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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code : 200)

DISCLOSEABLE TRANSACTIONS CONVERSION OF SHAREHOLDER'S LOAN INTO SHARES AND ACQUISITION OF SHARES IN MELCO CROWN ENTERTAINMENT LIMITED

SUMMARY

The Board is pleased to announce that on 18 November 2011, the Company's wholly owned subsidiary, Melco Leisure, entered into the Novation Agreement and the Loan Capitalization Agreement with Crown Asia and MCE, and the Share Transfer Agreement with Crown Asia.

On the Transaction Date, pursuant to the Agreements, (1) Melco Leisure agrees to novate to Crown Asia its right, title and interest in part of the Melco Leisure Loan, being HK\$180,000,000, under the Melco Leisure Loan and Crown Asia agrees to accept such transfer; (2) the outstanding Term Loans shall be satisfied in full by the issue of the shares by MCE to Melco Leisure and Crown Asia; and (3) Melco Leisure agrees to purchase, and Crown Asia agrees to sell shares of MCE with a value of HK\$51.3 million.

As the consideration ratio (as defined in the Listing Rules) of the Conversion and the Acquisition is more than 5% but less than 25%, the transactions constitute discloseable transactions of the Company under Rule 14.08 of the Listing Rules.

INTRODUCTION

Melco Leisure and Crown Asia are wholly-owned subsidiaries of the Company and Crown Limited, respectively, and are shareholders of MCE, each beneficially holding approximately 33.4% of the issued share capital of MCE.

In 2006, each of Melco Leisure and Crown Asia provided MCE with a shareholder's loan, 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. The outstanding loan balances owed by MCE to Melco Leisure and Crown Asia as at 30 June 2011, were

approximately HK\$578.6 million (approximately US\$74.3 million) (the “**Melco Leisure Loan**”) and HK\$321.2 million (approximately US\$41.3 million), respectively (collectively, the “**Term Loans**”).

In January 2007, Crown Asia made an advance to Melco Leisure in the sum of HK\$180 million (approximately US\$23.1 million) for the purpose of equalizing their economic interests in MCE. The repayment of this loan is conditional upon the repayment by MCE of the Melco Leisure Loan in full.

Melco Leisure will novate part of the Melco Leisure Loan to Crown Asia on the Transaction Date, in settlement of such advance pursuant to the Novation Agreement (the “**Novation**”).

Upon completion of the Novation, MCE will be indebted to Melco Leisure and Crown Asia in the sums of approximately HK\$398.6 million and approximately HK\$501.2 million, respectively, under the Term Loans. Pursuant to the Loan Capitalization Agreement, Melco Leisure and Crown Asia will convert such loans into shares of MCE on the Transaction Date. The number of MCE shares to be issued to Melco Leisure and Crown Asia shall be determined by dividing the respective amount owing to each of Melco Leisure and Crown Asia by the Transaction Price. Pursuant to the Share Transfer Agreement, Crown Asia will transfer certain MCE shares to Melco Leisure at a total consideration of HK\$51.3 million on the Transaction Date. The consideration per MCE share will be the Transaction Price. Following the Conversion and the Acquisition, (1) Melco Leisure and Crown Asia will maintain their interests in MCE in equal proportions; and (2) the shareholding of each of Melco Leisure and Crown Asia is expected to increase by approximately 0.3% from approximately 33.4% to approximately 33.7%.

As the consideration ratio (as defined in the Listing Rules) of the Conversion and the Acquisition is more than 5% but less than 25%, the transactions constitute discloseable transactions of the Company under Rule 14.08 of the Listing Rules.

The shares of MCE issued and transferred pursuant to the Loan Capitalization Agreement and Share Transfer Agreement have not been registered under the Securities Act of 1933, as amended (the “**Act**”) or under the Securities Laws of any state of the United States. These MCE shares may not be transferred, sold, offered for sale, pledged or hypothecated: (a) in the absence of (1) an effective registration statement under the Act, (2) an exemption or qualification under applicable securities laws or (3) delivery to MCE of an opinion of counsel reasonably satisfactory to MCE that such registration is not required; and (b) within the United States or to any U.S. person, as each of those terms is defined in Regulation S under the Act, during the 40 days following closing of the purchase. Any attempt to transfer, sell, pledge or hypothecate these MCE shares in violation of these restrictions shall be void. The controlling shareholders (as defined under the Listing Rules) may also be subject to applicable Listing Rules concerning dealing restrictions in the shares of MCE.

NOVATION AGREEMENT

Date : 18 November 2011

Parties :
i. MCE as borrower;
ii. Melco Leisure; and
iii. Crown Asia.

Pursuant to the Novation Agreement, Melco Leisure agrees to novate to Crown Asia its right, title and interest in part of the Melco Leisure Loan, being HK\$180,000,000, and Crown Asia agrees to accept such transfer.

LOAN CAPITALIZATION AGREEMENT

Date : 18 November 2011

Parties :
i. MCE as borrower;
ii. Melco Leisure as lender; and
iii. Crown Asia as lender.

Pursuant to the Loan Capitalization Agreement, the outstanding Term Loans shall be satisfied in full by the issue of the shares of MCE on the Transaction Date. The number of MCE shares to be issued to Melco Leisure and Crown Asia shall be determined by dividing the respective amount owing to each of Melco Leisure and Crown Asia by the Transaction Price.

SHARE TRANSFER AGREEMENT

Date : 18 November 2011

Parties :
i. Melco Leisure; and
ii. Crown Asia.

Pursuant to the Share Transfer Agreement, Melco Leisure agrees to purchase, and Crown Asia hereby agrees to sell certain shares of MCE on the Transaction Date. Melco Leisure will pay to Crown Asia the sum of HK\$51.3 million in consideration of the transfer of the shares. The consideration per MCE share will be the Transaction Price.

REASONS FOR THE CONVERSION AND THE ACQUISITION

The Directors consider that the Conversion and the Acquisition would be beneficial to the Company and are in the interests of the Shareholders as a whole. In view of the proposed listing on the Stock Exchange of MCE's shares (please refer to the Company's announcement dated 4 August 2011), the Conversion is appropriate at this time to demonstrate that MCE is capable of carrying on its business independently of the Company, as required under the Listing Rules. Further, increasing our shareholding in MCE demonstrates the Company's continuing support and commitment to MCE.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements are on normal commercial terms and fair and reasonable and that the entering into of such Agreements is in the interests of the Company and the Shareholders as a whole. This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares of MCE. An application has been made by MCE to the Stock Exchange for the listing of and permission to deal in the shares of MCE on the Main Board of the Stock Exchange.

INFORMATION ON THE COMPANY AND MCE

The Company is principally engaged in leisure, gaming and entertainment and other investments.

MCE is a developer, owner and through a Macau subsidiary which holds a gaming sub-concession, an operator of casino gaming and entertainment casino resort facilities. MCE currently operates Altira Macau, a casino hotel located at Taipa, Macau and City of Dreams, an integrated urban casino resort located in Cotai, Macau. MCE's business also includes the Mocha Clubs, which feature a total of approximately 1,800 gaming machines in nine locations and comprise the largest non-casino based operations of electronic gaming machines in Macau. MCE recorded an unaudited net income (before tax) of US\$184.3 million for the nine months period ended 30 September 2011 and incurred audited net losses (before tax) of US\$9.6 million and US\$308.6 million for the years ended 31 December 2010 and 2009, respectively. MCE recorded an unaudited net income (after tax) of US\$185.0 million for the nine months period ended 30 September 2011 and audited net losses (after tax) of US\$10.5 million and US\$308.5 million for the years ended 31 December 2010 and 2009, respectively. The unaudited net asset value of MCE as at 30 September 2011 was approximately US\$3 billion.

GENERAL

MCE is a 33.4% owned associate of the Company. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Crown Asia and its ultimate beneficial owners are third parties independent of each of the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the consideration ratio (as defined in the Listing Rules) of the Conversion and Acquisition is more than 5% but less than 25 %, the transactions constitute discloseable transactions of the Company under Rule 14.08 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition” the acquisition of shares of MCE by Melco Leisure from Crown Asia at a consideration of HK\$51.3 million pursuant to the Share Transfer Agreement

“Agreements”	the Novation Agreement, the Loan Capitalization Agreement and the Share Transfer Agreement as described in this announcement
“ADS”	American Depository Shares
“Board”	the board of Directors
“Company”	Melco International Development Limited, the shares of which are listed on the Stock Exchange
“Crown Asia”	Crown Asia Investments Pty. Ltd., a company incorporated in Australia with limited liability
“Conversion”	the conversion of the loan of approximately of HK\$398.6 million from Melco Leisure to MCE into ordinary shares of MCE
“Director(s)”	the director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MCE”	Melco Crown Entertainment Limited, a company incorporated in the Cayman Islands with its American Depository Shares currently listed on NASDAQ Global Select Market
“Melco Leisure”	Melco Leisure and Entertainment Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Date”	29 November 2011, or a date otherwise agreed between the parties, in accordance with Clause 2.6 of the Loan Capitalization Agreement
“Transaction Price”	The volume weighted average price for MCE’s ADS as quoted on the Nasdaq Global Select Market, over the period of five business days (i.e. Nasdaq trading days) immediately preceding the Transaction Date divided by three, as each ADS represents three shares of MCE
“%”	per cent.

By order of the board of
Melco International Development Limited
Tsang Yuen Wai, Samuel
Company Secretary

Hong Kong, 18 November 2011

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 Sir Roger Lobo, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.