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**Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code : 200)

**SHARE REPURCHASE BY MELCO CROWN ENTERTAINMENT LIMITED**

The Company announces that on 4 May 2016 (after trading hours), Melco Crown Entertainment, an associate of the Company which develops, owns and operates gaming and entertainment casino resort facilities in Asia, entered into a share repurchase agreement with Crown Sub, a wholly-owned subsidiary of Crown, pursuant to which Melco Crown Entertainment agreed to repurchase 155,000,000 ordinary shares (equivalent to 51,666,666 American depository shares) from Crown Sub. The aggregate purchase price for the Share Repurchase is US\$800,838,500 (equivalent to approximately HK\$6,206,498,000, representing a per share price of US\$5.1667 (equivalent to approximately HK\$40.04) (or US\$15.50 (equivalent to approximately HK\$120.13) per American depository share). Melco Crown Entertainment intends to pay the purchase price using its cash on hand. The repurchased shares will be cancelled in due course after closing of the Share Repurchase.

Immediately before the Share Repurchase, Melco Crown Entertainment was owned by Melco Sub, Crown Sub and public shareholders as to approximately 34.3%, 34.3% and 31.4% respectively. Immediately following closing of the Share Repurchase, Crown Sub's equity interest in Melco Crown Entertainment will be reduced to approximately 27.4%, while the equity interests of Melco Sub and public shareholders in Melco Crown Entertainment will be increased to approximately 37.9% and 34.7%, respectively. Accordingly, Melco Sub will become the single largest shareholder of Melco Crown Entertainment.

In connection with the Share Repurchase, the Company, Melco Sub, Crown, Crown Sub and Melco Crown Entertainment entered into a supplemental shareholders' deed to amend certain terms of the Shareholders' Deed and the memorandum and articles of association of Melco Crown Entertainment. The amendments will take effect on and from closing of the Share Repurchase. In particular:

- (a) the number of directors on the board of Melco Crown Entertainment will be reduced from 10 to up to 9;
- (b) Crown Sub will be entitled to nominate 2 out of 9 directors (compared to 3 out of 10 before the amendments), with the right for Melco Sub to nominate 3 directors remaining unchanged;

- (c) each of Melco Sub and Crown Sub may recommend up to 2 suitably qualified independent directors for consideration and appointment in accordance with Melco Crown Entertainment's articles of association, corporate governance policies and applicable laws;
- (d) the board of Melco Crown Entertainment shall have a Chairman and a Deputy Chairman (instead of having Co-Chairmen before the amendments). The Chairman shall be one of the directors nominated for appointment by Melco Sub, and the Deputy Chairman shall be one of the directors nominated for appointment by Crown Sub; and
- (e) for so long as Melco Sub (or its affiliate) is the single largest shareholder of Melco Crown Entertainment, the board of directors of Melco Crown Entertainment shall comprise one executive director, who shall serve as Chief Executive Officer of Melco Crown Entertainment and shall be one of the directors nominated for appointment by Melco Sub, and the remaining directors of Melco Crown Entertainment shall be non-executives.

Melco Crown Entertainment is currently accounted for as an associate of the Company for financial reporting purposes and its results are equity accounted for in the financial statements of the Group. After effecting the Share Repurchase, and following the amendments to the Shareholders' Deed and the memorandum and articles of association of Melco Crown Entertainment, the re-designation of Mr. Ho, Lawrence Yau Lung as Chairman (and continuing acting as executive director and Chief Executive Officer) of Melco Crown Entertainment, the re-designation of Mr. James Packer as Deputy Chairman of Melco Crown Entertainment and the resignation of one of the directors of Melco Crown Entertainment nominated by Crown Sub, the financial results of Melco Crown Entertainment will be consolidated into (instead of being equity accounted for in) the financial statements of the Group and Melco Crown Entertainment will be an accounting subsidiary of the Company.

**As the amendments to the Shareholders' Deed and the Consolidation are conditional upon, among other things, the completion of Share Repurchase, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Melco International Development Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces that on 4 May 2016 (after trading hours), Melco Crown Entertainment Limited ("**Melco Crown Entertainment**"), an associate of the Company which develops, owns and operates gaming and entertainment casino resort facilities in Asia, entered into a share repurchase agreement with Crown Asia Investments Pty. Ltd. ("**Crown Sub**"), a wholly-owned subsidiary of Crown Resorts Limited ("**Crown**"), pursuant to which Melco Crown Entertainment agreed to repurchase 155,000,000 ordinary shares (equivalent to 51,666,666 American depository shares) from Crown Sub (the "**Share Repurchase**"). The

aggregate purchase price for the Share Repurchase is US\$800,838,500 (equivalent to approximately HK\$6,206,498,000), representing a per share price of US\$5.1667 (equivalent to approximately HK\$40.04) (or US\$15.50 (equivalent to approximately HK\$120.13) per American depositary share). Melco Crown Entertainment intends to pay the purchase price using its cash on hand. The repurchased shares will be cancelled in due course after closing of the Share Repurchase.

Immediately before the Share Repurchase, Melco Crown Entertainment was owned by Melco Leisure and Entertainment Group Limited (“**Melco Sub**”, a wholly-owned subsidiary of the Company), Crown Sub and public shareholders as to approximately 34.3%, 34.3% and 31.4% respectively. Immediately following closing of the Share Repurchase, Crown Sub’s equity interest in Melco Crown Entertainment will be reduced to approximately 27.4%, while the equity interests of Melco Sub and public shareholders in Melco Crown Entertainment will be increased to approximately 37.9% and 34.7%, respectively. Accordingly, Melco Sub will become the single largest shareholder of Melco Crown Entertainment.

In connection with the Share Repurchase, the Company, Melco Sub, Crown, Crown Sub and Melco Crown Entertainment entered into a supplemental shareholders’ deed to amend certain terms of the amended and restated shareholders’ deed relating to Melco Crown Entertainment dated 12 December 2007 (the “**Shareholders’ Deed**”) and the memorandum and articles of association of Melco Crown Entertainment. The amendments will take effect on and from closing of the Share Repurchase. In particular:

- (a) the number of directors on the board of Melco Crown Entertainment will be reduced from 10 to up to 9;
- (b) Crown Sub will be entitled to nominate 2 out of 9 directors (compared to 3 out of 10 before the amendments), with the right for Melco Sub to nominate 3 directors remaining unchanged;
- (c) each of Melco Sub and Crown Sub may recommend up to 2 suitably qualified independent directors for consideration and appointment in accordance with Melco Crown Entertainment’s articles of association, corporate governance policies and applicable laws;
- (d) the board of Melco Crown Entertainment shall have a Chairman and a Deputy Chairman (instead of having Co-Chairmen before the amendments). The Chairman shall be one of the directors nominated for appointment by Melco Sub, and the Deputy Chairman shall be one of the directors nominated for appointment by Crown Sub; and
- (e) for so long as Melco Sub (or its affiliate) is the single largest shareholder of Melco Crown Entertainment, the board of directors of Melco Crown Entertainment shall comprise one executive director, who shall serve as Chief Executive Officer of Melco Crown Entertainment and shall be one of the directors nominated for appointment by Melco Sub, and the remaining directors of Melco Crown Entertainment shall be non-executives.

It is expected that following closing of the Share Repurchase, Mr. James Packer, the majority owner of Crown, will resign from his position as Co-Chairman of Melco Crown Entertainment and will take up the position of Deputy Chairman of Melco Crown Entertainment's board of directors. It is also expected that following closing of the Share Repurchase, Mr. Ho, Lawrence Yau Lung, Chairman and Chief Executive Officer of the Company and Co-Chairman of Melco Crown Entertainment, will be re-designated as Chairman, and will continue to be the executive director and Chief Executive Officer of Melco Crown Entertainment. In addition, one of Crown Sub's nominees will resign as a director of Melco Crown Entertainment. Melco Crown Entertainment's board will then comprise 3 directors nominated by Melco Sub, 2 directors nominated by Crown Sub and 4 independent directors.

If Crown Sub's shareholding in Melco Crown Entertainment increases in future such that it is equal to or greater than, or not more than 1% below, that of Melco Sub, Crown Sub will be entitled to revert to nominating 3 out of 10 directors of Melco Crown Entertainment.

Melco Crown Entertainment is currently accounted for as an associate of the Company for financial reporting purposes and its results are equity accounted for in the financial statements of the Group. After effecting the Share Repurchase, and following the amendments to the Shareholders' Deed and the memorandum and articles of association of Melco Crown Entertainment, the re-designation of Mr. Ho, Lawrence Yau Lung as Chairman (and continuing acting as executive director and Chief Executive Officer) of Melco Crown Entertainment, the re-designation of Mr. James Packer as Deputy Chairman of Melco Crown Entertainment and the resignation of one of the directors of Melco Crown Entertainment nominated by Crown Sub, the financial results of Melco Crown Entertainment will be consolidated into (instead of being equity accounted for in) the financial statements of the Group and Melco Crown Entertainment will be an accounting subsidiary of the Company (the "Consolidation").

**As the amendments to the Shareholders' Deed and the Consolidation are conditional upon, among other things, the completion of Share Repurchase, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1 = HK\$7.75. Percentages and figures expressed have been rounded. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant date at the rates above or any other rates or at all.*

By Order of the Board of  
**Melco International Development Limited**  
**Ho, Lawrence Yau Lung**  
Chairman and Chief Executive Officer

Hong Kong, 4 May 2016

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), 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.*