legal purposes and as of [Effective Time] hereby resign of the position of director which I hold at the company named New Cotai Entertainment (Macau) Limited, a company incorporated under the laws of the Macau SAR, registered in the Macau Commercial Registry under number 27610, with registered head office in Macau at Avenida da Praia Grande, n.º 429.º, Edifício Centro Comercial da Praia Grande, 25.º andar (the “Company”).

Furthermore, I hereby declare that there are no amounts outstanding, and that the Company has no subsisting obligations whether, past, present or future towards me.

Macau, [date]

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[name]

## DECLARAÇÃO

Eu, [nome, nacionalidade, estado civil, documento de identificação], por meio desta declaração, venho, para todos os efeitos legais, com efeitos a partir de [Effective Time] renunciar ao cargo de administrador que detenho na sociedade New Cotai Diversões (Macau) Limitada, uma sociedade constituída ao abrigo das leis de Macau, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o n.º 27610, com sede em Macau na Avenida da Praia Grande, n.º 429.º, Edifício Centro Comercial da Praia Grande, 25.º andar (a “Sociedade”).

Declaro ainda que não se encontram em dívida quaisquer montantes por parte da Sociedade, não subsistindo qualquer obrigação passada, presente ou futura da mesma para comigo.

Macau, [data]

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[nome]

**DECLARATION**

I, [name, nationality, marital status, identity document], by means of this declaration and for all legal purposes and as of [Effective Time] hereby resign of the position of secretary which I hold at the company named New Cotai Entertainment (Macau) Limited, a company incorporated under the laws of the Macau SAR, registered in the Macau Commercial Registry under number 27610, with registered head office in Macau at Avenida da Praia Grande, n.º 429.º, Edifício Centro Comercial da Praia Grande, 25.º andar

Macau, [date]

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[name]

## DECLARAÇÃO

Eu, [nome, nacionalidade, estado civil, documento de identificação], por meio desta declaração, venho, para todos os efeitos legais, com efeitos a partir de [Effective Time] renunciar ao cargo de secretário que detenho na sociedade New Cotai Diversões (Macau) Limitada, uma sociedade constituída ao abrigo das leis de Macau, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o n.º 27610, com sede em Macau na Avenida da Praia Grande, n.º 429.º, Edifício Centro Comercial da Praia Grande, 25.º andar.

Macau, [data]

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[nome]

**DECLARATION**

I, [name, nationality, marital status, identity document], by means of this declaration and for all legal purposes and as of [Effective Time] hereby resign of the position of director which I hold at the company named East Asia Satellite Television Limited, a company incorporated under the laws of the Macau SAR, registered in the Macau Commercial Registry under number 14311, with registered head office in Macau at Avenida Dr. Mário Soares, n.º 323. Edifício Banco da China, 32.º andar C (the "Company").

Furthermore, I hereby declare that there are no amounts outstanding, and that the Company has no subsisting obligations whether, past, present or future towards me.

Macau, [date]

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[name]



## DECLARAÇÃO

Eu, [nome, nacionalidade, estado civil, documento de identificação], por meio desta declaração, venho, para todos os efeitos legais, com efeitos a partir de [Effective Time] renunciar ao cargo de administrador que detenho na sociedade East Asia – Televisão por Satélite Limitada, uma sociedade constituída ao abrigo das leis de Macau, registada na Conservatória dos Registos Comercial e de Bens Móveis de Macau sob o n.º 14311, com sede em Macau na Avenida Dr. Mário Soares, n.º 323. Edifício Banco da China, 32.º andar C (a “Sociedade”).

Declaro ainda que não se encontram em dívida quaisquer montantes por parte da Sociedade, não subsistindo qualquer obrigação passada, presente ou futura da mesma para comigo.

Macau, [data]

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[nome]



Melco Crown Entertainment Limited  
6/F, The Centrium  
60 Wyndham Street  
Central  
Hong Kong;  
Attention: Chief Legal Officer  
Telecopy No.: +852-2537-3618

[—], 2011

Cyber One Agents Limited  
c/o Offshore Incorporations Centre  
P.O. Box 957, Road Town  
Tortola, British Virgin Islands  
Attention: [—]  
Fax No.: [—]

Ladies and Gentlemen:

This commitment agreement (this "Agreement") is dated [—], 2011 and is entered into by and between Melco Crown Entertainment Limited ("MCE") and Cyber One Agents Limited (the "Company"). Capitalized terms used herein but not defined shall have the meanings given to such terms in the Shareholders' Agreement by and among the Company, New Cotai, LLC, MCE Cotai Investments Limited ("MCE Cotai") and MCE (as acceded to, and amended, from time to time, the "Shareholders' Agreement").

1. Commitment. MCE hereby agrees upon the terms and subject to the conditions set forth herein, (x) to provide or cause to be provided to MCE Cotai, directly or through one or more other entities, funds to meet any and all Capital Calls made on MCE Cotai by the Company, from time to time pursuant to and in accordance with clause 17 of the Shareholders' Agreement, (y) if Financial Support is required by the Project Lenders and requested by the Board, to provide to the Company Financial Support on behalf of MCE Cotai, from time to time pursuant to and in accordance with clause 20 of the Shareholders' Agreement, and (z) to exercise all of its rights as a direct or indirect equity holder to cause MCE Cotai to meet, and in any event to not take any affirmative action as a direct or indirect equity holder, or refrain from taking any affirmative action as a direct or indirect equity holder, to prevent MCE Cotai from meeting, such Capital Call in accordance with clause 17 of the Shareholders' Agreement, in the case of each of clause (x) and (y), if and only to the extent that MCE Cotai does not otherwise have sufficient funds to meet those Capital Calls or provide such Financial Support; provided, however, that in no event shall MCE be required to provide such funds and/or such Financial Support in an amount exceeding MCE's Maximum Obligations (such commitment, the "Commitment"). The Commitment shall be subject to all defenses available to MCE Cotai under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, each of which defenses may be asserted directly by or on behalf of MCE. For the purposes of clause (z), the obligation of MCE to take action under that clause shall include an obligation on MCE to exercise all of its rights (i) under the constituent documents of MCE Cotai to approve or authorize (as the case may be) the Capital Call to be met, (ii) to instruct its board member appointees of MCE Cotai to approve and authorize the Capital Call to be met, and (iii) to vote any of the securities held by it in MCE Cotai to approve or authorize the Capital Call to be met. Nothing in this Agreement is intended to limit in any respect MCE Cotai's right to exercise all defenses available to it under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, or require MCE to in any way attempt to limit such exercise.

For purposes hereof, (a) “Maximum Obligations” in respect of any Capital Call and/or any requirement to provide Financial Support from time to time means an amount equal to the lesser of (i) the amount of such Capital Call made on MCE Cotai or Financial Support required to be provided by MCE Cotai, as the case may be, and (ii) the Aggregate Remaining MCE Cotai Capital Commitment, and (b) “Aggregate Remaining MCE Cotai Capital Commitment” means, as of any date of any Capital Call or request to provide Financial Support (as the case may be), an amount equal to \$480 million less the aggregate amounts subscribed for or advanced to the Company by or on behalf of MCE Cotai (including through draws by the Company on this Commitment) as of such date under clauses 17 and 18 of the Shareholders’ Agreement, less the aggregate amount of Financial Support provided on behalf of MCE Cotai (including through draws by the Company on this Commitment) as of such date under clause 20 of the Shareholders’ Agreement, less the amount by which MCE Cotai’s obligation to make Capital Calls is reduced either in connection with a Transfer of Financial Interests held by MCE Cotai as provided in clause 22.5 of the Shareholders’ Agreement or pursuant to an amendment to the Shareholders’ Agreement to reduce the maximum amount payable in respect of all Capital Calls under clause 17.5 of the Shareholders’ Agreement.

2. No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or any document or instrument delivered in connection herewith, by its acceptance of the benefits of this Agreement, the Company covenants, agrees and acknowledges that no person or entity other than MCE has any obligation hereunder, and no personal liability shall attach to, the former, current or future equity holders, controlling persons, directors, officers, employees, agents, affiliates, members, managers, general or limited partners or assignees of MCE or any former, current or future stockholder, controlling person, director, officer, employee, general or limited partner, member, manager, affiliate (other than, in the case of MCE Cotai, under the Shareholders’ Agreement), agent or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable law, or otherwise.

3. Termination. Upon the earliest of (x) the full satisfaction of the maximum amount payable by MCE Cotai in respect of all Capital Calls pursuant to clause 17.5 of the Shareholders’ Agreement, (y) the expiration of the period for the making of Capital Calls under clause 17.10 of the Shareholders’ Agreement and (z) the termination of the Shareholders’ Agreement in accordance with its terms, this Agreement shall terminate and be of no further force and effect. Upon termination of this Agreement, MCE shall not have any liability to any person in connection with this Agreement except, in the case of clause (y) and (z), any breach of this Agreement occurring on or before the relevant date.

4. Representations and Warranties. MCE hereby represents and warrants to the Company that (i) MCE is duly organized, validly existing and in good standing under the laws of the state or country of its formation or organization, and has all necessary power and authority to enter into and perform this letter agreement, (ii) this letter agreement has been duly executed and delivered by MCE and constitutes a legal, valid and binding obligation of MCE, enforceable against MCE in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, (iii) MCE has and will have sufficient financial resources available to meet its obligations hereunder from time to time in an amount not less than the Aggregate Remaining MCE Cotai Capital Commitment, and (iv) no other approval is required for MCE to fulfill its obligations hereunder.

5. Amendments. This Agreement may be amended, modified, or waived with the written consent of MCE and the Company.

6. Assignment; Successors and Assigns. No assignment or transfer by any party of its rights and obligations under this Agreement will be made except with the prior written consent of (i) the Company (in the case of any assignment or transfer by MCE) or (ii) MCE (in the case of any assignment or transfer by the Company); provided, that (x) the Company may assign its rights pursuant to this Agreement to any Project Lender as collateral security without the prior written consent of MCE and (y) in connection with a Transfer or issuance of Upstream Securities in respect of MCE Cotai, MCE may assign all or any portion of its Commitment to the transferee or purchaser (as applicable) of such Upstream Securities, provided that (A) immediately following such assignment, the portion of the Commitment held by MCE relative to the portion of the Commitment held by such transferee or purchaser (as applicable) is substantially equivalent to the Effective Interest held by MCE relative to the Effective Interest held by such transferee or purchaser at such time, (B) the transferee or purchaser (as applicable) agrees to provide its portion of the Commitment on terms that are not in the aggregate materially less beneficial to the Company than the terms hereof and (C) the transferee or purchaser (as applicable) proves to the reasonable satisfaction of the Company that it has sufficient financial resources to meet the portion of the Commitment to be assigned to it under clause (A). All the covenants and agreements contained in this Agreement shall bind and inure to the benefit of any such assignee.

7. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Counterparts; Binding Agreement. This Agreement may be executed simultaneously in two or more separate counterparts (including by means of facsimile), any one of which need not contain the signatures of more than one party, but each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

9. Confidentiality. This Agreement shall be treated as strictly confidential and is being provided to the Company solely in connection with the Shareholders' Agreement and the transactions contemplated thereby. This Agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of each of the Company and MCE. Notwithstanding the foregoing, this Agreement may be (a) provided by the Company and MCE to their respective officers, managers, employees, directors (or equivalent) or financial, legal or accounting advisors or lenders who have been directed to treat this Agreement as confidential, (b) provided by MCE to its direct and indirect equity holders and their respective affiliates who have been directed to treat this Agreement as confidential and (c) disclosed to any person or entity if required by law or the rules of any stock exchange or regulatory authority (including a self-regulatory organization).

10. Specific Performance. MCE acknowledges and agrees that (a) irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, and (b) remedies at law would not be adequate to compensate the non-breaching party. Accordingly, MCE agrees that the Company shall have the right, in addition to any other rights and remedies existing in its favor, to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce its rights and obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. The right to equitable relief, including specific performance or injunctive relief, shall exist notwithstanding, and shall not be limited by, any other provision of this Agreement. MCE hereby waives any defense that a remedy at law is adequate and any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance or other equitable remedies.

11. Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word "including" in this Agreement shall be by way of example rather than by limitation. Unless otherwise noted, reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words "or," "either" and "any" shall not be exclusive. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict.

12. Applicable Law; Venue. This Agreement is governed by and is to be construed in accordance with the laws applicable in Hong Kong. Except as otherwise expressly provided in this Agreement, any dispute relating hereto shall be heard exclusively in the courts of Hong Kong, and the parties agree to jurisdiction and venue therein.

13. Addresses and Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be given or delivered, as applicable, as provided in clause 39 of the Shareholders' Agreement as if such provisions applied herein *mutatis mutandis*.

14. No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any person or entity other than the Company, including without limitation, any shareholder or creditor of the Company or any of their respective affiliates, and no creditor who makes a loan to the Company or any of its affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in the Commitment other than as a secured creditor of the Company.

15. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

16. Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

17. Entire Agreement. This Agreement, those documents expressly referred to herein and other documents dated as of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

18. Delivery by Facsimile. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall reexecute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

\* \* \* \* \*



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Sincerely,

MELCO CROWN ENTERTAINMENT LIMITED

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged and agreed as of the date first written above by:

CYBER ONE AGENTS LIMITED

By: \_\_\_\_\_  
Name:  
Title:



Silver Point Capital Fund, L.P.  
Silver Point Capital Offshore Master Fund, L.P.  
c/o Silver Point Capital, L.P.  
Two Greenwich Plaza  
Greenwich, CT 06830  
Fax No.: + 1 (203) 542-4128

[—], 2011

Cyber One Agents Limited  
c/o Offshore Incorporations Centre  
P.O. Box 957, Road Town  
Tortola, British Virgin Islands  
Attention: [—]  
Fax No.: [—]

Ladies and Gentlemen:

This commitment agreement (this "Agreement") is dated [—], 2011 and is entered into by and among Silver Point Capital Fund, L.P. ("SPCF"), Silver Point Capital Offshore Master Fund, L.P. ("SPCOME") and, together with SPCF, the "Silver Point Funds"), and Cyber One Agents Limited (the "Company"). Capitalized terms used herein but not defined shall have the meanings given to such terms in the Shareholders' Agreement by and among the Company, New Cotai, LLC ("New Cotai"), MCE Cotai Investments Limited and Melco Crown Entertainment Limited (as acceded to, and amended, from time to time, the "Shareholders' Agreement").

1. Commitment. Each of the Silver Point Funds hereby agrees, on a several but not joint basis, upon the terms and subject to the conditions set forth herein, (x) to provide or cause to be provided to New Cotai, directly or through one or more other entities, funds to meet any and all Capital Calls made on New Cotai by the Company, from time to time pursuant to and in accordance with clause 17 of the Shareholders' Agreement, (y) if Financial Support is required by the Project Lenders and requested by the Board, to provide to the Company Financial Support on behalf of New Cotai, from time to time pursuant to and in accordance with clause 20 of the Shareholders' Agreement, and (z) to exercise all of its rights as a direct or indirect equity holder to cause New Cotai to meet, and in any event to not take any affirmative action as a direct or indirect equity holder, or refrain from taking any affirmative action as a direct or indirect equity holder, to prevent New Cotai from meeting, such Capital Call in accordance with clause 17 of the Shareholders' Agreement, in the case of each of clause (x) and (y), if and only to the extent that New Cotai does not otherwise have sufficient funds to meet those Capital Calls or provide such Financial Support; provided, however, that in no event shall the Silver Point Funds be required to provide such funds and/or such Financial Support in an amount exceeding such Silver Point Funds' Maximum Obligations (such commitment, the "Commitment"). The Commitment shall be subject to all defenses available to New Cotai under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, each of which defenses may be asserted directly by or on behalf of the Silver Point Funds. For the purposes of clause (z), the obligation of each of the Silver Point Funds to take action under that clause shall include an obligation on each of the Silver Point Funds to exercise all of their rights (i) under the constituent documents of New Cotai to approve or authorize (as the case may be) the Capital Call to be met, (ii) to instruct its board member appointees of New Cotai to approve and authorize the Capital Call to be met, and (iii) to vote any of the securities held by it in New Cotai to approve or authorize the Capital Call to be met. Nothing in this Agreement is intended to limit in any respect New Cotai's right to exercise all defenses available to it under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, or require the Silver Point Funds to in any way attempt to limit such exercise.

For purposes hereof, (a) “Maximum Obligations” in respect of any Capital Call and/or any requirement to provide Financial Support from time to time means (i) with respect to SPCF, an amount equal to the lesser of (A) SPCF’s Pro Rata Share of the amount of such Capital Call made on New Cotai or Financial Support required to be provided by New Cotai, as the case may be, and (B) SPCF’s Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, and (ii) with respect to SPCOMF, an amount equal to the lesser of (x) SPCOMF’s Pro Rata Share of the amount of such Capital Call made on New Cotai or Financial Support required to be provided by New Cotai, as the case may be, and (y) SPCOMF’s Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, (b) “Pro Rata Share”<sup>1</sup> means (I) with respect to SPCF, [•]% and (II) with respect to SPCOMF, [•]% and (c) “Aggregate Remaining New Cotai Capital Commitment” means, as of any date of any Capital Call or request to provide Financial Support (as the case may be), an amount equal to \$320 million less the aggregate amounts subscribed for or advanced to the Company by or on behalf of New Cotai (including through draws by the Company on this Commitment) as of such date under clauses 17 and 18 of the Shareholders’ Agreement, less the aggregate amount of Financial Support provided on behalf of New Cotai (including through draws by the Company on this Commitment) as of such date under clause 20 of the Shareholders’ Agreement, less the amount by which New Cotai’s obligation to make Capital Calls is reduced either in connection with a Transfer of Financial Interests held by New Cotai as provided in clause 22.5 of the Shareholders’ Agreement or pursuant to an amendment to the Shareholders’ Agreement to reduce the maximum amount payable in respect of all Capital Calls under clause 17.5 of the Shareholders’ Agreement.

2. No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or any document or instrument delivered in connection herewith, by its acceptance of the benefits of this Agreement, the Company covenants, agrees and acknowledges that no person or entity other than the Silver Point Funds has any obligation hereunder, and no personal liability shall attach to, the former, current or future equity holders, controlling persons, directors, officers, employees, agents, affiliates, members, managers, general or limited partners or assignees of the Silver Point Funds or any former, current or future stockholder, controlling person, director, officer, employee, general or limited partner, member, manager, affiliate (other than, in the case of New Cotai, under the Shareholders’ Agreement), agent or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable law, or otherwise.

<sup>1</sup> NTD: Pro Rata Share of the Silver Point Funds to equal 78% in aggregate; break down to be filled in at the Effective Time.

3. Termination. Upon the earliest of (x) the full satisfaction of the maximum amount payable by New Cotai in respect of all Capital Calls pursuant to clause 17.5 of the Shareholders' Agreement, (y) the expiration of the period for the making of Capital Calls under clause 17.10 of the Shareholders' Agreement and (z) the termination of the Shareholders' Agreement in accordance with its terms, this Agreement shall terminate and be of no further force and effect. Upon termination of this Agreement, none of the Silver Point Funds shall have any liability to any person in connection with this Agreement except, in the case of clause (y) and (z), any breach of this Agreement occurring on or before the relevant date.

4. Representations and Warranties. Each of the Silver Point Funds hereby represents and warrants to the Company that (i) such Silver Point Fund is duly organized, validly existing and in good standing under the laws of the state or country of its formation or organization, and has all necessary power and authority to enter into and perform this letter agreement, (ii) this letter agreement has been duly executed and delivered by such Silver Point Fund and constitutes a legal, valid and binding obligation of such Silver Point Fund, enforceable against such Silver Point Fund in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, (iii) such Silver Point Fund has and will maintain available capital in an amount not less than such Silver Point Fund's Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, and (iv) no other approval is required for such Silver Point Fund to fulfill its obligations hereunder.

5. Amendments. This Agreement may be amended, modified, or waived with the written consent of each of the Silver Point Funds and the Company.

6. Assignment; Successors and Assigns. No assignment or transfer by any party of its rights and obligations under this Agreement will be made except with the prior written consent of (i) the Company (in the case of any assignment or transfer by the Silver Point Funds) or (ii) each of the Silver Point Funds (in the case of any assignment or transfer by the Company); provided, that (x) the Company may assign its rights pursuant to this Agreement to any Project Lender as collateral security without the prior written consent of the Silver Point Funds and (y) in connection with a Transfer or issuance of Upstream Securities in respect of New Cotai, each Silver Point Fund may assign all or any portion of its Commitment to the transferee or purchaser (as applicable) of such Upstream Securities, provided that (A) immediately following such assignment, the portion of the Commitment held by such Silver Point Fund relative to the portion of the Commitment held by such transferee or purchaser (as applicable) is substantially equivalent to the Effective Interest held by such Silver Point Fund relative to the Effective Interest held by such transferee or purchaser at such time, (B) the transferee or purchaser (as applicable) agrees to provide its portion of the Commitment on terms that are not in the aggregate materially less beneficial to the Company than the terms hereof and (C) the transferee or purchaser (as applicable) proves to the reasonable satisfaction of the Company that it has sufficient financial resources to meet the portion of the Commitment to be assigned to it under clause (A). All the covenants and agreements contained in this Agreement shall bind and inure to the benefit of any such assignee.

7. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Counterparts; Binding Agreement. This Agreement may be executed simultaneously in two or more separate counterparts (including by means of facsimile), any one of which need not contain the signatures of more than one party, but each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

9. Confidentiality. This Agreement shall be treated as strictly confidential and is being provided to the Company solely in connection with the Shareholders' Agreement and the transactions contemplated thereby. This Agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of each of the Company and each of the Silver Point Funds. Notwithstanding the foregoing, this Agreement may be (a) provided by the Company and the Silver Point Funds to their respective officers, managers, employees, directors (or equivalent) or financial, legal or accounting advisors or lenders who have been directed to treat this Agreement as confidential, (b) provided by the Silver Point Funds to their direct and indirect equity holders and their respective affiliates who have been directed to treat this Agreement as confidential and (c) disclosed to any person or entity if required by law or the rules of any stock exchange or regulatory authority (including a self-regulatory organization).

10. Specific Performance. Each Silver Point Fund acknowledges and agrees that (a) irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, and (b) remedies at law would not be adequate to compensate the non-breaching party. Accordingly, each Silver Point Fund agrees that the Company shall have the right, in addition to any other rights and remedies existing in its favor, to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce its rights and obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. The right to equitable relief, including specific performance or injunctive relief, shall exist notwithstanding, and shall not be limited by, any other provision of this Agreement. Each Silver Point Fund hereby waives any defense that a remedy at law is adequate and any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance or other equitable remedies.

11. Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word “including” in this Agreement shall be by way of example rather than by limitation. Unless otherwise noted, reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words “or,” “either” and “any” shall not be exclusive. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict.

12. Applicable Law; Venue. This Agreement is governed by and is to be construed in accordance with the laws applicable in Hong Kong. Except as otherwise expressly provided in this Agreement, any dispute relating hereto shall be heard exclusively in the courts of Hong Kong, and the parties agree to jurisdiction and venue therein.

13. Addresses and Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be given or delivered, as applicable, as provided in clause 39 of the Shareholders’ Agreement as if such provisions applied herein *mutatis mutandis*.

14. No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any person or entity other than the Company, including without limitation, any shareholder or creditor of the Company or any of their respective affiliates, and no creditor who makes a loan to the Company or any of its affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in the Commitment other than as a secured creditor of the Company.

15. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.



16. Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

17. Entire Agreement. This Agreement, those documents expressly referred to herein and other documents dated as of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

18. Delivery by Facsimile. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall reexecute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

\* \* \* \* \*

Sincerely,

SILVER POINT CAPITAL FUND, L.P.

By: Silver Point Capital General Partner, LLC,  
its general partner

By: Silver Point Partners, LLC,  
its managing member

By: Silver Point Capital Holdings, LLC,  
its managing member

By: \_\_\_\_\_  
Name:  
Title: Authorized Signatory

SILVER POINT CAPITAL OFFSHORE MASTER FUND, L.P.

By: Silver Point Capital, L.P.  
its investment manager

By: \_\_\_\_\_  
Name:  
Title: Authorized Signatory

Acknowledged and agreed as of the date first written above by:

CYBER ONE AGENTS LIMITED

By: \_\_\_\_\_  
Name:  
Title:

OCM Opportunities Fund V, L.P.  
OCM Asia Principal Opportunities Fund, L.P.  
OCM Opportunities Fund VI, L.P.  
333 South Grand Avenue  
Los Angeles, CA 90071  
Attention: General Counsel  
Telecopy No.: + 1 (213) 830-8545

[—], 2011

Cyber One Agents Limited  
c/o Offshore Incorporations Centre  
P.O. Box 957, Road Town  
Tortola, British Virgin Islands  
Attention: [—]  
Fax No.: [—]

Ladies and Gentlemen:

This commitment agreement (this "Agreement") is dated [—], 2011 and is entered into by and among OCM Opportunities Fund V, L.P. ("OCM V"), OCM Asia Principal Opportunities Fund, L.P. ("OCM Asia"), and OCM Opportunities Fund VI, L.P. ("OCM VI") and, together with OCM V and OCM Asia, the "Oaktree Funds"), and Cyber One Agents Limited (the "Company"). Capitalized terms used herein but not defined shall have the meanings given to such terms in the Shareholders' Agreement by and among the Company, New Cotai, LLC ("New Cotai"), MCE Cotai Investments Limited and Melco Crown Entertainment Limited (as acceded to, and amended, from time to time, the "Shareholders' Agreement").

1. Commitment. Each of the Oaktree Funds hereby agrees, on a several but not joint basis, upon the terms and subject to the conditions set forth herein, (x) to provide or cause to be provided to New Cotai, directly or through one or more other entities, funds to meet any and all Capital Calls made on New Cotai by the Company, from time to time pursuant to and in accordance with clause 17 of the Shareholders' Agreement, (y) if Financial Support is required by the Project Lenders and requested by the Board, to provide to the Company Financial Support on behalf of New Cotai, from time to time pursuant to and in accordance with clause 20 of the Shareholders' Agreement, and (z) to exercise all of its rights as a direct or indirect equity holder to cause New Cotai to meet, and in any event to not take any affirmative action as a direct or indirect equity holder, or refrain from taking any affirmative action as a direct or indirect equity holder, to prevent New Cotai from meeting, such Capital Call in accordance with clause 17 of the Shareholders' Agreement, in the case of each of clause (x) and (y), if and only to the extent that New Cotai does not otherwise have sufficient funds to meet those Capital Calls or provide such Financial Support; provided, however, that in no event shall the Oaktree Funds be required to provide such funds and/or such Financial Support in an amount exceeding such Oaktree Funds' Maximum Obligations (such commitment, the "Commitment"). The Commitment shall be subject to all defenses available to New Cotai under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, each of which defenses may be asserted directly by or on behalf of the Oaktree Funds. For the purposes of clause (z), the obligation of each of the Oaktree Funds to take action under that clause shall include an obligation on each of the Oaktree Funds to exercise all of their rights (i) under the constituent documents of New Cotai to approve or authorize (as the case may be) the Capital Call to be met, (ii) to instruct its board member appointees of New Cotai to approve and authorize the Capital Call to be met, and (iii) to vote any of the securities held by it in New Cotai to approve or authorize the Capital Call to be met. Nothing in this Agreement is intended to limit in any respect New Cotai's right to exercise all defenses available to it under the Shareholders' Agreement with respect to any Capital Call or obligation to provide Financial Support, or require the Oaktree Funds to in any way attempt to limit such exercise.

For purposes hereof, (a) “Maximum Obligations” in respect of any Capital Call and/or any requirement to provide Financial Support from time to time means (i) with respect to OCM V, an amount equal to the lesser of (A) OCM V’s Pro Rata Share of the amount of such Capital Call made on New Cotai or Financial Support required to be provided by New Cotai, as the case may be, and (B) OCM V’s Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, (ii) with respect to OCM Asia, an amount equal to the lesser of (x) OCM Asia’s Pro Rata Share of the amount of such Capital Call made on New Cotai or Financial Support required to be provided by New Cotai, as the case may be, and (y) OCM Asia’s Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, and (iii) with respect to OCM VI, an amount equal to the lesser of (A) OCM VI’s Pro Rata Share of the amount of such Capital Call made on New Cotai or Financial Support required to be provided by New Cotai, as the case may be, and (B) OCM VI’s Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, (b) “Pro Rata Share”<sup>1</sup> means (I) with respect to OCM V, [—]%, (II) with respect to OCM Asia, [—]%, and (III) with respect to OCM VI, [—]%, and (c) “Aggregate Remaining New Cotai Capital Commitment” means, as of any date of any Capital Call or request to provide Financial Support (as the case may be), an amount equal to \$320 million less the aggregate amounts subscribed for or advanced to the Company by or on behalf of New Cotai (including through draws by the Company on this Commitment) as of such date under clauses 17 and 18 of the Shareholders’ Agreement, less the aggregate amount of Financial Support provided on behalf of New Cotai (including through draws by the Company on this Commitment) as of such date under clause 20 of the Shareholders’ Agreement, less the amount by which New Cotai’s obligation to make Capital Calls is reduced either in connection with a Transfer of Financial Interests held by New Cotai as provided in clause 22.5 of the Shareholders’ Agreement or pursuant to an amendment to the Shareholders’ Agreement to reduce the maximum amount payable in respect of all Capital Calls under clause 17.5 of the Shareholders’ Agreement.

<sup>1</sup> NTD: Pro Rata Share of the Oaktree Funds to equal 22% in aggregate; break down to be filled in at the Effective Time.

2. No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or any document or instrument delivered in connection herewith, by its acceptance of the benefits of this Agreement, the Company covenants, agrees and acknowledges that no person or entity other than the Oaktree Funds has any obligation hereunder, and no personal liability shall attach to, the former, current or future equity holders, controlling persons, directors, officers, employees, agents, affiliates, members, managers, general or limited partners or assignees of the Oaktree Funds or any former, current or future stockholder, controlling person, director, officer, employee, general or limited partner, member, manager, affiliate (other than, in the case of New Cotai, under the Shareholders' Agreement), agent or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable law, or otherwise.

3. Termination. Upon the earliest of (x) the full satisfaction of the maximum amount payable by New Cotai in respect of all Capital Calls pursuant to clause 17.5 of the Shareholders' Agreement, (y) the expiration of the period for the making of Capital Calls under clause 17.10 of the Shareholders' Agreement and (z) the termination of the Shareholders' Agreement in accordance with its terms, this Agreement shall terminate and be of no further force and effect. Upon termination of this Agreement, none of the Oaktree Funds shall have any liability to any person in connection with this Agreement except, in the case of clause (y) and (z), any breach of this Agreement occurring on or before the relevant date.

4. Representations and Warranties. Each of the Oaktree Funds hereby represents and warrants to the Company that (i) such Oaktree Fund is duly organized, validly existing and in good standing under the laws of the state or country of its formation or organization, and has all necessary power and authority to enter into and perform this letter agreement, (ii) this letter agreement has been duly executed and delivered by such Oaktree Fund and constitutes a legal, valid and binding obligation of such Oaktree Fund, enforceable against such Oaktree Fund in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, (iii) such Oaktree Fund has and will maintain available capital in an amount not less than such Oaktree Fund's Pro Rata Share of the Aggregate Remaining New Cotai Capital Commitment, and (iv) no other approval is required for such Oaktree Fund to fulfill its obligations hereunder.

5. Amendments. This Agreement may be amended, modified, or waived with the written consent of each of the Oaktree Funds and the Company.

6. Assignment; Successors and Assigns. No assignment or transfer by any party of its rights and obligations under this Agreement will be made except with the prior written consent of (i) the Company (in the case of any assignment or transfer by the Oaktree Funds) or (ii) each of the Oaktree Funds (in the case of any assignment or transfer by the Company); provided, that (x) the Company may assign its rights pursuant to this Agreement to any Project Lender as collateral security without the prior written consent of the Oaktree Funds and (y) in connection with a Transfer or issuance of Upstream Securities in respect of New Cotai, each Oaktree Fund may assign all or any portion of its Commitment to the transferee or purchaser (as applicable) of such Upstream Securities, provided that (A) immediately following such assignment, the portion of the Commitment held by such Oaktree Fund relative to the portion of the Commitment held by such transferee or purchaser (as applicable) is substantially equivalent to the Effective Interest held by such Oaktree Fund relative to the Effective Interest held by such transferee or purchaser at such time, (B) the transferee or purchaser (as applicable) agrees to provide its portion of the Commitment on terms that are not in the aggregate materially less beneficial to the Company than the terms hereof and (C) the transferee or purchaser (as applicable) proves to the reasonable satisfaction of the Company that it has sufficient financial resources to meet the portion of the Commitment to be assigned to it under clause (A). All the covenants and agreements contained in this Agreement shall bind and inure to the benefit of any such assignee.

7. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Counterparts; Binding Agreement. This Agreement may be executed simultaneously in two or more separate counterparts (including by means of facsimile), any one of which need not contain the signatures of more than one party, but each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

9. Confidentiality. This Agreement shall be treated as strictly confidential and is being provided to the Company solely in connection with the Shareholders' Agreement and the transactions contemplated thereby. This Agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of each of the Company and each of the Oaktree Funds. Notwithstanding the foregoing, this Agreement may be (a) provided by the Company and the Oaktree Funds to their respective officers, managers, employees, directors (or equivalent) or financial, legal or accounting advisors or lenders who have been directed to treat this Agreement as confidential, (b) provided by the Oaktree Funds to their direct and indirect equity holders and their respective affiliates who have been directed to treat this Agreement as confidential and (c) disclosed to any person or entity if required by law or the rules of any stock exchange or regulatory authority (including a self-regulatory organization).

10. Specific Performance. Each Oaktree Fund acknowledges and agrees that (a) irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, and (b) remedies at law would not be adequate to compensate the non-breaching party. Accordingly, each Oaktree Fund agrees that the Company shall have the right, in addition to any other rights and remedies existing in its favor, to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce its rights and obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. The right to equitable relief, including specific performance or injunctive relief, shall exist notwithstanding, and shall not be limited by, any other provision of this Agreement. Each Oaktree Fund hereby waives any defense that a remedy at law is adequate and any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance or other equitable remedies.

11. Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word “including” in this Agreement shall be by way of example rather than by limitation. Unless otherwise noted, reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. The use of the words “or,” “either” and “any” shall not be exclusive. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict.

12. Applicable Law; Venue. This Agreement is governed by and is to be construed in accordance with the laws applicable in Hong Kong. Except as otherwise expressly provided in this Agreement, any dispute relating hereto shall be heard exclusively in the courts of Hong Kong, and the parties agree to jurisdiction and venue therein.

13. Addresses and Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be given or delivered, as applicable, as provided in clause 39 of the Shareholders’ Agreement as if such provisions applied herein *mutatis mutandis*.

14. No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any person or entity other than the Company, including without limitation, any shareholder or creditor of the Company or any of their respective affiliates, and no creditor who makes a loan to the Company or any of its affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in the Commitment other than as a secured creditor of the Company.



15. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

16. Further Action. The parties agree to execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

17. Entire Agreement. This Agreement, those documents expressly referred to herein and other documents dated as of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

18. Delivery by Facsimile. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall reexecute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

\* \* \* \* \*

Sincerely,

OCM OPPORTUNITIES FUND V, L.P.

By: OCM Opportunities Fund V GP, LLC  
Its: General Partner

By: Oaktree Capital Management, L.P.  
Its: Managing Member

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

OCM ASIA PRINCIPAL OPPORTUNITIES FUND, L.P.

By: OCM Asia Principal Opportunities Fund GP, L.P.  
Its: General Partner

By: OCM Asia Principal Opportunities Fund GP LTD.  
Its: General Partner

By: Oaktree Capital Management, L.P.  
Its: Director

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

OCM OPPORTUNITIES FUND VI, L.P.

By. OCM Opportunities Fund VI GP, LLC  
its General Partner

By: Oaktree Capital Management, L.P.  
its Managing Member

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged and agreed as of the date first written above by:

CYBER ONE AGENTS LIMITED

By: \_\_\_\_\_  
Name:  
Title:



BC NO: 399970

TERRITORY OF THE BRITISH VIRGIN ISLANDS

**BVI BUSINESS COMPANIES ACT, 2004**

**Memorandum of Association**

**and**

**Articles of Association**

**of**

**CYBER ONE AGENTS LIMITED**

**Incorporated on 2 August 2000**

1. **DEFINITIONS AND INTERPRETATION**

1.1. In this Memorandum of Association and the attached Articles of Association, if not inconsistent with the subject or context:

“**Act**” means the BVI Business Companies Act (No. 16 of 2004) and includes the regulations made under the Act;

“**Articles**” means the attached Articles of Association of the Company;

“**Chairman of the Board**” has the meaning specified in Regulation 13;

“**Distribution**” in relation to a distribution by the Company means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder in relation to Shares held by a Shareholder, and whether by means of a purchase of an asset, the redemption or other acquisition of Shares, a distribution of indebtedness or otherwise, and includes a dividend;

“**Eligible Person**” means individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

“**Memorandum**” means this Memorandum of Association of the Company;

“**Resolution of Directors**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing by all directors or by all members of a committee of directors of the Company, as the case may be;

“**Resolution of Shareholders**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or
- (b) a resolution consented to in writing by a majority of the votes of Shares entitled to vote thereon;

“**Seal**” means any seal which has been duly adopted as the common seal of the Company;

“**Share**” means a share issued or to be issued by the Company;

“**Shareholder**” means an Eligible Person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares;

“**Shareholders Agreement**” means the shareholders agreement attached as Schedule 1, dated on or around [14 June 2011] between MCE Cotai Investments Limited, New Cotai, LLC, Melco Crown Entertainment Limited and the Company, as amended from time to time in accordance with the terms thereof;

“**Treasury Share**” means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

“**written**” or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and “**in writing**” shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a “**Regulation**” is a reference to a regulation of the Articles;
- (b) a “**Clause**” is a reference to a clause of the Memorandum;
- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended; and
- (e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and Articles.



**2. NAME**

The name of the Company is **CYBER ONE AGENTS LIMITED**.

**3. RE-REGISTRATION**

The Company was first incorporated on 2 August 2000 under the International Business Companies Act, 1984 and was automatically re-registered under the Act on 1 January 2007. Immediately before its re-registration under the Act, it was governed by the International Business Companies Act, 1984.

**4. STATUS**

The Company is a company limited by shares.

**5. REGISTERED OFFICE AND REGISTERED AGENT**

5.1. The first registered office of the Company is at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.

5.2. The first registered agent of the Company is Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

5.3. At the date of filing the notice of election to disapply Part IV of Schedule 2 of the Act the registered office of the Company was situated at the office of the registered agent, Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands.

**6. CAPACITY AND POWERS**

6.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a), full rights, powers and privileges.

6.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

**7. NUMBER AND CLASSES OF SHARES**

7.1. The Company is authorised to issue a maximum of 200,000 Shares of par value USD1.00 each.

7.2. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.

7.3. Shares shall be issued in the currency of the United States of America.

## **8. DESIGNATIONS, POWERS, PREFERENCES, ETC. OF SHARES**

8.1. Each Share in the Company confers upon the Shareholder:

- (a) the right to one vote at a meeting of the Shareholders of the Company or on any Resolution of Shareholders;
- (b) the right to an equal share in any dividend paid by the Company; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

8.2. The directors may at their discretion by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares in the Company subject to Regulation 3 of the Articles.

## **9. VARIATION OF RIGHTS**

The rights attached to Shares as specified in Clause 8 may only, whether or not the Company is being wound up, be varied with the consent in writing of or by a resolution passed at a meeting by the holders of more than 50 per cent of the issued Shares of that class.

## **10. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU**

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

## **11. REGISTERED SHARES**

11.1. The Company shall issue registered shares only.

11.2. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares or exchange registered shares for bearer shares.

## **12. TRANSFER OF SHARES**

12.1. The Company shall, on receipt of an instrument of transfer complying with Sub- Regulation 7.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

12.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

**13. AMENDMENT OF MEMORANDUM AND ARTICLES**

Subject to Clause 9, the Company may amend its Memorandum or Articles by a Resolution of Shareholders or by a Resolution of Directors, save that no amendment may be made by a Resolution of Directors:

- (a) to restrict the rights or powers of the Shareholders to amend the Memorandum or Articles;
- (b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or Articles;
- (c) in circumstances where the Memorandum or Articles cannot be amended by the Shareholders; or
- (d) to Clauses 8, 9 or 10 or this Clause 13.

Notwithstanding the foregoing no amendment may be made to the Memorandum or Articles without the approval of each Minority Shareholder (as defined in the Shareholders Agreement) holding 20% or more of the Shares on issue.

**14. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT**

14.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Memorandum, and for the avoidance of doubt and without limiting the generality of this clause 14.1:

- (a) notwithstanding anything contained in the Memorandum, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and
- (b) nothing contained in the Memorandum prevents an act being done that the Shareholders Agreement requires to be done.

14.2. To the extent not prohibited by the Act if any provision of the Memorandum is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 3<sup>rd</sup> day of July 2007 .

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

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Authorised Signatory

CYBER ONE AGENTS LIMITED

**1. PARAMOUNT EFFECT OF SHAREHOLDERS AGREEMENT**

- 1.1. To the extent not prohibited by the Act the provisions of the Shareholders Agreement are hereby incorporated into the Articles and, for the avoidance of doubt and without limiting the generality of this Regulation 1:
- (a) notwithstanding anything contained in these Articles, if the Shareholders Agreement prohibits an act being done, the act shall not be done; and
  - (b) nothing contained in these Articles prevents an act being done that the Shareholders Agreement requires to be done.
- 1.2. To the extent not prohibited by the Act if any provision of these Articles is or becomes inconsistent with the Shareholders Agreement, the Shareholders Agreement shall prevail.

**2. REGISTERED SHARES**

- 2.1. Every Shareholder is entitled to a certificate signed by a director of the Company or under the Seal specifying the number of Shares held by him and the signature of the director and the Seal may be facsimiles.
- 2.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by a Resolution of Directors.
- 2.3. If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

### 3. SHARES

- 3.1. Shares may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 3.2. Section 46 of the Act (Pre-emptive rights) does not apply to the Company.
- 3.3. A Share may be issued for consideration in any form, including money, a promissory note, real property, personal property (including goodwill and know-how) or a contract for future services.
- 3.4. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
  - (a) the amount to be credited for the issue of the Shares;
  - (b) their determination of the reasonable present cash value of the non-money consideration for the issue; and
  - (c) that, in their opinion, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.
- 3.5. The Company shall keep a register (the “register of members”) containing:
  - (a) the names and addresses of the Eligible Persons who hold Shares;
  - (b) the number of each class and series of Shares held by each Shareholder;
  - (c) the date on which the name of each Shareholder was entered in the register of members; and
  - (d) the date on which any Eligible Person ceased to be a Shareholder.
- 3.6. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 3.7. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

### 4. REDEMPTION OF SHARES AND TREASURY SHARES

- 4.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.

- 4.2. The Company may only offer to acquire Shares if at the relevant time the directors determine by Resolution of Directors that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 4.3. Sections 60 (Process for acquisition of own shares), 61 (Offer to one or more shareholders) and 62 (Shares redeemed otherwise than at the option of company) of the Act shall not apply to the Company.
- 4.4. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 4.5. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.
- 4.6. Treasury Shares may be disposed of by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and Articles) as the Company may by Resolution of Directors determine.
- 4.7. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, shares having more than 50 per cent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

## 5. MORTGAGES AND CHARGES OF SHARES

- 5.1. Shareholders may mortgage or charge their Shares.
- 5.2. There shall be entered in the register of members at the written request of the Shareholder:
  - (a) a statement that the Shares held by him are mortgaged or charged;
  - (b) the name of the mortgagee or chargee; and
  - (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.
- 5.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:

- (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
- (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

5.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

- (a) no transfer of any Share the subject of those particulars shall be effected;
- (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
- (c) no replacement certificate shall be issued in respect of such Shares,

without the written consent of the named mortgagee or chargee.

## 6. FORFEITURE

- 6.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation and for this purpose Shares issued for a promissory note or a contract for future services are deemed to be not fully paid.
- 6.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.
- 6.3. The written notice of call referred to in Sub-Regulation 6.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.
- 6.4. Where a written notice of call has been issued pursuant to Sub-Regulation 6.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.
- 6.5. The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 6.4 and that Shareholder shall be discharged from any further obligation to the Company.

## 7. TRANSFER OF SHARES

- 7.1. Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company at the office of its registered agent for registration.



- 7.2. The transfer of a Share is effective when the name of the transferee is entered on the register of members.
- 7.3. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
  - (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
  - (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.
- 7.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

## **8. MEETINGS AND CONSENTS OF SHAREHOLDERS**

- 8.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.
- 8.2. Upon the written request of Shareholders entitled to exercise 30 per cent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.
- 8.3. The director convening a meeting shall give not less than seven days' notice of a meeting of Shareholders to:
  - (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and
  - (b) the other directors.
- 8.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 8.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.

- 8.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.
- 8.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.
- 8.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 8.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

[ Name of Company ]
<p>I/We being a Shareholder of the above Company HEREBY APPOINT _____ of _____ or failing him _____ of _____ to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the _____ day of _____, 20____ and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this _____ day of _____, 20____</p> <p>Shareholder</p>

- 8.10. The following applies where Shares are jointly owned:
  - (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
  - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
  - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.
- 8.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.

- 8.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 per cent of the votes of the Shares or class or series of Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders
- 8.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.
- 8.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.
- 8.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 8.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.
- 8.17. Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Eligible Person which he represents as that Eligible Person could exercise if it were an individual.

- 8.18. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.
- 8.19. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 8.20. An action that may be taken by the Shareholders at a meeting may also be taken by a Resolution of Shareholders consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Eligible Persons holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

## 9. DIRECTORS

- 9.1. The first directors of the Company shall be appointed by the first registered agent within six months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors for such term as the Shareholders or directors determine.
- 9.2. No person shall be appointed as a director of the Company unless he has consented in writing to act as a director.
- 9.3. The minimum number of directors shall be one and the maximum number shall be five.
- 9.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.
- 9.5. A director may be removed from office only in accordance with the Shareholders Agreement.
- 9.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company at the office of its registered agent or from such later date as may be specified in the notice. A director shall resign forth with as a director if he is, or becomes, disqualified from acting as a director under the Act.

- 9.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.
- 9.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 9.9. The Company shall keep a register of directors containing:
- (a) the names and addresses of the persons who are directors of the Company;
  - (b) the date on which each person whose name is entered in the register was appointed as a director of the Company;
  - (c) the date on which each person named as a director ceased to be a director of the Company; and
  - (d) such other information as may be prescribed by the Act.
- 9.10. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 9.11. The directors may, by a Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 9.12. A director is not required to hold a Share as a qualification to office.

## **10. POWERS OF DIRECTORS**

- 10.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.
- 10.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.

- 10.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 10.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 10.5. The continuing directors may act notwithstanding any vacancy in their body.
- 10.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 10.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 10.8. For the purposes of Section 175 (Disposition of assets) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

## **11. PROCEEDINGS OF DIRECTORS**

- 11.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 11.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 11.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 11.4. A director shall be given not less than three days' notice of meetings of directors, but a meeting of directors held without three days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

- 11.5. A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote or consent in place of the director until the appointment lapses or is terminated.
- 11.6. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only two directors in which case the quorum is two.
- 11.7. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
- 11.8. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 11.9. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

## 12. COMMITTEES

- 12.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 12.2. The directors have no power to delegate to a committee of directors any of the following powers:
  - (a) to amend the Memorandum or the Articles;
  - (b) to designate committees of directors;

- (c) to delegate powers to a committee of directors;
  - (d) to appoint directors;
  - (e) to appoint an agent;
  - (f) to approve a plan of merger, consolidation or arrangement; or
  - (g) to make a declaration of solvency or to approve a liquidation plan.
- 12.3. Sub-Regulation 12.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 12.4. The meetings and proceedings of each committee of directors consisting of two or more directors shall be governed mutatis mutandis by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.
- 12.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

### **13. OFFICERS AND AGENTS**

- 13.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 13.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.



- 13.3. The emoluments of all officers shall be fixed by Resolution of Directors.
- 13.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 13.5. The directors may, by a Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the matters specified in Sub-Regulation 12.2. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

#### 14. CONFLICT OF INTERESTS

- 14.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.
- 14.2. For the purposes of Sub-Regulation 14.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.
- 14.3. Provided that the Board of directors of the Company has given prior authorisation by way of a Resolution of Directors (for which purposes the interested director shall not be able to vote), a director of the Company who is interested in a transaction entered into or to be entered into by the Company may:
- (a) vote on a matter relating to the transaction;
  - (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
  - (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction, and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

**15. INDEMNIFICATION**

- 15.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:
- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or
  - (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.
- 15.2. The indemnity in Sub-Regulation 15.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- 15.3. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 15.4. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 15.5. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

**16. RECORDS**

- 16.1. The Company shall keep the following documents at the office of its registered agent:

- (a) the Memorandum and the Articles;
  - (b) the register of members, or a copy of the register of members;
  - (c) the register of directors, or a copy of the register of directors; and
  - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 16.2. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
  - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
- 16.3. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
  - (b) minutes of meetings and Resolutions of Directors and committees of directors; and
  - (c) an impression of the Seal, if any.
- 16.4. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 16.5. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (No. 5 of 2001).

## 17. REGISTERS OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;

- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

**18. SEAL**

The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

**19. DISTRIBUTIONS BY WAY OF DIVIDEND**

- 19.1. The directors of the Company may, by Resolution of Directors, authorise a distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 19.2. Dividends may be paid in money, shares, or other property.
- 19.3. Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 21.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 19.4. No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.

## **20. ACCOUNTS AND AUDIT**

- 20.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 20.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.
- 20.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.
- 20.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by a Resolution of Shareholders.
- 20.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.
- 20.6. The remuneration of the auditors of the Company:
- (a) in the case of auditors appointed by the directors, may be fixed by Resolution of Directors; and
  - (b) subject to the foregoing, shall be fixed by Resolution of Shareholders or in such manner as the Company may by Resolution of Shareholders determine.
- 20.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
- (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
  - (b) all the information and explanations required by the auditors have been obtained.
- 20.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 20.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

20.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

## 21. NOTICES

- 21.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 21.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 21.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

## 22. VOLUNTARY WINDING UP AND DISSOLUTION

The Company may by a Resolution of Shareholders or by a Resolution of Directors appoint a voluntary liquidator.

## 23. CONTINUATION

The Company may by Resolution of Shareholders or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Offshore Incorporations Limited of Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 3<sup>rd</sup> day of July 2007.

Incorporator:

Offshore Incorporations Limited

Sgd: Richard Parsons

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Authorised Signatory

CYBER ONE AGENTS LIMITED

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**Annexure P****Common Warranties Disclosure Annex**

The Common Warranties are qualified with respect to the New Cotai Parties by the matters set out in the below-referenced Items from the Data Room Index:

- (a) Section II, Item 4;
- (b) Section II, Item 5;
- (c) Section II, Item 6;
- (d) Section VII, Item 1;
- (e) Section VII, Item 2; and
- (f) Section XV, Item 6.



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**Annexure Q****Cyber One Warranties Disclosure Annex**

The Cyber One Warranties are qualified by the matters set out in the below-referenced Items from the Data Room Index:

- (a) Section II, Item 4;
- (b) Section II, Item 5;
- (c) Section II, Item 6;
- (d) Section II, Item 17;
- (e) Section II, Item 18;
- (f) Section II, Item 19;
- (g) Section VII, Item 1;
- (h) Section VII, Item 2;
- (i) Section XV, Item 6;
- (j) Section XV, Item 7;
- (k) Section XV, Item 8; and
- (l) Section XV, Item 9.



**Annexure S**

**New Cotai Entertainment Sale Agreement**

This NEW COTAI ENTERTAINMENT SALE AGREEMENT (this "Agreement") is made and entered into effective as of the [—] day of [—], 2011 by and between New Cotai Holdings, LLC, a limited liability company formed in Delaware, United States of America (the "Seller") and Cyber One Agents Limited, a company formed pursuant to the laws of the British Virgin Islands (the "Purchaser"). Capitalised terms used without definition herein shall have the meanings assigned to such terms in the Implementation Agreement, dated June [—], 2011 (the "Implementation Agreement"), by and among Seller, Melco Crown Entertainment Limited, MCE Cotai Investments Limited, and New Cotai, LLC.

WITNESSETH:

WHEREAS, Seller is a party to the Implementation Agreement; and

WHEREAS, pursuant to clause 4.1(a) of the Implementation Agreement, the Seller is required to transfer the Sale Units to the Purchaser at the Effective Time.

NOW, THEREFORE, pursuant to and in accordance with the Implementation Agreement, Seller hereby sells, transfers and assigns to Purchaser, and the Purchaser hereby purchases from the Seller, the Sale Units as at the Effective Time.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the above date.

**NEW COTAI HOLDINGS, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CYBER ONE AGENTS LIMITED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**CYBER ONE AGENTS LIMITED**  
**(THE "COMPANY")**  
**INCORPORATED IN THE BRITISH VIRGIN ISLANDS**  
**BVI COMPANY NO. 399970**

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**WRITTEN RESOLUTIONS OF THE MEMBERS PURSUANT TO REGULATION 3.7 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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IT IS NOTED THAT:

- A. The Company proposes to:
- (i) cancel the entire unissued Class B shares the Company is authorised to issue;
  - (ii) rename the class of shares the Company is authorised to issue known as "Class A" to "shares";
  - (iii) increase the maximum number of shares the Company is authorised to issue; and
  - (iv) adopt a new amended and restated memorandum and articles of association attached as Annexure A ("**New M&A**") in accordance with the terms and conditions of an implementation agreement to be dated on or around [15 June 2011] between Melco Crown Entertainment Limited, MCE Cotai Investments Limited, New Cotai, LLC and New Cotai Holdings, LLC.
- B. The members of the Company have carefully considered the New M&A.

IT IS RESOLVED THAT:

1. the 10,000 unissued Class B shares the Company is authorised to issue be cancelled with immediate effect, reducing the number of shares that the Company is authorised to issue from 100,000 shares to 90,000 shares(the "**Cancellation**");
2. the class of shares the Company is authorised to issue known as "Class A" be amended with immediate effect to be known as "shares" with no other change or variation attaching to the rights of the shares within such class (the "**Class Amendment**");
3. subject to the passing of resolutions 1 and 2 above, the maximum number of shares that the Company is authorised to issue be and is hereby increased from 90,000 shares of US\$1.00 par value each to 200,000 shares of US\$1.000 par value each and that this be reflected in the New M&A (the "**Increase Amendment**");
4. subject to the approval of resolutions 1 to 3 above, with immediate effect, the New M&A be and is hereby adopted as the memorandum of association and articles of association of the Company in substitution for and to the exclusion of the existing memorandum of association and articles of association of the Company;
5. the Company Secretary and registered agent of the Company, where relevant, be authorised and instructed to update the register of members of the Company and other corporate records in connection with the matters contemplated by these resolutions including without limitation the Cancellation and Class Amendment;
6. the registered agent of the Company be and is hereby authorised to attend to all requisite filings in connection with the matters contemplated by these resolutions including without limitation the filings with the Registrar of Corporate Affairs in the British Virgin Islands in connection with the Increase Amendment and adoption of the New M&A;

7. Any one director of the company be and is hereby authorised to sign any document or take any action deemed by him to be necessary, incidental to, expedient or in connection with the matters contemplated by these resolutions; and
8. All steps taken by any director for and on behalf of the Company in relation to the registration and adoption of the New M&A be and are hereby ratified, approved and adopted in all respects.

*[signature page follows]*

Dated this day of 2011

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For and behalf of  
**MCE Cotai Investments Limited**

---

For and behalf of  
**New Cotai LLC**





BY FAX AND BY HAND

Fax no.: 2810 4525

Date:

Offshore Incorporations Limited

9/F., Ruttonjee House

11 Duddell Street

Central

Hong Kong

Attention: Ms. Rosanna Wong / Ms. Veronica Chan

Dear Sirs,

Re: Cyber One Agents Limited (BVI Company No. 399970, the "Company") – amendment to articles of association

In connection with the above Company, we enclose for your reference a copy of the shareholders resolution of the Company to amend its articles of association. We would be grateful if you could liaise with your contacts in the British Virgin Islands and the Registrar of Corporate Affairs in the British Virgin Islands to effect such amendment of the articles of association and to attend to the necessary filings and matters incidental thereto.

Please kindly acknowledge receipt of the above document and instruction by signing and returning a copy of this letter by fax or by email to the undersigned (fax no. 2743 8459 / email: [seamankwok@laisun.com](mailto:seamankwok@laisun.com)).

Thank you for your kind attention to the matter. Please do not hesitate to contact the undersigned if you have any questions.

Yours faithfully,

For and on behalf of  
eSun Holdings Limited

Kwok Siu Man  
Company Secretary

Encls.

**MELCO CROWN ENTERTAINMENT LIMITED****SHARE INCENTIVE PLAN****ARTICLE 1****PURPOSE**

The purpose of the Melco Crown Entertainment Limited Share Incentive Plan (the “Plan”) is to promote the success and enhance the value of Melco Crown Entertainment Limited, an exempted company formed under the laws of the Cayman Islands (the “Company”), by linking the personal interests of the members of the Board, Employees, and Consultants to those of Company’s shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company’s shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

**ARTICLE 2****DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

- 2.1 “2006 Share Incentive Plan” means the Company’s Share Incentive Plan, as revised and adopted by its Board on November 28, 2006 and March 17, 2009 and as approved by its shareholders on December 1, 2006 and May 19, 2009.
- 2.2 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable Share exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.
- 2.3 “Award” means an Option, a Restricted Share award, a Share Appreciation Right award, a Dividend Equivalents award, a Share Payment award, a Deferred Share award, or a Restricted Share Unit award granted to a Participant pursuant to the Plan.
- 2.4 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.
- 2.5 “Board” means the Board of Directors of the Company.
- 2.6 “Change in Control” means a change in ownership or control of the Company effected through either of the following transactions:
- (a) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty per cent. (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s shareholders which a majority of the Incumbent Board (as defined below) who are not affiliates or associates of the offeror under Rule 12b-2 promulgated under the Exchange Act do not recommend such shareholders accept, or
  - (b) the individuals who, as of the Effective Date, are members of the Board (the “Incumbent Board”), cease for any reason to constitute at least fifty per cent. (50%) of the Board; provided that if the election, or nomination for election by the Company’s shareholders, of any new member of the Board is approved by a vote of at least fifty per cent. (50%) of the Incumbent Board, such new member of the Board shall be considered as a member of the Incumbent Board.

Notwithstanding the foregoing, with respect to an Award that is subject to Section 409A of the Code and the payment or settlement of the Award will accelerate upon a Change of Control, no event set forth herein will constitute a Change of Control for purposes of the Plan or any Award Agreement unless such event also constitutes a “change in ownership”, “change in effective control”, or “change in the ownership of a substantial portion of the Company’s assets” as defined under Section 409A of the Code.

2.7 “Code” means the Internal Revenue Code of 1986 of the United States, as amended and the regulations and guidance promulgated thereunder.

2.8 “Committee” means the committee of the Board described in Article 13.

2.9 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.10 “Corporate Transaction” means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

- (a) an amalgamation, arrangement or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;
- (b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (c) the complete liquidation or dissolution of the Company;
- (d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty per cent. (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or
- (e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty per cent. (50%) of the total combined voting power of the Company’s outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

Notwithstanding the foregoing, with respect to an Award that is subject to Section 409A of the Code and the payment or settlement of the Award will accelerate upon a Corporate Transaction, no event set forth herein will constitute a Corporate Transaction for purposes of the Plan or any Award Agreement unless such event also constitutes a “change in ownership”, “change in effective control”, or “change in the ownership of a substantial portion of the Company’s assets” as defined under Section 409A of the Code.

2.11 “Deferred Share” means a right to receive a specified number of Shares during specified time periods pursuant to Article 10.

2.12 “Director” means a director of the Board.

- 2.13 “Disability” means that the Participant qualifies to receive long-term disability payments under the Service Recipient’s long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, “Disability” means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.
- 2.14 “Dividend Equivalents” means a right granted to a Participant pursuant to Article 10 to receive the equivalent value (in cash or Share) of dividends paid on Share.
- 2.15 “Effective Date” shall have the meaning set forth in paragraph 14.1.
- 2.16 “Employee” means any person, including an officer or member of the Board of the Company, any Parent or Subsidiary of the Company, who is in the employ of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director’s fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.
- 2.17 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended and the rules and regulations promulgated thereunder.
- 2.18 “Exercise Price” means the price per Share which a Participant may subscribe at on the exercise of an Award as determined by the Board in accordance with paragraph 11.6;
- 2.19 “Fair Market Value” means, as of any date, the value of Shares determined as follows:
- (a) If the Shares are listed on one or more established Share exchanges or national market systems, including without limitation, the Stock Exchange, The Nasdaq Stock Market LLC, The Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Share Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;
  - (b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of an Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or
  - (c) In the absence of an established market for the Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Committee in good faith by reference to the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement.
- 2.20 “Global Offering” means the offering of Shares (subject to adjustment) in the share capital of the Company for subscription by the public in Hong Kong, and the offering of Shares in the capital of the Company (subject to adjustment and the Over-allotment Option (as defined in the Prospectus)) for subscription by institutional and professional investors (other than retail investors) in Hong Kong and outside the United States in offshore transactions as defined in and in accordance with Regulation S (as defined in the Prospectus), and in the United States, pursuant to Rule 144A or another exemption under the United States Securities Act of 1933;
- 2.21 “Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

- 2.22 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.
- 2.23 “Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange.
- 2.24 “Macau” means the Macau Special Administrative Region of the PRC.
- 2.25 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.
- 2.26 “Offer Date” means in respect of an Award, the business day on which such Award is offered in writing to an eligible Participant.
- 2.27 “Option” means a right granted to a Participant pursuant to Article 7 to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.
- 2.28 “Participant” means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.
- 2.29 “Parent” means: (a) a parent corporation under Section 424(e) of the Code; (b) Melco International Development Limited or any Subsidiary thereof, or (c) Publishing and Broadcasting Limited or any Subsidiary thereof.
- 2.30 “Plan” means this Melco Crown Entertainment Limited Share Incentive Plan, as it may be amended from time to time.
- 2.31 “PRC” means the People’s Republic of China, other than Hong Kong, Macau and Taiwan.
- 2.32 “Prospectus” means the prospectus of the Company in respect of the Global Offering.
- 2.33 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.
- 2.34 “Restricted Share” means a Share awarded to a Participant pursuant to Article 8 that is subject to certain restrictions and may be subject to risk of forfeiture.
- 2.35 “Restricted Share Unit” means an Award granted pursuant to paragraph 10.4.
- 2.36 “Securities Act” means the Securities Act of 1933 of the United States, as amended and the rules and regulations promulgated thereunder.
- 2.37 “Separation From Service” means a “separation from service” as defined in Section 409A(a)(2)(A)(i) of the Code and determined in accordance with the default provisions under Section 409A of the Code.
- 2.38 “Service Recipient” means the Company, any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, Consultant or as a Director.
- 2.39 “Share” means the ordinary share capital of the Company, par value US\$0.01 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 12.
- 2.40 “Share Appreciation Right” or “SAR” means a right granted pursuant to Article 9 to receive a payment equal to the excess of the Fair Market Value of a specified number of Shares on the date the SAR is exercised over the Fair Market Value on the date the SAR was granted as set forth in the applicable Award Agreement.
- 2.41 “Share Payment” means (a) a payment in the form of Shares, or (b) an option or other right to purchase Shares, as part of any bonus, deferred compensation or other arrangement, made in lieu of all or any portion of the compensation, granted pursuant to Article 10.

2.42 “Specified Employee” means a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, determined under the uniform methodology and procedures adopted by the Company for purposes of identifying Specified Employees of the Company.

2.43 “Stock Exchange” means The Stock Exchange of Hong Kong Limited.

2.44 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company. For the purposes of determining eligibility for the grant of Incentive Share Options under the Plan, the term “Subsidiary” shall be defined in the manner required by Section 424(f) of the Code.

2.45 “Trading Date” means the first day on which Shares are publicly traded on an exchange or national market system or other quotation system.

### ARTICLE 3

#### CONDITIONS

3.1 Prerequisite conditions. This Plan shall take effect subject to and is conditional upon:

- (a) the passing of the necessary resolutions by the shareholders of the Company in general meeting to approve and adopt the rules of this Plan;
- (b) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares falling to be issued pursuant to the exercise of Options under this Plan;
- (c) the obligations of the Underwriters (as defined in the Prospectus) under the Underwriting Agreements (as defined in the Prospectus) becoming unconditional (including, if relevant, following the waiver(s) of any conditions by the Joint Global Coordinator(s) (as defined in the Prospectus) (acting for and on behalf of the Underwriters (as defined in the Prospectus)) and not being terminated in accordance with its terms or otherwise; and
- (d) the commencement of dealings in the Shares on the Stock Exchange.

3.2 Where conditions are not met. In the event that the conditions in paragraph 3.1 are not satisfied, this Plan shall have no effect whatsoever.

### ARTICLE 4

#### AWARDS GRANTED UNDER THE PRECEDING SHARE INCENTIVE PLAN

4.1 Validity. As of the date this Plan becomes effective, Awards previously granted under the 2006 Share Incentive Plan shall remain subject to the terms and conditions of the 2006 Share Incentive Plan.

4.2 Survive. The 2006 Share Incentive Plan shall survive and be valid until its expiration date notwithstanding that this Plan has or has not become effective. All Awards granted under the 2006 Share Incentive Plan shall remain outstanding and be governed by the terms of such plan.

4.3 Awards granted after the Listing Date. Upon the completion of the Global Offering, no further Awards may be granted under the 2006 Share Incentive Plan. This Plan shall succeed the 2006 Share Incentive Plan, and Awards granted after such date shall be granted pursuant to and subject to the terms set out herein.

### ARTICLE 5

#### SHARES SUBJECT TO THE PLAN

5.1 Number of Shares.

- (a) Subject to the provisions of Article 12 and paragraphs 5.1(c), 11.2 and 11.3, the maximum aggregate number of Shares which may be issued pursuant to all Awards under the Plan is 100,000,000 Shares (the “Plan Limit”).



- (b) If the Committee determines to offer Options to an eligible Participant which exceed the limit of one per cent. of Shares in issue within a 12-month period up to the date of grant, then (i) that grant shall be subject to (x) the issue of a circular by the Company to its shareholders which shall comply with Rules 17.03(4) and 17.06 of the Listing Rules and or such other requirements as prescribed under the Listing Rules, any Applicable Law or any exchange rule from time to time; and (y) the approval of the shareholders of the Company in general meeting at which that eligible Participant and his associates (as defined in the Listing Rules) shall abstain from voting; and (ii) unless provided otherwise in the Listing Rules, any Applicable Law or any exchange rule, the date of the Committee meeting at which the Committee resolves to grant the proposed Options to that eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- (c) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of paragraph 5.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of paragraph 5.1(a). Notwithstanding the provisions of this paragraph 5.1(c), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an Incentive Share Option.

5.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of paragraph 5.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

## ARTICLE 6

### ELIGIBILITY AND PARTICIPATION

- 6.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all members of the Board, as determined by the Committee.
- 6.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.
- 6.3 Connected persons.
  - (a) If the Committee determines to offer to grant Options to a director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors on the Committee at the time of determination (and in the event that the Committee offers to grant Options to an independent non-executive director on the Committee at the time of determination, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant and the alternate independent non-executive director not on the Committee at the time of determination shall vote in place of the relevant Participant).
  - (b) If the Committee determines to offer to grant Options to a substantial shareholder or an independent non-executive director of the Company (or any of their respective associates) and that grant would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under this Plan and the other schemes in the 12-month period up to and including the Offer Date:
    - (i) representing in aggregate over 0.1 per cent., or such other percentage as may be from time to time provided under the Listing Rules, of the Shares in issue on the Offer Date; and

- (ii) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules,

such grant shall be subject to, in addition to the approval of the independent non-executive directors of the Company as referred to under paragraph 6.3(a), the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting by way of a poll convened and held in accordance with the Company's Memorandum of Association and Articles of Association at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favor of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. Unless provided otherwise in the Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.

- (c) The circular to be issued by the Company to its shareholders pursuant to paragraph 6.3(b) shall contain the following information:
  - (i) the details of the number and terms (including the Exercise Price) of the Options to be granted to each eligible Participant which must be fixed before the shareholders' meeting and the Offer Date (which shall be the date of the Board meeting at which the Committee proposes to grant the proposed Options to that eligible Participant);
  - (ii) a recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director who is the relevant Participant) to the independent shareholders of the Company as to voting;
  - (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
  - (iv) the information required under Rule 2.17 of the Listing Rules.

6.4 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in paragraph 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

## ARTICLE 7

### OPTIONS

7.1 General. Subject to the restrictions set out in paragraphs 5.1, 6.3 and 11, the Committee is authorized to grant Options to Participants on the following terms and conditions:

- (a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee in accordance with paragraph 11.6 and set forth in the Award Agreement.

- (b) **Time and Conditions of Exercise.** The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in paragraph 14.2. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- (c) **Payment.** The Committee shall determine the methods by which the Exercise Price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, Hong Kong Dollars, or any other local currency as approved by the Committee, (ii) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate Exercise Price of the Option or exercised portion thereof, (iii) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option Exercise Price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, and the methods by which Shares shall be delivered or deemed to be delivered to Participants, (iv) through net share settlement or similar procedure involving the withholding of Shares subject to the Option with a Fair Market Value equal to the Exercise Price, (v) other property acceptable to the Committee with a Fair Market Value equal to the Exercise Price, or (vi) by such other means as the Committee may authorize, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the Exercise Price of an Option in any method which would violate Section 13(k) of the Exchange Act.
- (d) **Evidence of Grant.** All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

7.2 **Incentive Share Options.** Incentive Share Options shall be granted only to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of paragraph 7.1, must comply with the provisions of Section 422 of the Code, or any successor provision thereto, including the following additional provisions of this paragraph 7.2:

- (a) **Expiration of Option.** An Incentive Share Option may not be exercised to any extent by anyone after the first to occur of the following events:
  - (i) ten years from the date it is granted, unless an earlier time is set in the Award Agreement;
  - (ii) three months after the Participant’s termination of employment as an Employee; and
  - (iii) one year after the date of the Participant’s termination of employment or service on account of Disability or death. Upon the Participant’s Disability or death, any Incentive Share Options exercisable at the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Share Option or dies intestate, by the person or persons entitled to receive the Incentive Share Option pursuant to the applicable laws of descent and distribution.
- (b) **Individual Dollar Limitation.** The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

- (c) Ten Per cent. Owners. An Incentive Share Option shall be granted to any individual who, at the date of grant, owns Shares possessing more than ten per cent. of the total combined voting power of all classes of Shares of the Company only if such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Option is exercisable for no more than five years from the date of grant.
- (d) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option; or (ii) one year after the transfer of such Shares to the Participant.
- (e) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.
- (f) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

7.3 Substitution of Share Appreciation Rights. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have the right to substitute a Share Appreciation Right for such Option at any time prior to or upon exercise of such Option, provided that such Share Appreciation Right shall (i) be exercisable for the same number of shares of Share that such substituted Option would have been exercisable for; and (ii) shall have the same Exercise Price as such substituted Option.

## ARTICLE 8

### RESTRICTED SHARES

8.1 Grant of Restricted Shares. The Committee is authorized to make Awards of Restricted Shares to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Shares shall be evidenced by an Award Agreement.

8.2 Issuance and Restrictions. Subject to paragraph 11.12, Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

8.3 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited; *provided, however,* that, except as otherwise provided by paragraph 11.12, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Shares.

8.4 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

## ARTICLE 9

### SHARE APPRECIATION RIGHTS

9.1 Grant of Share Appreciation Rights.

- (a) A Share Appreciation Right may be granted to any Participant selected by the Committee. A Share Appreciation Right shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement. The Exercise Price per share of Shares covered by a Share Appreciation Right shall be fixed by the Committee in accordance with paragraph 11.6 and set forth in the Award Agreement.

- (b) A Share Appreciation Right shall entitle the Participant (or other person entitled to exercise the Share Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Share Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the Exercise Price per share of the Share Appreciation Right from the Fair Market Value of a Share on the date of exercise of the Share Appreciation Right by the number of Shares with respect to which the Share Appreciation Right shall have been exercised, subject to any limitations the Committee may impose.
- (c) The Committee shall determine the time or times at which a Share Appreciation Right may be exercised in whole or in part; *provided* that the term of any Share Appreciation Right granted under the Plan shall not exceed ten years, except as provided in paragraph 14.2. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of a Share Appreciation Right may be exercised.
- (d) The Committee may provide in the Award Agreement evidencing the grant of a Share Appreciation Right that the Committee, in its sole discretion, shall have the right to substitute an Option for such Share Appreciation Right at any time prior to or upon exercise of such Share Appreciation Right, provided that such Option shall (i) be exercisable for the same number of Shares that such substituted Share Appreciation Right would have been exercisable for and (ii) shall have the same Exercise Price as such substituted Share Appreciation Right.

9.2 Payment and Limitations on Exercise.

- (a) Payment of the amounts determined under paragraph 9.1(b) above shall be in cash, in Shares (based on its Fair Market Value as of the date the Share Appreciation Right is exercised) or a combination of both, as determined by the Committee in the Award Agreement.
- (b) To the extent any payment under paragraph 9.1(b) is effected in Shares it shall be made subject to satisfaction of all provisions of Article 7 above pertaining to Options.

**ARTICLE 10**

**OTHER TYPES OF AWARDS**

10.1 Dividend Equivalents. Any Participant selected by the Committee may be granted Dividend Equivalents based on the dividends declared on the Shares that are subject to any Award, to be credited as of dividend payment dates, during the period between the date the Award is granted and the date the Award is exercised, vests or expires, as determined by the Committee. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee; *provided, however*, that the terms of any reinvestment of dividends must comply with all applicable laws, rules and regulations, including, without limitation, Section 409A of the Code.

10.2 Share Payments. Any Participant selected by the Committee may receive Share Payments in the manner determined from time to time by the Committee; *provided*, that unless otherwise determined by the Committee such Share Payments shall be made in lieu of base salary, bonus, or other cash compensation otherwise payable to such Participant. The number of Shares shall be determined by the Committee and may be based upon the such performance criteria or other specific criteria determined appropriate by the Committee, determined on the date such Share Payment is made or on any date thereafter.

10.3 Deferred Shares. Any Participant selected by the Committee may be granted an award of Deferred Shares in the manner determined from time to time by the Committee. The number of shares of Deferred Shares shall be determined by the Committee and may be linked to such specific criteria determined to be appropriate by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. Shares underlying a Deferred Share award will not be issued until the Deferred Share award has vested, pursuant to a vesting schedule or criteria set by the Committee. Unless otherwise provided by the Committee, a Participant awarded Deferred Shares shall have no rights as a Company's shareholder with respect to such Deferred Shares until such time as the Deferred Share Award has vested and the Shares underlying the Deferred Share Award has been issued.

10.4 **Restricted Share Units.** The Committee is authorized to make Awards of Restricted Share Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Share Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Participant. On the maturity date, the Company shall transfer to the Participant one unrestricted, fully transferable Share for each Restricted Share Unit scheduled to be paid out on such date and not previously forfeited. The Committee shall specify the purchase price, if any, to be paid by the Participant to the Company for such Shares.

10.5 **Term.** Except as otherwise provided herein, the term of any Award of Dividend Equivalents, Share Payments, Deferred Share, or Restricted Share Units shall be set by the Committee in its discretion.

10.6 **Exercise or Purchase Price.** The Committee may establish the exercise or purchase price, if any, of any Award of Deferred Share, Share Payments or Restricted Share Units; *provided, however*, that such price shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

10.7 **Exercise Upon Termination of Employment or Service.** An Award of Dividend Equivalents, Deferred Share, Share Payments, and Restricted Share Units shall only be exercisable or payable while the Participant is an Employee, Consultant or a member of the Board, as applicable; *provided, however*, that the Committee in its sole and absolute discretion may provide that an Award of Dividend Equivalents, Share Payments, Deferred Share, or Restricted Share Units may be exercised or paid subsequent to a termination of employment or service, as applicable, or following a Change of Control of the Company, or because of the Participant's retirement, death or Disability, or otherwise.

10.8 **Form of Payment.** Payments with respect to any Awards granted under this Article 10 shall be made in cash, in Shares or a combination of both, as determined by the Committee.

10.9 **Award Agreement.** All Awards under this Article 10 shall be subject to such additional terms and conditions as determined by the Committee and shall be evidenced by an Award Agreement.

## ARTICLE 11

### PROVISIONS APPLICABLE TO AWARDS

11.1 **Maximum number of Shares.** Subject to the provisions of Article 12, paragraphs 5.1(c), 11.2 and 11.3, the maximum aggregate number of Shares which may be issued pursuant to all Awards under the Plan is 100,000,000 Shares.

11.2 **Circular.** Subject to paragraph 11.4, the issue of a circular by the Company which complies with Rules 17.03(3) and 17.06 of the Listing Rules and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, where applicable, the Plan Limit may be increased from time to time, but not more than 10 per cent. of the Shares in issue (the "New Plan Limit") as at the date of such shareholders' approval (the "New Approval Date"). Thereafter, as at the Offer Date of any proposed grant of Awards, the maximum number of Shares in respect of which Awards may be granted is the New Plan Limit less the aggregate of the following Shares as at that Offer Date:

- (a) the number of Shares which would be issued on the exercise in full of the Awards and awards under the other schemes granted on or after the New Approval Date but not cancelled, lapsed or exercised;
- (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Awards or awards under the other schemes granted on or after the New Approval Date; and
- (c) the number of cancelled Shares, the subject of Awards or awards under the other schemes granted on or after the New Approval Date.

11.3 Exceeding the Plan Limit. Subject to paragraph 11.4, the issue of a circular by the Company to its shareholders and the approval of the shareholders of the Company in general meeting in compliance with Rules 17.03(3) and 17.06 of the Listing Rules and/or such other requirements prescribed under the Listing Rules from time to time, where applicable, the Committee may grant Awards exceeding the Plan Limit to eligible Participants specifically identified by the Committee.

11.4 Maximum limit. Any increase in the Plan Limit pursuant to paragraphs 11.2 or 11.3 shall in no event result in the number of Shares which may be issued upon exercise of all outstanding Awards granted and yet to be exercised under this Plan and the other schemes exceeding 30 per cent. of the Shares in issue from time to time.

11.5 Adjustment of the Plan Limit. The Plan Limit referred to in paragraph 11.2 (or as increased in accordance with paragraphs 11.2 and/or 11.3, as the case may be) shall be adjusted, in such manner as the Auditors or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with Article 12 whether by way of capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of share capital of the Company but in any event shall not exceed the limit prescribed in paragraph 11.4.

11.6 Exercise Price. The exercise price in relation to each Option and Share Appreciation Right offered to an eligible Participant shall, subject to the adjustments referred to in Article 12, be determined by the Committee in its absolute discretion but in any event shall not be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date;
- (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the 5 business days immediately preceding the Offer Date; and
- (c) the nominal value of a Share,

provided that for the purpose of determining the exercise price where the Shares have been listed on the Stock Exchange for less than 5 business days preceding the Offer Date, the issue price of the Shares in connection with such listing shall be deemed to be the closing price of the Shares for each business day falling within the period before the listing of the Shares on the Stock Exchange.

11.7 Exercise of Options. Subject as hereinafter provided and notwithstanding paragraph 7.2, an Option may be exercised by a Participant at any time or times during its term provided that:

- (a) in the event of the Participant ceasing to be eligible for any reason other than on his death, ill-health, injury, disability or the termination of his relationship with the Company and/or any of the Subsidiaries on one or more of the grounds specified in paragraph 14.3(e), the Participant may exercise the Option up to his entitlement at the date of cessation of being eligible (to the extent not already exercised) within the period of one month (or such longer period as the Committee may determine) following the date of such cessation (which date shall be, in relation to a Participant who is eligible by reason of his employment with the Company or any of the Subsidiaries, the last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not), and where applicable, paragraph 10.7 may take effect. In no event shall the Options be exercisable beyond the expiry date;
- (b) in the case of the Participant ceasing to be eligible by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Committee) and none of the events which would be a ground for termination of his relationship with the Company and/or any of the Subsidiaries under paragraph 14.3(e) has occurred, the Participant or the beneficiary(ies) of the Participant shall be entitled within a period of 12 months (or such longer period as the Committee may determine) from the date of cessation of being eligible or death to exercise the Option in full (to the extent not already exercised). In no event shall the Options be exercisable beyond the expiry date;
- (c) in the event of a Change in Control, paragraph 12.2 shall take effect; and
- (d) In the event of a Corporate Transaction, paragraph 12.3 shall take effect.

11.8 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

11.9 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

11.10 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Share Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including but not limited to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's termination of employment or service with the Company or a Subsidiary to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities. Any breach of the foregoing shall entitle the Company to cancel any outstanding Awards or any part thereof granted to such Participant.

11.11 Restriction on time of grant. For so long as the Shares are listed on the Stock Exchange, the Committee shall not grant any Awards after a price-sensitive event has occurred or a price-sensitive matter has been the subject of a decision until such price-sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no Awards shall be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board or Board committee meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of results for (i) any year or half-year period in accordance with the Listing Rules, and (ii) the deadline, if any, where the Company has elected to publish them, any quarterly or any other interim period,

and ending on the actual date of publication of the results for such year, half year, quarterly or interim period (as the case may be).

11.12 Restriction on time of grant for Directors. For so long as the Shares are listed on the Stock Exchange, no Awards shall be granted to a Director:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

11.13 Beneficiaries. Notwithstanding paragraph 11.10, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property jurisdiction, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.



11.14 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Share pursuant to the exercise of any Award, unless and until the Board has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. The Committee may require each Participant purchasing or acquiring Shares pursuant to an Award under the Plan to represent to and agree with the Company in writing that such person is acquiring the Shares for investment and proprietary purposes. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Share. In addition to the terms and conditions provided herein, the Board may require that a Participant make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

11.15 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

11.16 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations.

## ARTICLE 12

### CHANGES IN CAPITAL STRUCTURE

12.1 Adjustments. In the event of any extraordinary dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization, reorganization, partial or complete liquidation, reclassification, merger, consolidation, separation, split-up, spin-off, combination, exchange of Shares, warrants or rights offering to purchase Shares at a price substantially below Fair Market Value or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make proportionate and equitable adjustments to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in paragraph 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant price or exercise price per Share for any outstanding Awards under the Plan, in order to preserve, but not increase, the benefits or potential benefits intended to be made available under the Plan. Any such adjustments shall be made in such manner as the Committee may determine in its discretion.

12.2 Acceleration upon a Change of Control. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Change of Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor, such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse. Upon, or in anticipation of, a Change of Control, the Committee may in its sole discretion provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise such Awards during a period of time as the Committee shall determine, (ii) either the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion the assumption of or substitution of such Award by the successor or surviving corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices.

12.3 **Outstanding Awards – Corporate Transactions.** In the event of a Corporate Transaction, each Award will terminate upon the consummation of the Corporate Transaction, unless the Award is assumed by the successor entity or Parent thereof in connection with the Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

- (a) the Award either is (i) assumed by the successor entity or Parent thereof or replaced with a comparable Award (as determined by the Committee) with respect to shares of the capital stock of the successor entity or Parent thereof or (ii) replaced with a cash incentive program of the successor entity which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such Award, then such Award (if assumed), the replacement Award (if replaced), or the cash incentive program automatically shall become fully vested, exercisable and payable and be released from any restrictions on transfer (other than transfer restrictions applicable to Awards) and repurchase or forfeiture rights, immediately upon termination of the Participant’s employment or service with all Service Recipient within twelve (12) months of the Corporate Transaction without cause; and
- (b) For each Award that is neither assumed nor replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Participant remains an Employee, Consultant or Director on the effective date of the Corporate Transaction.

12.4 **Outstanding Awards – Other Changes.** In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 12, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant price or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

12.5 **No Other Rights.** Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant price or exercise price of any Award.

## **ARTICLE 13**

### **ADMINISTRATION**

13.1 **Committee.** The Plan shall be administered by the Compensation Committee of the Board. Reference to the Committee shall refer to the Board if the Compensation Committee does not yet exist or ceases to exist and the Board does not appoint a successor Committee. Notwithstanding the foregoing, the full Board, acting by majority of its members in office shall conduct the general administration of the Plan if required by Applicable Law, and with respect to Awards granted to Independent Directors and for purposes of such Awards the term “Committee” as used in the Plan shall be deemed to refer to the Board.

13.2 **Action by the Committee.** A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company’s independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

13.3 **Authority of Committee.** Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) designate Participants to receive Awards;
- (b) determine the type or types of Awards to be granted to each Participant;
- (c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any minimum period for which the Award must be held for before it can be exercised, any performance targets which must be achieved before an Award can be exercised, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) determine whether, to what extent, and pursuant to what circumstances and amount an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;
- (j) vary the terms of Awards to take account of tax and securities law and other regulatory requirements or to procure favorable tax treatment for Participants;
- (k) correct any defects, supply any omission or reconcile any inconsistency in any Award Agreement or the Plan; and
- (l) make all factual and other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

13.4 **Decisions Binding.** The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan (a) shall be made in the Committee's sole discretion and (b) are final, binding, and conclusive for all purposes and upon all parties.

## **ARTICLE 14**

### **EFFECTIVE AND EXPIRATION DATE**

14.1 **Effective Date.** The Plan is effective as of the date the Plan is approved by the Company's shareholders and the conditions in Article 3 becomes unconditional (the "Effective Date").

14.2 **Expiration Date.** The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

14.3 Lapse of Option. An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 11.7 (a), (b), (c), or (d);
- (c) the date on which the Corporate Transaction of the Company referred to in paragraph 11.7(d) becomes effective;
- (d) the date of commencement of the winding-up of the Company (as determined in accordance with the Companies Law (as amended) of the Cayman Islands);
- (e) the date on which the Participant ceases to be eligible by reason of the termination of his relationship with the Company and/or any of the Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offense involving his integrity or honesty or in relation to an employee of the Company and/or any of the Subsidiaries (if so determined by the Committee) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Participant's service contract with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Participant has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and
- (f) the date on which the Committee shall exercise the Company's right to cancel the Option at any time after the Participant commits a breach of paragraph 11.10 or the Awards are cancelled in accordance with Article 16.

## ARTICLE 15

### AMENDMENT, MODIFICATION, AND TERMINATION

15.1 Amendment, Modification, and Termination. Subject to Applicable Laws, with the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, (b) shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 12), (ii) permits the Committee to grant Options with an Exercise Price that is below Fair Market Value on the date of grant, or (iii) results in a material increase in benefits or a change in eligibility requirements, and (c) the amended terms of this Plan or the Options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to such alteration.

15.2 Awards Previously Granted. Except with respect to amendments made pursuant to paragraph 15.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan and other previous plans without the prior written consent of the Participant.

## ARTICLE 16

### CANCELLATION OF OPTIONS

16.1 Options Granted but not Exercised. Any cancellation of Options granted but not exercised must be approved by the Participants of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 11.10. Where the Company cancels Options, the grant of new Options to the same Participant may only be made under this Plan within the limits set out in paragraphs 5.1, 11.1 and 11.2.

## ARTICLE 17

### DISCLOSURE IN ANNUAL AND INTERIM REPORTS

17.1 Disclosure. The Board shall procure that details of this Plan and other share incentive schemes of the Company and its Subsidiaries are disclosed in the annual reports and interim reports of the Company in compliance with the Listing Rules and other Applicable Laws in force from time to time.

## ARTICLE 18

### GENERAL PROVISIONS

18.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

18.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

18.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws, including without limitation the Macau, Hong Kong or PRC tax laws, rules, regulations and government orders or the U.S. Federal, state or local tax laws, as applicable. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's payroll tax obligations) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's federal, state, local and foreign income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

18.4 Section 409A of the Code.

- (a) Notwithstanding any contrary provision in the Plan or an Award Agreement, if any provision of the Plan or an Award Agreement contravenes any regulations or guidance promulgated under Section 409A of the Code or would cause an Award to be subject to additional taxes, accelerated taxation, interest and/or penalties under Section 409A of the Code, such provision of the Plan or Award Agreement may be modified by the Committee without consent of the Participant in any manner the Committee deems reasonable or necessary. In making such modifications the Committee shall attempt, but shall not be obligated, to maintain, to the maximum extent practicable, the original intent of the applicable provision without contravening the provisions of Section 409A of the Code. Moreover, any discretionary authority that the Committee may have pursuant to the Plan shall not be applicable to an Award that is subject to Section 409A of the Code to the extent such discretionary authority would contravene Section 409A of the Code or the guidance promulgated thereunder.
- (b) Notwithstanding any provision of the Plan or an Award Agreement to the contrary, if, upon the termination of a Participant's employment with the Company for any reason, the Company determines that the Participant is a Specified Employee, no payments shall be made with respect to an Award that is subject to Section 409A of the Code before the date that is the first business day following the six-month anniversary of the Participant's Separation From Service for any reason, or if earlier, upon the Participant's death. The provisions of this Section 18.4(b) shall only apply if required pursuant to Section 409A of the Code.

18.5 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of a Service Recipient.

18.6 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

18.7 Indemnification. To the extent allowable pursuant to applicable law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

18.8 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

18.9 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

18.10 Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

18.11 Fractional Shares. No fractional shares of Share shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

18.12 Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

18.13 Government and Other Regulations. The obligation of the Company to make payment of awards in Share or otherwise shall be subject to all Applicable Laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

18.14 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of Hong Kong.

**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 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
30. MPEL Projects Limited, incorporated in the British Virgin Islands
31. MCE Designs and Brands Limited, incorporated in the British Virgin Islands
32. MPEL Cotai Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
33. MCE Holdings Three Limited, incorporated in the Cayman Islands
34. Mocha Slot Group Limited, incorporated in the British Virgin Islands
35. Mocha Cafe Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
36. Mocha Slot Management Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
37. MPEL Nominee Three Limited, incorporated in the Cayman Islands
38. Melco Crown (Macau Peninsula) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
39. Melco Crown (Macau Peninsula) Developments Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
40. MPEL (Delaware) LLC, incorporated in the United States
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



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47. New Cotai Entertainment LLC, incorporated in the United States
  48. Studio City Holdings Two Limited, incorporated in the British Virgin Islands
  49. Studio City Entertainment Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
  50. Studio City Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
  51. Studio City Hotels Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
  52. SCP Holdings Limited, incorporated in the British Virgin Islands
  53. Studio City Hospitality and Services Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China
  54. SCP One Limited, incorporated in the British Virgin Islands
  55. SCP Two Limited, incorporated in the British Virgin Islands
  56. Melco Crown COD (CT) Hotel Limited, incorporated in the Macau Special Administrative Region of the People's Republic of China



## CODE OF BUSINESS CONDUCT AND ETHICS

### I. Introduction

#### A. Purpose

This Code of Business Conduct and Ethics (the “**Code**”) was adopted by the Board of Directors (the “**Board**”) of Melco Crown Entertainment Limited (“**MCE**”).

This Code contains general guidelines for conducting the business of MCE and its subsidiaries consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we will adhere to these higher standards.

This Code applies to all of the directors, officers, employees, agents and subcontractors of MCE and its subsidiaries (which, unless the context otherwise requires, are collectively referred to as the “**Company**” in this Code). We refer to all persons covered by this Code as “Company employees” or simply “employees”. All references to “you” shall be references to the employees. We also refer to our Chief Executive Officer, our Co-Chief Operating Officer, Gaming, our Co-Chief Operating Officer, Operations, our Chief Financial Officer, our Deputy Chief Financial Officer and Treasurer and the heads of our business units as our “principal officers”.

#### B. Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. We encourage you to contact the Human Resources department for help. The Chief Legal Officer of the Company, has initially been appointed by the Board as the Compliance Officer for the Company.

#### C. Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor, who will work with you to investigate your concern or direct your concern to the appropriate department within the Company. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact your Human Resources Office directly or submit your complaint to our hotline or via email set up under our Procedures for Handling Complaints and Whistleblowing. All reports of known or suspected violations of applicable laws or this Code will be handled sensitively and with appropriate confidentiality. The Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your concern.

This Code will be enforced on a uniform basis for everyone, without regard to an employee's position within the Company. It is Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate any applicable law or this Code may become subject to civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. If your conduct as a representative of the Company does not comply with applicable laws or with this Code, it may result in serious consequences for both you and the Company.

*D. Policy Against Retaliation*

In no event will there be any retaliation against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule or regulation. Any supervisor or other employee intimidating or imposing sanctions on an employee for reporting a matter will be disciplined, which may include termination of employment.

Employees should know that it is a crime to retaliate against a person, including with respect to their employment, for providing truthful information to a law enforcement officer relating to the possible commission of any violation of law. Employees who believe that they have been retaliated against by the Company, its employees, contractors, subcontractors or agents, for providing information to or assisting in an investigation conducted by a governmental authority or a person with supervisory authority over the employee (or another employee who has the authority to investigate or terminate misconduct) in connection with conduct that the employee reasonably believes constitutes a violation of rule or law, may seek redress through governmental agencies.

It is important to note that our policy against retaliation is to protect employees engaging in responsible reporting of activities which they, in good faith, believe are in violation of company policies or legal rules and regulations. However, it is equally important for the Company to safeguard our employees from malicious accusations based on unfounded information which the person reporting the activity knows is untrue. An employee who files a report against another employee knowing that the report contains false information or allegations will be subject to internal review and appropriate discipline.

*E. Waivers of the Code*

Employees should understand that waivers or exceptions to our Code will be granted only in advance and only under exceptional circumstances. Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal officers may be made only by the Board and will be disclosed to the public as required by applicable laws or the rules of the NASDAQ.

**II. Internal and External Dealings**

*A. Patrons*

The Company seeks to provide excellent service to all third parties (“**Patrons**”) with whom it conducts business. To this end, the employees of the Company shall abide by the following principles.

- Act appropriately and in good faith in its dealings with the Company’s patrons.
- Respect the views of the Company’s patrons, including suggestions and requests made by the patrons concerning services offered by the Company. Moreover, the Company shall seek to address all customer complaints promptly and fairly.
- Provide the Company’s patrons with all facts which the patrons should be aware of concerning the services offered by the Company.

The employees shall maintain the confidentiality of information entrusted to them by the Company or its patrons, except when disclosure is duly authorized or legally mandated. Confidential information includes all non-public information that may be of use to the Company’s competitors, or harmful to the Company or its patrons, if disclosed.

*B. Shareholders*

The Company shall endeavor to maximize shareholder value. The employees of the Company shall implement the following principles.

- The Company shall seek to maximize shareholder value by achieving profitability through sound management.
- The Company shall respect the rights of its shareholders, including the right to obtain adequate access to information which the Company is required by law to disclose. Disclosure about the Company’s affairs, operations and financial condition shall be made in accordance with the Company’s Guidelines for Corporate Communications and Disclosure Controls and Procedures.

C. *Employment Practices*

The Company and the employees shall seek to create a workplace environment that is harmonious, respectful of the rights of all employees, and conducive to attaining excellence in the quality of service provided to the Company's patrons. The employees of the Company shall respect each other as a member of the same community, and shall endeavor to create and maintain a harmonious corporate culture. To achieve this objective, the following principles shall be implemented at all times.

- The Company shall not engage in any discriminatory employment practice, which is not in compliance with applicable laws.
- Sexual harassment is strictly prohibited on the part of the employees as well as any party providing services to the Company, including temporary workers, independent contractors or other professional service providers of the Company.
- Decisions regarding employees shall be made taking into consideration all relevant factors such as market conditions, business requirements and performance of the Company as well as other relevant factors such as performance, capability, effort and degree of contribution made by the employees concerned.

D. *Competitors and Business Partners*

The Company prides itself on being a responsible corporate citizen. The Company shall continue to abide by the following principles.

- The Company shall respect its competitors and compete fairly and honestly with them. The Company shall not seek any competitive advantage obtained through unethical or illegal means.
- The Company shall not take unfair advantage of any person through concealment, manipulation or abuse of privileged information, misrepresentation of material facts or any unfair business practice.

**III. Conflicts of Interest**

A. *Identifying Potential Conflicts of Interest*

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. Such conflicts of interest can undermine our business judgment and our responsibility to the Company and threaten the Company's business and reputation. Accordingly, all apparent, potential, and actual conflicts of interest should be scrupulously avoided and any transactions between an employee and the Company which involves a potential conflict of interest should only be entered into after you receive the appropriate approval. You should refer all requests for such approvals to the Human Resources department.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of potential conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services to a company that is a material customer or supplier to, or any competitor of, the Company.
- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see “Gifts and Entertainment” below for additional guidelines in this area.
- Personal Interests. No employee shall have a direct or indirect personal interest in a transaction involving the Company, except when the interest has been fully disclosed to and approved by the Company.
- Financial Interests. No employee should have a financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company, except when the interest has been fully disclosed to and approved by the Company. However, it is not typically considered a conflict of interest (and therefore, prior approval is not required) to have an interest of less than 1% of the outstanding shares of a publicly traded company.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, the Company or any company that is a material customer or supplier to, or any competitor of, the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee’s objectivity in making decisions on behalf of the Company. For purposes of this Code, “family members” include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption. Please see “Family Members Working in the Industry” below for additional guidelines in this area.

- **Outside Activity.** No employee shall engage in any outside activity that materially detracts from or interferes with the performance of his or her services to the Company.
- **Personal Conducts.** In their dealings with internal parties (such as other employees and directors of the Company) and external parties (such as patrons or employees, officers, directors, contractors and shareholders of customers, suppliers, vendors and investors), employees should conduct themselves in accordance with our community's standards of integrity, honesty and good morals and should avoid any act involving moral turpitude or any act that may adversely affect the image or reputation of the Company.

For purposes of this Code, a company is a "material" customer if the company has made payments to the Company in the past year in excess of US\$200,000 or 5% of the customer's gross revenues, whichever is greater. A company is a "material" supplier if the company has received payments from the Company in the past year in excess of US\$200,000 or 5% of the supplier's gross revenues, whichever is greater. A company is a "material" competitor if the company competes in the Company's line of business and has annual gross revenues from such line of business in excess of US\$10,000,000. For purposes of this Code, Melco International Development Limited and its subsidiaries ("**Melco**"), Crown Limited and its subsidiaries ("**Crown**"), and any other joint venture entities of Melco and Crown are not considered to be "material" competitors, suppliers or patrons.

**B. Disclosure of Conflicts of Interest**

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to the Human Resources department. The Human Resources department will work with you to determine whether you have a conflict of interest, or will direct your report to the appropriate department in the Company, and, if a conflict is determined to exist, you will be assisted in determining how best to address the conflict. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

**C. Family Members Working in the Industry**

You may find yourself in a situation where (i) your Family Member is a competitor, supplier, guest, patron, visitor or tenant of the Company or is employed by one or (ii) your Family Member is also employed by the Company. Such situations are not prohibited, but they call for extra sensitivity to security, confidentiality and potential conflicts of interest.

There are several factors to consider in assessing such a situation. Among them: the relationship between the Company and the other company; the nature of your responsibilities as a Company employee and those of the other person; and the access each of you has to your respective employer's confidential information. Such a situation, however harmless it may appear to you, could arouse suspicions among your colleagues that might affect your working relationships. The very appearance of a conflict of interest can create problems, regardless of the propriety of your behavior.

To remove any such doubts or suspicions, you must disclose your specific situation to the Human Resources department to assess the nature and extent of any concern and how it can be resolved. In some instances, any risk to the Company's interests is sufficiently remote that the Human Resources department may only remind you to guard against inadvertently disclosing Company confidential information and not to be involved in decisions on behalf of the Company that involve the other company.

*D. Presence in Gaming Areas*

In general, employees of the Company's gaming operations may only enter the gaming areas operated by the Company in the course of their normal work activities. Employees should refer to and strictly comply with the policies of the relevant business units related to access to gaming areas. Employees of non-gaming operations and their guests may enter gaming areas operated by the Company but they may not engage in gaming activities in such venues.

**IV. Gifts and Entertainment**

The giving and receiving of gifts is a worthwhile and acceptable business practice when performed within the boundaries set forth by this Code and applicable laws and regulations. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

When you are providing a gift, entertainment or other accommodation in connection with Company business, you must do so in a manner that is in good taste and without excessive expense. Except for complimentary goods and services customarily provided to patrons in the ordinary course of the Company's business, you may not furnish or offer to furnish any gift that is of more than token value or that goes beyond the common courtesies associated with accepted business practices. You should follow the below guidelines for receiving gifts, in determining when it is appropriate to give gifts and when prior written approval from the Human Resources department is required.

You must be particularly sensitive in considering a gift or entertainment for an Official, as such expenditures are subject to strict rules and regulations under the laws of the United States, the laws of the Macao Special Administrative Region of the People's Republic of China, the laws of the Hong Kong Special Administrative Region of the People's Republic of China and other jurisdictions where the Company operates. As described in Section VIII.B of this Code, any expenditures or benefits conferred upon Officials must comply with the requirements of the U.S. Foreign Corrupt Practices Act (the "**FCPA**") under the U.S. rules and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) (the "**PBO**") under the Hong Kong rules. A gift or entertainment that may be construed as a bribe, kickback or other improper payment may not be given under any circumstances.



Our suppliers and tenants likely have gift and entertainment policies of their own. You must be careful never to provide a gift or entertainment that you know violates the other company's gift and entertainment policy.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from patrons or suppliers only if the value of such gift or entertainment is not unreasonable and such gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses should be accurately accounted for on expense reports, including in the nature and purpose of the expenditure. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
  - The items are of reasonable value;
  - The purpose of the meeting or attendance at the event is business related; and
  - The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other patrons, suppliers or vendors.

All gifts and entertainment for Officials, as defined in Section VIII.B below, must be pre-approved by your supervisor. As a general rule, gifts and entertainment for Officials should not exceed **HKD1,200** (or its equivalence in other currency) (the "**Gift Limit**") per person and should not be given on a frequent basis to any given government official. When calculating the cost of entertainment for Officials, the total cost of the event is subject to the Gift Limit (*e.g.*, the combined expense of tickets, food, beverages and travel should not exceed Gift Limit).

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a cultural event, celebration or holiday (for example, Chinese New Year, Christmas, Mid-Autumn Festival and Chung Yeung Festival). A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business between the individuals. If you are unsure whether a gift is acceptable, please report the receipt of the gift to the Human Resources department for further guidance.

- **Gifts Rewarding Service or Accomplishment.** You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.
- **Travel.** Any gift that involves regional or international travel shall only be accepted after clearance from your supervisor.

This guideline does not prohibit authorized employees in designated job categories from accepting traditional customer gratuities (“tips”).

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to the Human Resources department. The Human Resources department will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization.

If you provide any gift, entertainment or other accommodation in connection with the Company’s business, you must do so in a manner that is in good taste, without excessive expense and in strict compliance with applicable laws. In particular, employees are reminded that Macau civil servants have a duty to report the acceptance of any gifts of whatever value to their superiors. In the event the gifts accepted are found to be a direct or indirect advantage to such civil servant, the Company and the employee may be subject to criminal prosecution and the employee may be subject to disciplinary action, up to and including termination of employment.

#### **V. Confidential, Proprietary Information**

One of the Company’s most valuable assets is information. Employees should maintain the confidentiality of information (whether or not it is considered proprietary) entrusted to them not only by the Company, but also by suppliers, patrons and others related to our business. Confidential information includes all non-public information that might be of use to our competitors or harmful to the Company, or its patrons or suppliers, if disclosed. Examples of confidential information include trade secrets, new product or marketing plans, customer lists, research and development ideas, manufacturing processes, or acquisition or divestiture prospects.

Employees should take steps to safeguard confidential information by keeping such information secure, limiting access to such information to those employees who have a “need to know” in order to do their job, and avoiding discussion of confidential information in public areas, for example, in elevators, on planes, and on mobile phones.

Confidential information may be disclosed to others when disclosure is authorized by the Company or legally mandated. The obligation to preserve confidential information is ongoing, even after termination of employment.

## **VI. Company Records**

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, meeting minutes, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy.

## **VII. Accuracy of Financial Reports and Other Public communications**

As a public company we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal officers and other employees working in the Finance Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts. This policy applies to all public disclosure of material information about the Company, including written disclosures, oral statements, visual presentations, press conferences and media calls. Please read the Company's Disclosure Controls and Procedures (and Guidelines Adopted By the Disclosure Committee for the Preparation of Quarterly and Annual Reports) and Guidelines for Corporate Communication for more information.

In addition, U.S. federal securities law requires the Company to maintain accurate internal books and records and to devise and maintain an adequate system of internal accounting controls. The Securities and Exchange Commission ("SEC") has supplemented the statutory requirements by adopting rules that can impose liability on the Company for any inaccuracies in its books and records, even if not material and even if inadvertent. In addition, individual employees can be liable for (1) falsifying records or accounts subject to the above requirements and (2) making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

## VIII. Compliance with Laws, Rules and Regulations

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's business. These include laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information and misuse of corporate assets. These laws also include Macau laws requiring our employees to report any event that may affect the suitability of our Macau subsidiary which is a holder of our gaming subconcession, or its direct or indirect shareholders, directors or employees, to conduct a gaming business in Macau, and to provide all information required by Macau gaming regulators pursuant to their supervisory authority of our gaming business in Macau. Any such required report should be made to the Human Resources Department.

You are expected to understand and comply with all laws, rules and regulations that apply to your job position. It is the Company's policy to abide by the national and local laws of our host nations and communities. The fact that in some countries certain standards of conduct are legally prohibited, but these prohibitions are not enforced in practice, or their violation is not subject to public criticism or censure, will not excuse any illegal action by an employee.

### A. *Compliance with Insider Trading Laws*

Employees are prohibited from trading in the stock or other securities of the Company while in possession of material nonpublic information about the Company. In addition, employees are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of the Company on the basis of material nonpublic information. Employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the stock or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Please refer to the Company's Policy for the Prevention of Insider Trading for more information.

### B. *The Foreign Corrupt Practices Act*

The FCPA prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any Official. An "Official" includes not only national, regional, state, and local elected and appointed government employees but also political parties, political party officials, candidates for political office, employees of state-owned companies, relatives and agents of Officials acting on their behalf, and representatives of quasi-governmental and international organizations. Stated more concisely, the FCPA prohibits the payment of bribes, kickback or other inducements to Officials. This prohibition also extends to payments to a sales representative, agent or other third party if there is reason to believe that the payment will be used indirectly for a prohibited payment to Officials.

Pursuant to the PBO, any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his (i) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or (ii) showing or forbearing to show, or having shown or forborne to show, favor or disfavor to any person in relation to his principal's affairs or business, shall be guilty of an offence. In addition, any agent who, with intent to deceive his principal, uses any receipt, account or other document (i) in respect of which the principal is interested; and (ii) which contains any statement which is false or erroneous or defective in any material particular; and (iii) which to his knowledge is intended to mislead the principal, shall be guilty of an offence. An "**agent**" includes a public servant and any person employed by or acting for another, and a "**principal**" includes an employer.

Violation of the FCPA or the PBO is a crime that can result in severe fines and criminal penalties for the employee and the Company, as well as disciplinary action by the Company, up to and including termination of employment.

Please refer to the Company's Foreign Corrupt Practices Act Compliance Program and Foreign Corrupt Practices Act Guideline for more information.

*C. Compliance with Laws against Money Laundering*

Employees are prohibited from engaging in activities which would amount to money-laundering. Violation of laws against money laundering can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment. In addition, employees should comply with the Company's policy against money-laundering.

## **IX. Fair Dealing**

The Company's success depends on building productive relationships with one another and third parties on honesty, integrity, ethical behavior and mutual trust. Every employee should endeavor to deal fairly with each of our patrons, suppliers, competitors and other employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices.

## **X. Protection and Proper Use of Assets**

Proper and efficient use of Company, supplier, customer and other third party assets, such as electronic communication systems, information (proprietary or otherwise), material, facilities and equipment, as well as intangible assets, is each employee's responsibility. Employees must not use such assets for personal profit for themselves or others. In addition, employees must act in a manner to protect such assets from loss, damage, misuse, theft, removal and waste. Finally, employees must ensure that such assets are used only for legitimate business purposes. However, in limited instances, Company assets may be used for other purposes approved by management.

## **XI. Conclusion**

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact the Human Resources department. We expect all Company employees to adhere to these standards.

*This Code of Business Conduct and Ethics shall be our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.*

*The Code does not in any way constitute an employment contract or an assurance of continued employment. It is for the sole and exclusive benefit of the Company and may not be used or relied upon by any other party. The Company may modify or repeal the provisions of the Code or adopt a new Code at any time it deems appropriate, with or without notice.*

**CERTIFICATION OF COMPLIANCE**

I have received, reviewed, and understood the above Code of Business Conduct and Ethics and hereby undertake, as a condition to my present and continued employment at or affiliation with the Company (as defined above), to comply fully with the policies and procedures contained therein.

/s/ Stephanie Cheung  
SIGNATURE

\_\_\_\_\_  
DATE

Stephanie Cheung  
NAME

\_\_\_\_\_  
POSITION

Issue No. 6  
Approval Date: September 29, 2011

**Certification by the Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lawrence 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(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 19, 2012

By: /s/ Lawrence Ho

Name: Lawrence Ho

Title: Co-Chairman and Chief Executive Officer



**Certification by the Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Geoffrey 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(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 19, 2012

By: /s/ Geoffrey Davis

Name: Geoffrey Davis

Title: Chief Financial Officer

**Certification by the Chief Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence 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 19, 2012

By: /s/ Lawrence Ho

Name: Lawrence Ho

Title: Co-Chairman and Chief Executive Officer

**Certification by the Chief Financial Officer**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Melco Crown Entertainment Limited (the "Company") on Form 20-F for the year ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Geoffrey 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 19, 2012

By: /s/ Geoffrey Davis

Name: Geoffrey Davis  
Title: Chief Financial Officer

19 April 2012

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 December 31, 2011, which will be filed with the U.S. Securities and Exchange Commission (the “Commission”) on 19 April 2012 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**