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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : <http://www.melco-group.com>

(Stock Code : 200)

UPDATE ON MAJOR AND CONNECTED TRANSACTION RELATING TO PURCHASE OF ADDITIONAL INTEREST AND ASSUMPTION OF MAJORITY OWNERSHIP IN MELCO CROWN ENTERTAINMENT LIMITED

ACCEPTANCE OF ALTERNATIVE REVENUE RATIO CALCULATION BY THE STOCK EXCHANGE

Reference is made to the Company's announcement dated 14 December 2016 in relation to the purchase by Melco Sub of 198,000,000 ordinary shares in Melco Crown Entertainment, representing approximately 13.4% of the issued share capital of Melco Crown Entertainment, from Crown Sub, and to the Company's announcement dated 15 December 2016 in relation to the loans made by Melco Sub of an aggregate of 27,331,933 American depositary shares of Melco Crown Entertainment, representing approximately 5.56% of the issued share capital of Melco Crown Entertainment, to several financial institutions (the "Announcements"). Unless defined herein or the context otherwise requires, capitalised terms and expressions used in this announcement have the respective meanings given to them in the Announcements.

As disclosed in the Announcements, the Company has made an application to the Stock Exchange to use an alternative revenue ratio calculation using the unaudited interim financial results of the Company in respect of the six months ended 30 June 2016 (which consolidate the results of Melco Crown Entertainment for that period, following the Consolidation Event).

The Company announces that the Stock Exchange has accepted the Company's application to use the alternative revenue ratio calculation proposed by the Company pursuant to Rule 14.20 of the Listing Rules. As one or more of the applicable percentage ratios based on the alternative size test and the other applicable size tests under the Listing Rules is more than 25% but all the applicable percentage ratios are less than 100%, the transaction comprising the Share Purchase and the Stock Loans is classified as a major transaction for the Company under Chapter 14 of the Listing Rules.

By Order of the Board of
Melco International Development Limited
Leung Hoi Wai, Vincent
Company Secretary

Hong Kong, 23 December 2016

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (Managing Director), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely, Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely, Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.