

C O V E R S H E E T

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION

Company's Full Name

Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City 1701

Company's Address: No./Street/City/Town/Province

c/o (02) 866-9888
Company's Telephone Number

December 31
Fiscal Year Ended
(Month & Day)

PRELIMINARY INFORMATION STATEMENT
SEC Form 20-IS
FORM TYPE

_____	_____
Cashier	LCU

	DTU
	58648
	SEC Reg. No.

	File No.
_____	_____
Central Receiving Unit	Document ID

NONE
EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER
(State "NONE" if that is the case)



Melco Crown Philippines

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION

NOTICE AND AGENDA OF THE ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

Notice is hereby given that **MELCO CROWN (PHILIPPINES) RESORTS CORPORATION** (the "**Corporation**") will hold its Annual Stockholders' Meeting on June 6, 2017, 2:30 p.m. at City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines, at which meeting the following matters shall be taken up:

1. Call to Order
2. Certification of the Existence of Quorum and the Sending of Notices
3. Approval of the Minutes of the Last Stockholders' Meetings held on June 20, 2016, December 5, 2016 and April 7, 2017
4. Report of the Chairman or President
5. Approval of the Audited Financial Statements of the Corporation for the Year Ended December 31, 2016
6. Election of the Members of the Board of Directors
7. Appointment of External Auditor
8. Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting Held on June 20, 2016
9. Other Matters that May Properly be Brought Before the Meeting
10. Adjournment

The above agenda items are further explained in the Preliminary Information Statement of the Corporation and in the attached **Annex "A"**.

The record date for the determination of stockholders entitled to notice of, and to vote at, the said meeting is fixed at the close of business hours on April 26, 2017.

All stockholders who will not attend the meeting in person, may prepare, date and sign a proxy, and submit the same to the Office of the Corporate Secretary at City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines not later than May 25, 2017. The proxies submitted shall be validated on the same day at the office of the Corporate Secretary.

Parañaque City, Philippines, May 2, 2017.


MARISSA T. ACADEMIA
Corporate Secretary

Annex "A"
Annual Stockholders' Meeting
Agenda Rationale

1. **Call to Order** – The call shall be done to officially open the Annual Stockholders' Meeting.
2. **Certification of the Existence of Quorum and the Sending of Notices** – Stockholders representing at least majority of the outstanding shares of the Corporation are required to be present for the existence of a quorum.
3. **Approval of the Minutes of the Last Stockholders' Meetings held on June 20, 2016, December 5, 2016 and April 7, 2017** – The minutes of the last Annual Stockholders' Meeting of the Corporation shall serve as a record of the proceedings therein.
4. **Report of the Chairman or President** – The Report shall give the stockholders an overview of the business operations of the Corporation and its subsidiaries in the previous year.
5. **Approval of the Audited Financial Statements of the Corporation for the Year Ended December 31, 2016** – The 2016 Audited Financial Statements of the Corporation, already incorporated in the Preliminary Information Statement and submitted to the Securities and Exchange Commission and Bureau of Internal Revenue, are required to be presented to the stockholders for their information and approval.
6. **Election of the Members of the Board of Directors** – The nominees for election as members of the Board of Directors of the Corporation, including the independent directors, are required to be presented to the stockholders during the Annual Stockholders' Meeting. The respective profiles of the nominees are included in Item 5 of the Preliminary Information Statement, for the reference of the stockholders.
7. **Appointment of External Auditor** – Upon the favorable recommendation of the Audit and Risk Committee, SyCip Gorres Velayo & Co.'s reappointment as external auditors of the Corporation is presented to the stockholders for approval.
8. **Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting Held on June 20, 2016** – All actions taken by the Board of Directors and Officers of the Corporation since the last Annual Stockholders' Meeting on June 20, 2016, as reflected in the minutes of the meetings of the Board of Directors, in the regular reports and disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange, Inc., and in the 2016 Annual Report and Report of the Chairman, are required to be presented to the stockholders for their approval and ratification.
9. **Other Matters that May Properly be Brought Before the Meeting** – Any other matter relevant and appropriate to the occasion may be properly raised and considered during the Annual Stockholders' Meeting.
10. **Adjournment** – Upon consideration of all business, the Chairman shall declare the meeting adjourned, formally ending the 2017 Annual Stockholders' Meeting of the Corporation.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter **MELCO CROWN (PHILIPPINES)
RESORTS CORPORATION**
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **58648**
5. BIR Tax Identification Code **000-410-840-000**
6. **Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City** **1701**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **c/o (02) 866-9888**
8. Date, time and place of the meeting of security holders
 Date : June 6, 2017
 Time : 2:30 p.m.
 Place : City of Dreams Manila
 Asean Avenue cor. Roxas Boulevard
 Brgy. Tambo, Parañaque City,
 1701 Philippines
9. Approximate date on which the Information Statement is first to be sent or given to security holders: May 16, 2017
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding As of April 30, 2017	Treasury Shares As of April 30, 2017	Outstanding Common Stock As of April 30, 2017
Common	5,662,897,278	NIL	5,662,897,278
Total	5,662,897,278	NIL	5,662,897,278

Outstanding debt:
PhP 15 billion Senior Note

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange

Common

**MCP MANAGEMENT IS NOT SOLICITING PROXIES FOR
THIS STOCKHOLDERS' MEETING.
PLEASE DO NOT SEND MCP MANAGEMENT YOUR PROXY.**

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

The Annual Stockholders' Meeting of Melco Crown (Philippines) Resorts Corporation (the "**Company**" or "**MCP**") will be held on June 6, 2017 at 2:30 p.m. at City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines.

THE COMPANY HAS SET MAY 16, 2017 AS THE APPROXIMATE DATE ON WHICH THE INFORMATION STATEMENT SHALL FIRST BE SENT OR GIVEN TO SECURITY HOLDERS.

Item 2. Dissenters' Right of Appraisal

Stockholders of the Company shall have appraisal right, or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- In case of any amendment to the Articles of Incorporation, which has the effect of changing or restricting the rights of stockholders or any class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or extending or shortening the term of the Company's corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's assets as provided under the Corporation Code; and
- In case of merger or consolidation of the Company with another corporation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no corporate actions or matters to be taken up at the Annual Stockholders' Meeting that may give rise to the exercise by the stockholders of the right of appraisal.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current Director or Officer of the Company or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Company has a total of 5,662,897,278 common shares outstanding as of the record date, April 26, 2017, held by a total of 425 stockholders. The stockholders will vote on matters scheduled to be taken up at the Annual Stockholders' Meeting scheduled on June 6, 2017, with each share being entitled to cast one vote.
- (b) Pursuant to the Resolution of the Board of Directors at a regular meeting held on April 7, 2017, all stockholders at the close of business hours on April 26, 2017 shall be entitled to notice and to vote at the Annual Stockholders' Meeting.
- (c) For the election of Directors, stockholders entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of their shares shall equal or may distribute them on the same principle among as many candidates as they shall see fit.

Pursuant to Article V, Section 7 of the Company's By-Laws, a stockholder may vote in person or by proxy.

- (d) Security Ownership of Certain Record and Beneficial Owners and Management

- a. Security Ownership of Certain Record and Beneficial Owners of more than 5%

As of April 30, 2017, the following are the shareholders who beneficially own in excess of 5% of the Company's common stock:

Title of Class	Name and Address of Record Owner and Relationship to Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent to Outstanding Shares
Common	MCE (Philippines) Investments Limited ("MCE Investments") Jayla Place, Wickams Cay I, Road Town, Tortola, British Virgin Islands Stockholder of Record	MCE Investments	British Virgin Islands ("BVI")	3,950,440,196*	69.76%
Common	PCD Nominee Corporation (Non- Filipino)	Various Stockholders	Various	645,238,106	11.39%

Common	MCE (Philippines) Investments No.2 Corporation ("MCE Investments No.2") Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines Stockholder of Record	MCE Investments Parent Company of MCE Investments No.2	BVI	173,837,068	3.07%
--------	---	---	-----	-------------	-------

*Includes the 535,440,000 shares lodged with the Philippine Depository and Trust Corporation.

b. Security Ownership of Management

The following are the securities owned and held by the Directors and Executive Officers of the Company as of April 30, 2017:

A. Directors

Title	Name of Director	Citizenship	Amount and Nature of Record/Beneficial Ownership ¹	Percent to Total Outstanding Shares
Common	Clarence Yuk Man Chung	Chinese	Direct: 6,238,396 Indirect: 100	NIL
Common	Jose F. Buenaventura	Filipino	Direct: 28,125 Indirect N/A	NIL
Common	Alec Yiu Wa Tsui	British	Direct: 1,245,123 Indirect: N/A	NIL
Common	John William Crawford	Canadian	Direct: 5,000 Indirect: N/A	NIL
Common	Frances Marie T. Yuyucheng	Filipino	Direct: N/A Indirect: 100	NIL
Common	Maria Marcelina O. Cruzana	Filipino	Direct: 5,696 Indirect: 100	NIL
Common	Johann M. Albano	Filipino	Direct: 112,320 Indirect: 3,000	NIL

B. Executive Officers

Title	Name of Executive Officer	Citizenship	Amount and Nature of Record/Beneficial Ownership ²	Percent to Total Outstanding Shares
Common	Clarence Yuk Man Chung	Chinese	Direct: 6,238,396 Indirect: 100	NIL
Common	Geoffry Philip Andres	American	Direct: 849,566 Indirect: N/A	NIL
-	Donald Nori Tateishi	American	Direct: N/A Indirect: N/A	NIL
Common	Marissa T. Academia	Filipino	Direct: 151,046 Indirect: N/A	NIL

¹ (1) Clarence Yuk Man Chung indirectly hold 100 shares in trust and for the benefit of MCE Investments. (2) Frances Marie T. Yuyucheng, Maria Marcelina O. Cruzana and Johann M. Albano indirectly hold 100,100 and 3,000 shares each, respectively, in trust and for the benefit of MCE Investments No.2. (3) Jose F. Buenaventura, Alec Yiu Wa Tsui and John Crawford are the registered and beneficial owners of the shares held by them.

² Clarence Yuk Man Chung indirectly holds 100 shares in trust and for the benefit of MCE Investments.

C. Voting Trust Holders of 5% or More

There are no voting trusts or similar arrangement covering the shares of stock of the Company.

D. Changes in Control

There were no arrangements which have resulted in a change in control of the Company in the last fiscal year.

Item 5. Directors and Executive Officers

The following are the directors and executive officers of the Company as of the date of distribution of this Information Statement:

Name And Position	Age	Citizenship	Term Of Office As A Director / Officer	Period Served As A Director / Officer
Clarence Yuk Man Chung <i>Chairman of the Board/President</i>	54	Chinese	4 years	Since Dec. 19, 2012
Jose F. Buenaventura <i>Director</i>	82	Filipino	4 years	Since Feb. 20, 2013
John William Crawford <i>Independent Director</i>	74	Canadian	3 months	Since Feb. 1, 2017
Alec Yiu Wa Tsui <i>Independent Director</i>	67	British	4 years	Since Dec. 19, 2012
Frances Marie T. Yuyucheng <i>Director</i>	49	Filipino	2 years	Since May 18, 2015
Maria Marcelina O. Cruzana <i>Director</i>	58	Filipino	3 years	Since Mar. 13, 2014
Johann M. Albano <i>Director</i>	40	Filipino	3 years	Since Apr. 11, 2014
Geoffry Philip Andres <i>Property President / Chief Operating Officer</i>	50	American	1 year	Since Nov. 16, 2015
Donald Nori Tateishi <i>Treasurer</i>	46	American	1 year	Since May 16, 2016
Marissa T. Academia <i>Corporate Information Officer*</i> <i>Corporate Secretary / Compliance Officer**</i>	50	Filipino	3 years	*Since Jan. 22, 2014 **Since Mar. 13, 2014

On May 16, 2016, Donald Tateishi replaced Adrian Hsen Bin Au as Treasurer of the Company. Donald Tateishi is the Company's Vice President, Property Chief Financial Officer.

On February 1, 2017, William Todd Nisbet and Liberty Sambua, as well as James Andrew Charles MacKenzie, resigned as Directors and Independent Director, respectively, of the Company. On the same date, John William Crawford was appointed to replace Mr. MacKenzie as an Independent Director of the Company.

DIRECTORS AND OFFICERS

The names of the incumbent Directors and Executive Officers of the Company and their respective current positions held, periods of service and business experience during the past five years are as follows:

Clarence Yuk Man Chung – President / Chairman of the Board / Director

Mr. Chung was appointed as Chairman and President of the Company on December 19, 2012. Mr. Chung was appointed as Director of Melco Resorts & Entertainment Limited (“**Melco**”) in November 2006 and has been an Executive Director of Melco International Development Limited (“**Melco International**”) since May 2006. Mr. Chung has been the Chairman and Chief Executive Officer of Entertainment Gaming Asia Inc., a NASDAQ listed company, since August 2008 and October 2008, respectively. Mr. Chung has more than twenty five years of experience in the finance industry in various capacities as a chief financial officer, an investment banker and a mergers and acquisitions specialist. Mr. Chung obtained a master degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology, and a bachelor degree in business administration from The Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Jose F. Buenaventura – Director

Mr. Buenaventura joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 1969 and is currently a senior partner. He graduated from the Ateneo de Manila with a degree in Bachelor of Laws and was admitted to the Philippine Bar in 1960. He sits in the boards of various companies, including Cebu Pacific Air, BDO Unibank, Inc. (Independent Director), GROW, Inc., GROW Holdings, Inc., La Concha Land Investments Corporation, Philippine First Insurance Co., Inc., Philam Plans, Inc., Techzone Philippines, Inc., The Country Club, Inc., Total Consolidated Asset Management, Inc., and Turner Entertainment Manila, Inc. He is the President and a director of Consolidated Coconut Corporation and Milano Co., Inc. He is likewise a director and the Corporate Secretary of 2B3C Foundation, Inc., and the Corporate Secretary of Capital Managers and Advisors, Inc.

John William Crawford – Independent Director

Mr. John William Crawford was appointed as an independent director of the Company on February 1, 2017 and as an independent non-executive director of Melco on January 12, 2017. He is currently the chairman of the Company's Audit and Risk Committee and member of the Compensation Committee and Nominating and Corporate Governance Committee. Mr. Crawford has been the managing director of Crawford Consultants Limited and International Quality Education Limited since 1997 and 2002, respectively. Previously, Mr. Crawford was a founding partner of Ernst & Young, Hong Kong, where he acted as engagement or review partner for many public companies and banks during his 25 years in public accounting and was the chairman of the audit division and the vice chairman of the Hong Kong office of the firm prior to retiring in 1997. Mr. Crawford has extensive knowledge of accounting issues from his experience as a managing audit partner of a major international accounting firm and also has extensive operational knowledge as a result of his consulting experience. Mr. Crawford has served as an independent non-executive director and chairman of the audit committee of Regal Portfolio Management Limited of Regal REIT since November 2006 and as an independent non-executive director of Entertainment Gaming Asia Inc. since November 2007. In November 2011, Mr. Crawford was appointed as a member of the conflicts committee of Melco's subsidiary Studio City International Holdings Limited and resigned from this position on January 10, 2017. Mr. Crawford previously served as an independent non-executive director and chairman of the audit committee of other companies publicly listed in Hong Kong, the most recent of which was E-Kong Group Limited until June 8, 2015.

Mr. Crawford has been deeply involved in the education sector in Asia, including setting up international schools and providing consulting services. He was a member and a governor for many years of the Canadian International School of Hong Kong and remains active in overseeing and consulting for other similar pre-university schools. Additionally, Mr. Crawford is involved in various charitable and/or community activities and was a founding member of UNICEF Hong Kong Committee and the Hong Kong Institute of Directors. In 1997, Mr. Crawford was appointed a Justice of the Peace in Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, a member and honorary president of Macau Society of Certified Practising Accountants and a member of the Canadian Institute of Chartered Accountants.

Alec Yiu Wa Tsui – Independent Director

Mr. Tsui was appointed as an independent director of the Company on December 19, 2012, and as an independent non-executive director of Melco on December 18, 2006. He is the chairman of the Company's Nominating and Corporate Governance Committee and Compensation Committee, and a

member of the Company's Audit Committee. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission Hong Kong from 1989 to 1993, joined The Stock Exchange of Hong Kong Limited ("**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 China BlueChemical Limited from April 2006 to June 2012, China Chengtong Development Group Limited from March 2003 to November 2013 and China Oilfield Services Limited from June 2009 to June 2015, all of which are companies listed on the HKSE. Mr. Tsui has been the chairman of WAG Worldsec Corporate Finance Limited since 2006 and a director of Industrial and Commercial Bank of China (Asia) Limited since August 2000. He is also an independent non-executive director of a number of companies listed on the HKSE, NASDAQ, the Shanghai Stock Exchange and the Philippine Stock Exchange ("**PSE**"), including COSCO International Holdings Limited since 2004, China Power International Development Limited since 2004, Pacific Online Limited since 2007, ATA Inc. since 2008, Summit Ascent Holdings Limited since March 2011, Kangda International Environmental Company Limited since July 2014 and DTXS Silk Road Investment Holdings Company Limited since December 2015.

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 the Company's Nominating and Corporate Governance Committee and Compensation Committee.

Frances Marie T. Yuyucheng – *Director*

Ms. Yuyucheng joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 1996 and is currently a senior partner. She graduated from the Ateneo de Manila University School of Law with a degree in Juris Doctor and was admitted to the Philippine Bar in 1995. She acts as the corporate secretary of various companies.

Maria Marcelina O. Cruzana – *Director*

Ms. Cruzana was appointed as a director of the Company on March 13, 2014. Ms. Cruzana is a Licensed Certified Public Accountant with a total of twenty five years of professional experience. She held various positions in finance and accounting functions as Finance Controller, Finance Manager as well as Finance and Administration Manager. She graduated *Cum Laude* from Polytechnic University of the Philippines ("**PUP**") with a bachelor's degree in Science in Accountancy and holds a Master's Degree (Business Administration) from PUP Graduate School.

Johann M. Albano – *Director*

On April 11, 2014, Mr. Albano was appointed as a director of the Company, bringing with him years of experience in business development. Mr. Albano is also the Vice President of Dole Asia from 2009 to present. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics and holds a Master's Degree in Business Administration from J.L. Kellogg School of Management and HKUST Business School.

Geoffry Philip Andres – *Property President / Chief Operating Officer*

On November 16, 2015, the Company appointed Mr. Andres as Property President / Chief Operating Officer. Mr. Andres was most recently the Chief Executive Officer and Executive Director on the Board of Aquis Entertainment Limited in Canberra, Australia responsible for an existing casino, and assisting with the development and acquisition of additional casinos. Prior to this position, from September 2011 until April 2015, he was Senior Vice-President and General Manager of Sands Macau, responsible for its overall operations, including a casino with 300 tables and 1,100 slot machines, six restaurants and a 289-room hotel. From December 2010 to September 2011, he was Vice-President, Slots for all of Sands China Limited, including The Venetian Macao, Sands Macao, and The Plaza Macao, totalling 3,490 slot machines. Mr. Andres began his career with Harrah's in 1988, and from June 2005 to

December 2010, he was the Vice-President and General Manager for Harrah's Ak-Chin Casino Resort in Arizona. He graduated from the University of Nevada with a Bachelor of Science degree in Business Administration in 1989, and a Master's degree in Business Administration in 1994.

Donald Nori Tateishi – Treasurer

On May 16, 2016, Mr. Tateishi was appointed as the Treasurer of the Company. Mr. Tateishi was most recently connected with Station Casinos as Vice President of Finance. He started with Station Casinos in 2009 and served in various property and corporate finance roles. Previously, he held chief financial officer roles for several gaming technology companies. He began his career in gaming at Harrah's Entertainment in 2002 in various roles including Director of Finance – Planning & Analysis for the company's Northern Nevada region. Mr. Tateishi received his undergraduate degree in Business Economics from the University of California – Riverside, and received his Masters in Business Administration from the Fuqua School of Business at Duke University.

Marissa T. Academia – Corporate Secretary / Corporate Information Officer / Compliance Officer

On January 22, 2014, Ms. Academia was appointed as the Corporate Information Officer of the Company. She was subsequently appointed as the Corporate Secretary and Compliance Officer on March 13, 2014. Ms. Academia is the Vice-President for Legal Affairs of the Company. She brings with her more than twenty years of experience in corporate practice. Prior to joining the Company, she was the Chief Legal Counsel for Thunderbird Resorts, Inc. from 2009 to 2013 and was a Partner in Herrera Teehankee Cabrera Law Offices where she practiced law from 1994 to 2009. She obtained her Juris Doctor of Law degree from the Ateneo Law School and was admitted to the Philippine Bar in 1994.

The Directors of the Company are elected at the Annual Stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the annual stockholders' meeting, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The Company believes that all descriptions provided by its Directors and Officers are correct and complete.

Significant Employees

There is not a person who is not an Executive Officer expected by the Company to make significant contribution to the business.

Family Relationship

There are no family relationships up to the fourth civil degree, either by consanguinity or affinity, among Directors, Executive Officers or persons nominated or chosen by the registrant to become Directors or Executive Officers.

Involvement of Directors and Officers in Certain Legal Proceedings

During the past five years and until the date of distribution of this Information Statement, the members of the Board of Directors and the Executive Officers:

- a) have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;
- b) have not been convicted by final judgment or have any pending criminal cases;
- c) have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities; and

- d) have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission (“**SEC**”) or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

List of Candidates for Election as Members of the Board of Directors for 2017-2018

Nominees for Directors (A)	Person Recommending Nomination (B)	Relationship of (A) & (B)
Clarence Yuk Man Chung	Frances Marie T. Yuyucheng	None
Alec Yiu Wa Tsui (Independent Director)	Clarence Yuk Man Chung	None
John William Crawford (Independent Director)	Clarence Yuk Man Chung	None
Jose F. Buenaventura	Clarence Yuk Man Chung	None
Frances Marie T. Yuyucheng	Clarence Yuk Man Chung	None
Maria Marcelina O. Cruzana	Clarence Yuk Man Chung	None
Johann M. Albano	Clarence Yuk Man Chung	None

Information on, and details of, the nominees are stated on page 9 of this Information Statement.

Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

Significant transactions with related parties for the year ended December 31, 2016 are included in Note 17 to the audited consolidated financial statements included in this Information Statement.

Disagreement with a Director

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of the stockholders because of disagreement/s with the Company on any matter relating to the Company’s operations, policies or practices, and no director has furnished the Company a letter describing such disagreement and requesting that the matter be disclosed.

Item 6. Compensation of Directors and Executive Officers³

The aggregate compensation paid or accrued during the last two fiscal years to the Company’s (a) President and four highest compensated officers, and (b) other officers and directors or key management personnel (as a group unnamed) are as follows:

Name and Position of (a) above for the year 2016

1. Mr. Clarence Yuk Man Chung (President / Chairman of the Board)
2. Mr. Geoffry Philip Andres (Property President / Chief Operating Officer)
3. Mr. Jarlath Lynch (Senior Vice President, Non-Gaming Operations)
4. Mr. Rodney Walker (Vice President, Security and Surveillance)
5. Mr. Kevin Benning (Vice President, Gaming Operations)

Summary of Compensation Table

(Estimated) Year Ending December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
--	------------------------------------	------------------------------------

³ In thousands of Philippine peso.

(a) President and four highest compensated officers and/or key management personnel:

Basic salaries, allowances and benefits in kind	₱81,363	₱81,781	₱66,986
Performance bonuses	47,682	61,745	0
Retirement costs – defined contribution plans	3,876	3,358	1,949
Termination benefits	0	0	39,572
Share-based compensation expenses	8,708	14,028	29,758
	<u>₱141,629</u>	<u>₱160,912</u>	<u>₱138,265</u>

(b) All other officers, key management personnel and Directors as a group unnamed:

	(Estimated) Year Ending December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Basic salaries, allowances and benefits in kind	₱17,957	₱23,185	₱99,576
Performance bonuses	4,307	7,087	0
Retirement costs – defined contribution plans	63	58	462
Termination benefits	0	0	0
Share-based compensation expenses	107	1,301	32,572
	<u>₱22,434</u>	<u>₱31,631</u>	<u>₱132,610</u>

The Company cannot accurately estimate the aggregate remuneration to be paid to its key management personnel and senior executives as a group for the year ending December 31, 2017. At this point of time, the Company anticipates that the estimated aggregate compensation for the President, the four highest compensated officers and/or key management personnel for fiscal year 2017 will be based on market rates for the hospitality, leisure, gaming and entertainment industries.

Compensation of Directors

The Company did not pay any compensation to the Directors for the years ended December 31, 2016 and 2015. The remuneration of the Directors of the Company were borne by Melco.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no general compensatory plan or scheme with respect to any of the Company's executive officers that will result from the resignation, retirement or termination of such executive officer or from a change of control in the Company.

Warrants and Options Outstanding

Please refer to Item 8.

Item 7. Independent Public Accountants

1. External Audit Fees and Services

For the year ended December 31, 2016, the fees for audit work and other services performed by SyCip Gorres Velayo & Co. ("SGV & Co.") for the Company and its subsidiaries were as follows:

	2016
<i>In thousands of Philippine peso</i>	
External audit fees and services	P7,650
Other non-audit service fees	1,314
Tax fees	10,329
Out-of-pocket expenses	994

- a) External audit fees were incurred for the professional services rendered for the audit of the Company and its subsidiaries' annual financial statements and reporting to the auditor of Melco.
- b) Other non-audit service fees were incurred for professional services rendered for various agreed-upon procedures work and review of quarterly condensed consolidated financial statements.
- c) Tax fees were incurred for professional services rendered for tax accounting, tax compliance audit, and other advisory work.
- d) Out-of-pocket expenses were incurred for incidental costs incurred in relation to the services rendered.

The Audit Committee of the Company pre-approved all audit plans, scopes, and frequency prior to the conduct of external audit and prior to the commencement of the audit; discussed with the external auditor the nature, scope, and expenses of the audit and ensured proper coordination if more than one audit firm were involved in the activity to secure proper coverage and minimize duplication of efforts; evaluated and determined the non-audit work of the external auditor and reviewed periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses; and recommended the appointment of the external auditor to the stockholders.

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

To the best knowledge of the undersigned Corporate Secretary, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor.

Item 8. Compensation Plans

Share Incentive Plan

On February 19, 2013, the MCP's shareholders approved the Share Incentive Plan ("**SIP**" or the "**Plan**") to grant shares and options to qualified employees, directors, officers and other qualified persons at an exercise price and vesting periods to be determined by the Compensation Committee of the Board of Directors. On April 12, 2013, the SEC resolved that the issuance of the 131,578,947 common shares under the Plan was exempt from registration requirements under section 10.2 of the Securities Regulation Code ("**SRC**").

On June 21, 2013, the MCP's shareholders approved the amendment of the SIP made in order to comply with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**HKLR**") since Melco, the then ultimate holding company of the Company, was listed on HKSE. The amendments include, but not limited to, additional provisions for compliance with HKLR requirements (i) when awards are granted to "connected persons" (as such term is defined under HKLR); and (ii) on restriction on timing of grant of awards. On June 24, 2013, additional 44,214,138 common shares were granted exemption from registration by the SEC under section 10.2 of the SRC.

On June 28, 2013, 181,239,503 underlying shares related to shares and options under the SIP were granted, and MCP has filed a request for exemption for the issuance of the additional 5,446,418

common shares. On August 12, 2013, additional 5,446,418 common shares were granted exemption from registration by the SEC under section 10.2 of the SRC.

On April 22, 2014, the Board of Directors of MCP approved the issuance of an additional 13,585,772 shares to eligible employees, directors, officers and other qualified persons under the Company's SIP. On May 30, 2014, the SEC resolved that the issuance of the 13,585,772 common shares under the Plan was exempt from registration requirements under section 10.2 of the SRC.

On May 18, 2015, the shareholders of the Company approved the further amendment of the SIP to remove HKLR compliance provisions as a result of the delisting of Melco from HKSE, which was submitted to the SEC for approval. Prior to the said SEC approval, the SIP was again amended to reincorporate the HKLR compliance provisions following the consolidation of MCP into the group of Melco International as its subsidiary for accounting and listing rules purposes. The amendments were approved by MCP's shareholders on December 5, 2016 and by the SEC on March 14, 2017.

Under the SIP, the Company may grant various share-based awards, including but not limited to, options to purchase the Company's common shares, restricted shares, share appreciation rights and other types of awards. The term of such awards shall not exceed ten years from the date of grant. The maximum aggregate number of common shares which may be issued pursuant to all awards under the SIP is 442,630,330 shares and with up to 5% of the issued capital stock of the Company from time to time over ten years. As of December 31, 2016 and 2015, 163,597,467 and 90,550,748 common shares remain available for the grant of various share-based awards under the SIP, respectively.

Warrants and Options Outstanding

The Company did not have any outstanding warrants as of December 31, 2016 and 2015. Please refer to Note 28 to the audited consolidated financial statements included in this Information Statement for the details of the SIP.

On September 30, 2016, the SEC approved the Company's option exchange program which allows eligible grantees under the SIP an opportunity to exchange certain outstanding underwater share options for new restricted shares. The share options subject of the exchange program were those granted in 2013 and 2014 which have not yet vested or have vested but not yet exercised.

The details of outstanding MCP restricted shares ("**MCP Restricted Shares**") and MCP share options ("**MCP Share Options**") of the Company as at December 31, 2016 are as follows:

Date of grant/award	June 28, 2013	February 17, 2014	February 28, 2014	March 27, 2014	March 28, 2014	May 30, 2014	September 29, 2015	November 16, 2015	September 30, 2016
Exercise Price	8.30	8.30	8.30	8.30	8.30	13.256	3.99	3.46	N/A
Market Price as of date of grant/award	8.30	13.48	13.00	12.76	12.96	13.00	3.99	3.46	3.91

Prior to the 2015 grants, the exercise price for the stock options is the higher of (i) the closing price on Grant Date or (ii) the average closing price for the five business days immediately preceding the Grant Date. For 2015 grants, the exercise price for the stock options is the closing price on Grant Date. The Grant Date represents the dates of grant and approval by the SEC of the issuance of shares under the SIP.

Recipients	As of December 31, 2016		As of December 31, 2015	
	Total number of outstanding MCP Restricted Shares	Total number of outstanding MCP Share Options	Total number of outstanding MCP Restricted Shares	Total number of outstanding MCP Share Options
President	5,626,415	0	4,530,190	10,404,851
Chief Operating Officer	N/A	N/A	995,138	4,286,017

Property President/Chief Operating Officer	2,548,700	6,796,532	3,398,266	6,796,532
Treasurer*	0	0	574,516	1,723,550
Corporate Secretary	1,958,831	0	342,898	1,939,118
All other officers, key management personnel and Directors as a group unnamed	8,629,204	0	6,220,955	27,046,585
Others	30,492,558	5,578,178	12,469,252	72,513,979
Total	49,255,708	12,374,710	28,531,215	124,710,632

*A new Treasurer of the Company was appointed in May 2016.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There is no stockholders' action to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

There is no stockholders' action to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Financial Statements

The audited consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Information Statement as Appendix I.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Please refer to Item 3 of the Management Report attached to this Information Statement.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Please refer to Item 7 of this Information Statement and Item 2 of the Management Report attached to this Information Statement.

Attendance of Principal Accountants at the Annual Stockholders' Meeting

Representatives of the Company's external auditor, SGV & Co., are expected to be present at the Annual Stockholders' Meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from the stockholders. The Company has had no material disagreement with SGV & Co. on any matter of accounting principle or practices of disclosure in the consolidated financial statements of the Company and its subsidiaries (collectively, "the Group" or "we").

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no stockholders' action to be taken with regard to the following: (a) the merger or consolidation of the Company into or with any other person or of any other person into or with the Company; (b) the acquisition by the Company or any of its security holders of securities of another person; (c) the acquisition by the Company of any other going business or of the assets thereof; (d)

the sale or other transfer of all or any substantial part of the assets of the Company; and (e) the liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

There is no stockholders' action to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are included in the Agenda for the June 6, 2017 Annual Stockholders' Meeting for the approval of the stockholders of the Company:

1. Approval of the Minutes of the Last Stockholders' Meetings held on June 20, 2016, December 5, 2016 and April 7, 2017.

The minutes of the last Annual Stockholders' Meeting of the Company shall serve as a record of the proceedings therein.

2. Approval of the Audited Consolidated Financial Statements of the Group for the Year Ended December 31, 2016.

The 2016 Audited Consolidated Financial Statements of the Group, already incorporated in the Information Statement and submitted to the SEC and Bureau of Internal Revenue, shall be presented to the stockholders for their information and approval.

3. Election of the Members of the Board of Directors

The following nominees for election as members of the Board of Directors of the Company, including the independent directors, shall be presented to the stockholders during the Annual Stockholders' Meeting:

Clarence Yuk Man Chung
Jose. F. Buenaventura
Frances Marie T. Yuyucheng
Maria Marcelina O. Cruzana
Johann M. Albano
John William Crawford – Independent Director
Alec Yiu Wa Tsui – Independent Director

The respective profiles of the nominees are included in Item 5 of the Definitive Information Statement, for the reference of the stockholders.

4. Appointment of External Auditor

Upon the favorable recommendation of the Company's Audit Committee, SGV & Co.'s appointment as external auditor of the Company shall be presented to the stockholders for approval.

5. Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting Held on June 20, 2016

All actions taken by the Board of Directors and Officers of the Company since the last Annual Stockholders' Meeting on June 20, 2016, as reflected in the minutes of the meetings of the Board of Directors, in the regular reports and disclosures to the SEC and PSE, and in the 2016 Annual

Report and Report of the Chairman, shall be presented to the stockholders for their approval and ratification.

6. Other Matters that May Properly be Brought Before the Stockholders

Any other matter relevant and appropriate to the occasion may be properly raised and considered during the Annual Stockholders' Meeting.

Item 16. Matters Not Required to be Submitted

Ratification of All Acts, Contracts, Investments and Resolutions of the Board of Directors and Management Since the Last Stockholders' Meeting

As a matter of corporate policy, Management seeks the approval and ratification by the Stockholders of all acts, contracts, investments and resolutions of the Board of Directors and Management since June 20, 2016, the date of the last Annual Stockholders' Meeting. These are reflected in the minutes of the meetings of the Board of Directors, in the regular reports and disclosures to the SEC and to the PSE, and in the 2016 Annual Report and Report of the Chairman.

Item 17. Amendment of Charter, By-Laws or Other Documents

There is no action to be taken with respect to the amendment of the Corporation's Charter, By-Laws or other documents.

Item 18. Other Proposed Action

There is no other action with respect to any matter not specifically referred to above.

Item 19. Voting Procedures

The Chairman will announce each proposal to the floor, which shall be voted upon separately. In the absence of any objection from the floor, the Chairman shall instruct the Corporate Secretary to enter a unanimous vote of approval. If there is an objection, the Chairman will call for a division of the house. The votes of stockholders present in person or by Proxy shall be counted by hand, and the Chairman will announce the result of the voting, unless voting by ballots is called for. If voting by ballots is decided, ballots will be distributed to Stockholders present in person or by Proxy in the meeting. The ballots will be filled up by stockholders, and submitted to the Corporate Secretary or his duly authorized representatives. The valid ballots will be counted by the Corporate Secretary or a committee that the Board may organize for the purpose for the votes of the Stockholders. The Chairman will then announce the result after the counting. Stock Transfer Service, Inc., the Company's stock transfer agent, an independent party, is tasked to count votes on any matter properly brought to the vote of the stockholders, including the election of directors.

At the Stockholders' Meeting, every stockholder shall be entitled to vote for each share of stock which has voting power upon the matter in question, registered in his name in the books of the Company.

A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected. Provided, however, that no delinquent stock shall be voted.

Vote Requirement

The following matters require the following votes:

Subject Matter	Votes Required
Approval of the Minutes of the Last Annual Stockholders' Meetings held on June 20, 2016 and Special Stockholders' Meetings held on December 5, 2016 and April 7, 2017	Majority of the votes cast
Approval of the Audited Consolidated Financial Statements of the Group for the Year Ended December 31, 2016	Majority of the votes cast
Election of the Members of the Board of Directors	The top seven (7) nominees with the most number of votes cast are elected
Appointment of External Auditor	Majority of the votes cast
Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting held on June 20, 2016	Majority of the votes cast

MANAGEMENT REPORT

1. 2016 Audited Consolidated Financial Statements, Statement of Management's Responsibility, and Interim Financial Statements

The audited consolidated financial statements for the years ended December 31, 2016, 2015 and 2014 and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules, and the Statement of Management's Responsibility are filed as part of this Information Statement as Appendix I.

2. Information Concerning Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

To the best knowledge of the undersigned Corporate Secretary, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor, as mentioned in Items 7 and 11 of the Information Statement.

3. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following management's discussion and analysis relate to the consolidated financial information and operating results of the Group and should be read in conjunction with the accompanying audited consolidated financial statements and related notes of the Group as of December 31, 2016 and 2015, and for the years ended December 31, 2016, 2015 and 2014.

Overview and Plan of Operation

The Company, through its subsidiaries, is engaged in the development and operation of an integrated hotel, gaming, retail and entertainment complex within the Entertainment City. The Company's subsidiaries, MCE Holdings (Philippines) Corporation ("**MCE Holdings**"), MCE Holdings No. 2 (Philippines) Corporation ("**MCE Holdings No. 2**"), and MCE Leisure (Philippines) Corporation ("**MCE Leisure**") (collectively referred to as the "**MCE Holdings Group**"), together with SM Investments Corporation ("**SMIC**"), Belle Corporation ("**Belle**") and PremiereLeisure Amusement, Inc. ("**PLAI**") (SMIC, Belle and PLAI are collectively referred to as the "**Philippine Parties**") (MCE Holdings Group and the Philippine Parties are collectively referred to as the "**Licensees**"), are the holders of the regular license issued by the Philippine Amusement and Gaming Corporation ("**PAGCOR**") for the development of City of Dreams Manila (the "**Regular License**"). The Company is an indirect subsidiary of Melco, a leading developer of integrated gaming resorts in Macau and other parts of Asia, and its subsidiary, MCE Leisure, is responsible for the furniture, fixtures and equipment (including gaming equipment), working capital expenses, non-real property improvements and personal property, as well as the management and operation of City of Dreams Manila. Belle, part of the SM Group as defined below, and one of the largest conglomerates in the Philippines with interests in retail, real estate development and banking, among others, is responsible for construction of the principal structures and fixtures of City of Dreams Manila.

City of Dreams Manila opened its doors to the public in December 2014 and marked the formal entry of Melco into the fast-growing and dynamic tourism industry in the Philippines. City of Dreams Manila had its grand opening on February 2, 2015. The new integrated casino resort at Entertainment City, Manila Bay, Manila, is solely operated and managed by MCE Leisure. The dynamic and innovative resort complex, located on an approximately 6.2 hectare site at the gateway to Entertainment City, includes entertainment, hotel, retail and dining and lifestyle experiences with aggregated gaming space, including VIP and mass market gaming facilities with up to approximately 380 gaming tables, 1,700 slot machines and 1,700 electronic gaming tables. As of March 31, 2017, City of Dreams Manila has 268 gaming tables, 1,625 slot machines and 158 electronic gaming tables in operation. The integrated resort features three distinctive entertainment venues, namely Manila's first branded Family Entertainment Center, a live performance central lounge inside the casino and two night clubs situated at the Fortune Egg, an architecturally-unique dome-like structure, which is accented with creative exterior lighting design. It is expected to become an iconic landmark of the Manila Bay area.

City of Dreams Manila delivers a distinct entertainment and hospitality experience to the Philippines and will ultimately play a key role in strengthening the depth and diversity of Manila's leisure, business and tourism offering, enhancing its growing position as one of Asia's premier leisure destinations. It has been developed to specifically meet the needs of the large, rapidly growing and increasingly diverse audience of leisure and entertainment seekers both in the Philippines and those visiting Manila from across the Asia region and around the world.

Subsidiaries of MCP

As of March 31, 2017 and December 31, 2016, MCP's wholly-owned subsidiaries included the MCE Holdings Group. MCE Holdings, MCE Holdings No. 2 and MCE Leisure were all incorporated in the Philippines and were registered with the SEC on August 13, 2012, August 22, 2012 and August 30, 2012, respectively. The primary purpose of MCE Holdings and MCE Holdings No. 2 is investment holding and the primary purpose of MCE Leisure is to develop and operate tourist facilities, including hotel casino entertainment complexes with hotel, retail and amusement areas and themed development components and to engage in casino gaming activities.

Activities of MCE Holdings Group

On July 5, 2012, Melco, through its indirect subsidiary, entered into a memorandum of agreement (the "**MOA**") with SMIC and certain of its subsidiaries (the "**SM Group**"), Belle and PLAI for the development of City of Dreams Manila. Further to the MOA, on October 25, 2012, the MCE Holdings Group entered into a cooperation agreement (the "**Cooperation Agreement**") and other related arrangements with the SM Group, Belle and PLAI. MCE Leisure also entered into a lease agreement (the "**Lease Agreement**") on October 25, 2012 with Belle for the lease of the land and buildings for City of Dreams Manila.

On March 13, 2013, the Cooperation Agreement and the Lease Agreement became effective upon the completion of the closing arrangement conditions, with minor changes to the original terms (except for certain provisions of the Cooperation Agreement which were effective on signing). In addition, the MCE Holdings Group and the Philippine Parties entered into an operating agreement on March 13, 2013, pursuant to which MCE Leisure has been granted the exclusive right to manage, operate and control City of Dreams Manila (the "**Operating Agreement**").

On December 19, 2013, MCE Leisure priced its ₱15 billion aggregate principal amount of Senior Notes at par, with a maturity date of January 24, 2019 (the "**Senior Notes**"). The issuance of the Senior Notes was completed on January 24, 2014. The net proceeds from the issuance of Senior Notes were used for funding the City of Dreams Manila project, refinancing of debt and general corporate purposes.

PAGCOR issued the Regular License dated April 29, 2015 in replacement of the provisional license ("**Provisional License**") to the Licensees for the operation of City of Dreams Manila. The Regular License has the same terms and conditions as the Provisional License and is valid until July 11, 2033.

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate our casino operations, including table games and gaming machines:

- a. Adjusted EBITDA: Earnings before interest, taxes, depreciation and amortization, payments to the Philippine Parties, land rent to Belle, net gain on disposals of property and equipment to Belle, pre-opening costs, share-based compensation expenses, corporate expenses, property charges and others, and other non-operating income and expenses.
- b. Revenue Growth: Measures the percentage change in revenue over a period of time. It is regularly monitored on a per product and per client basis.
- c. Net Income: Measures the profitability of the Group.
- d. Basic Earnings Per Share: Measures how much a stockholder earns in the Net Income of the Group. Basic Earnings per share is calculated by dividing Net Income by the weighted number of common shares issued and outstanding during a particular period of time.
- e. Rolling chip volume: the amount of non-negotiable chips wagered and lost by the rolling chip market segment.
- f. Rolling chip win rate: rolling chip table games win (calculated before discounts and commissions) as a percentage of rolling chip volume.
- g. Mass market table games drop: the amount of table games drop in the mass market table games segment.
- h. Mass market table games hold percentage: mass market table games win as a percentage of mass market table games drop.
- i. Table games win: the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues.
- j. Gaming machine handle: the total amount wagered in gaming machines.
- k. Gaming machine win rate: gaming machine win expressed as a percentage of gaming machine handle.
- l. Average daily rate: calculated by dividing total room revenues including the retail value of promotional allowances (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day.
- m. Occupancy rate: the average percentage of available hotel rooms occupied, including complimentary rooms, during a period.
- n. Revenue per available room or REVPAR: calculated by dividing total room revenues including the retail value of promotional allowances (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy.

Results for the Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

(in thousands of Philippine peso, except per share and % change data)			VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	For the year ended December 31,	For the year ended December 31,	% to Revenues		% of Change from Prior Year	
	2016	2015	2016	2015	Inc / (Dec)	%
Net Operating Revenues						
Casino	21,298,942	11,901,497	91%	87%	9,397,445	79%
Rooms	981,554	719,422	4%	5%	262,132	36%
Food and beverage	707,255	677,380	3%	5%	29,875	4%
Entertainment, retail and others	431,038	429,028	2%	3%	2,010	0%
Total net operating revenues	23,418,789	13,727,327	100%	100%	9,691,462	71%
Operating costs and expenses						
Gaming tax and license fees	(5,408,428)	(3,404,915)	-23%	-25%	(2,003,513)	59%
Inventories consumed	(819,730)	(784,678)	-4%	-6%	(35,052)	4%
Employee benefit expenses	(3,449,766)	(3,980,364)	-15%	-29%	530,598	-13%
Depreciation and amortization	(4,388,885)	(4,372,061)	-19%	-32%	(16,824)	0%
Other expenses	(6,457,016)	(6,701,571)	-28%	-49%	244,555	-4%
Payments to the Philippine Parties	(1,642,175)	(757,039)	-7%	-6%	(885,136)	117%
Total operating costs and expenses	(22,166,000)	(20,000,628)	-95%	-146%	(2,165,372)	11%
Operating profit (loss)	1,252,789	(6,273,301)	5%	-46%	7,526,090	-120%
Non-operating income (expenses)						
Interest income	20,300	14,203	0%	0%	6,097	43%
Interest expenses, net of capitalized interest	(2,873,852)	(2,720,953)	-12%	-20%	(152,899)	6%
Amortization of deferred financing costs	(66,148)	(61,828)	0%	0%	(4,320)	7%
Other finance fees	(47,832)	(47,832)	0%	0%	-	0%
Foreign exchange gains (losses), net	215,840	(30,691)	1%	0%	246,531	-803%
Total non-operating expenses, net	(2,751,692)	(2,847,101)	-12%	-21%	95,409	-3%
Loss before income tax	(1,498,903)	(9,120,402)	-6%	-66%	7,621,499	-84%
Income tax expense	(82,396)	(23,729)	0%	0%	(58,667)	247%
Net loss	(1,581,299)	(9,144,131)	-7%	-67%	7,562,832	-83%
Other comprehensive loss	(3,210)	-	0%	0%	(3,210)	N/A
Total comprehensive loss	(1,584,509)	(9,144,131)	-7%	-67%	7,559,622	-83%
Basic/diluted loss per share	(P 0.28)	(P 1.82)			P 1.54	-85%

Net loss for the year ended December 31, 2016 was ₱1,581.3 million, a decrease of ₱7,562.8 million, or 83%, from ₱9,144.1 million for the year ended December 31, 2015, which is primarily related to improved operating revenues generated during the current year, lower employee benefit expenses and a net foreign exchange gains for the year, partially offset by the associated increase in operating costs, payments to the Philippine Parties as well as interest expenses (net of capitalized interest) as a result of lower interest capitalization since the project completion in the first quarter of 2015.

Revenue

Total net operating revenues were ₱23,418.8 million for the year ended December 31, 2016, representing an increase of ₱9,691.5 million, from ₱13,727.3 million for the year ended December 31, 2015. The increase in total net operating revenues was primarily driven by the improved casino revenues as discussed below.

Total net operating revenues for the year ended December 31, 2016 comprised ₱21,298.9 million of casino revenues, representing 91% of total net operating revenues, and ₱2,119.9 million of non-casino revenues. Total net operating revenues for the year ended December 31, 2015 comprised ₱11,901.5 million casino revenues, representing 87% of the total net operating revenues and ₱1,825.8 million of non-casino revenues.

Casino - Casino revenues for the year ended December 31, 2016 were ₱21,298.9 million, an increase of ₱9,397.4 million, or 79%, from ₱11,901.5 million for the year ended December 31, 2015. Rolling chip volume for the year ended December 31, 2016 was ₱326.5 billion, as compared to ₱150.6 billion for the year ended December 31, 2015. Rolling chip win rate (calculated before discounts and commissions) was 3.4%, and improved from 2.3% for the year ended December 31, 2015. In the mass market table games segment, mass market table games drop was ₱26.3 billion for the year

ended December 31, 2016 which represented an increase of ₱6.2 billion, or 31% from ₱20.1 billion for the year ended December 31, 2015. The mass market table games hold percentage was 28.0% for the year ended December 31, 2016 and demonstrated an increase from 26.3% for the year ended December 31, 2015. Gaming machine handle for the year ended December 31, 2016 was ₱106.8 billion, compared with ₱81.3 billion for the year ended December 31, 2015. The gaming machine win rates were 5.9% and 6.0% for years ended December 31, 2016 and 2015, respectively. The average number of table games and average number of gaming machines for the year ended December 31, 2016 were 270 and 1,656, respectively, as compared to 263 and 1,709, respectively, for the year ended December 31, 2015. Average net win per table game per day and average net win per gaming machine per day for the year ended December 31, 2016 were ₱188,028 and ₱10,360, respectively, as compared to ₱93,525 and ₱7,782, respectively, for the year ended December 31, 2015.

Rooms - Room revenues come from Crown Towers hotel, Nobu Hotel and Hyatt City of Dreams Manila and amounted to ₱981.6 million for the year ended December 31, 2016 and represented an increase of ₱262.1 million, or 36%, from ₱719.5 million for the year ended December 31, 2015, due to improved occupancy as a result of more available rooms open for sale for the current year as compared to the year ended December 31, 2015. City of Dreams Manila's average daily rate, occupancy rate and REVPAR for the year ended December 31, 2016 were ₱7,597, 91.1% and ₱6,923, respectively, as compared to ₱8,702, 85.9% and ₱7,471, respectively, for the year ended December 31, 2015.

Food, beverage and others - Other non-casino revenues for the year ended December 31, 2016 included food and beverage revenues of ₱707.3 million and entertainment, retail and other revenues of ₱431.0 million. Other non-casino revenues for the year ended December 31, 2015 included food and beverage revenues of ₱677.4 million and entertainment, retail and other revenues of ₱429.0 million. No material fluctuations were noted for the year.

Operating costs and expenses

Total operating costs and expenses were ₱22,166.0 million for the year ended December 31, 2016, representing an increase of ₱2,165.4 million, from ₱20,000.6 million for the year ended December 31, 2015. The increase in operating costs was generally in line with the increased net operating revenues in the current year.

Gaming tax and license fees for the year ended December 31, 2016 amounted to ₱5,408.4 million, representing an increase of ₱2,003.5 million, or 59% from ₱3,404.9 million for the year ended December 31, 2015. The increase was in line with the increased gaming volume.

Inventories consumed for the year ended December 31, 2016 and 2015 amounted to ₱819.7 million and ₱784.7 million, respectively. No material fluctuations were noted for the year.

Employee benefit expenses for the year ended December 31, 2016 amounted to ₱3,449.8 million, as compared to ₱3,980.4 million for the year ended December 31, 2015. The decrease was mainly due to lower basic salaries, allowances, bonuses and other amenities expenses, other employee benefit expenses and the cancellation of share-based awards during the year as well as full vesting of share options/restricted shares granted in previous years. Refer to Note 15 to the audited consolidated financial statements for the nature and details.

Depreciation and amortization for the year ended December 31, 2016 and 2015 amounted to ₱4,388.9 million and ₱4,372.1 million respectively. No material fluctuations were noted for the year.

Other expenses for the year ended December 31, 2016 amounted to ₱6,457.0 million, as compared to ₱6,701.6 million for the year ended December 31, 2015. The decrease was primarily attributable to (i) ₱1,155.0 million lower provision for input VAT; (ii) ₱808.4 million lower advertising, marketing, promotional and entertainment expenses as the grand opening of the resort was launched in February 2015; (iii) ₱377.2 million net gain on disposals of property and equipment and (iv) ₱100.0 million insurance claim recovery from certain equipment damaged by typhoon during the year; partially offset by (v) higher other gaming operations expenses and others. Refer to Note 16 to the audited consolidated financial statements for the nature and details.

Payments to the Philippine Parties represented the agreed-upon payments to PLAI calculated in accordance with the Operating Agreement dated March 13, 2013 and related supplementary

agreements. The increase was primarily due to improved casino revenues during the year.

Non-operating expenses, net

Interest income was ₱20.3 million for the year ended December 31, 2016 as compared to ₱14.2 million for the year ended December 31, 2015. The increase was due to more deposits being placed at the bank during the year ended December 31, 2016 compared to the same period in 2015.

Interest expenses (net of capitalized interest), mainly represented by interest expenses on Senior Notes and obligations under finance lease, amounted to ₱2,873.9 million for the year ended December 31, 2016 as compared to ₱2,721.0 million for the year ended December 31, 2015. The increase was primarily due to ₱79.0 million higher interest expenses on obligations under finance lease and a lower interest capitalization of ₱8.8 million (₱82.7 million for the year ended December 31, 2015) due to the completion of the property construction during 2015.

Amortization of deferred financing costs remained fairly stable at ₱66.1 million and ₱61.8 million for the years ended December 31, 2016 and 2015, respectively, representing amortization of deferred financing costs for the Senior Notes.

Other finance fees amounted to ₱47.8 million for both years ended December 31, 2016 and 2015, representing the gross receipt taxes in relation to interest payments on the Senior Notes issued in January 2014.

The net foreign exchange gains of ₱215.8 million for the year ended December 31, 2016 was mainly due to the translation of foreign currency denominated bank balances and payables at the year-end closing rate. Because the Philippine peso declined against the H.K. dollar and the U.S. dollar during the year ended December 31, 2016, a net foreign exchange gains resulted in the current year as compared to a net foreign exchange losses of ₱30.7 million for the year ended December 31, 2015.

Income tax expense

The provisions for current year income taxes for the years ended December 31, 2016 and 2015 represent the provisions for both current income taxes and deferred taxes. Refer to Note 19 to the audited consolidated financial statements for the nature and details of the provision for income tax for the year ended December 31, 2016.

Net loss

As a result of the foregoing, the Group incurred a net loss of ₱1,581.3 million for the year ended December 31, 2016, as compared to a net loss of ₱9,144.1 million for the year ended December 31, 2015.

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, taxes, depreciation, amortization, payments to the Philippine Parties, land rent to Belle, net gain on disposals of property and equipment to Belle, pre-opening costs, share-based compensation expenses, corporate expenses, property charges and others and other non-operating income and expenses. Adjusted EBITDAs were ₱7,561.3 million and ₱2,520.2 million for the years ended December 31, 2016 and 2015, respectively.

Our management uses Adjusted EBITDA to measure the operating performance of City of Dreams Manila, and to compare the operating performance of our property with those of our competitors. Adjusted EBITDA is 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 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. However, Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit, treated as an indicator of our Philippines Financial Reporting Standards ("PFRS") operating performance, other operating operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. 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 financial statements and other information in this annual report, less reliance should be placed on Adjusted EBITDA as a measure in assessing our overall financial performance.

Financial Condition and Balance Sheet

The audited consolidated balance sheet of the Group as of December 31, 2016 with variance against December 31, 2015 is discussed, as set out below:

(in thousands of Philippine peso, except per share and % change data)			VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	December 31,	December 31,	% to Total Assets		% of Change from Prior Year	
	2016	2015	2016	2015	Inc / (Dec)	%
ASSETS						
Current assets						
Cash and cash equivalents	10,351,414	7,460,229	25%	17%	2,891,185	39%
Restricted cash	240,025	42,525	1%	0%	197,500	464%
Accounts receivable, net	1,391,213	1,283,575	3%	3%	107,638	8%
Inventories	230,411	268,819	1%	1%	(38,408)	-14%
Prepayments and other current assets	322,692	194,423	1%	0%	128,269	66%
Amount due from a shareholder	5,590	5,588	0%	0%	2	0%
Amount due from ultimate holding company	-	175,557	0%	0%	(175,557)	-100%
Amount due from an intermediate holding company	139,264	-	0%	0%	139,264	N/A
Amount due from immediate holding company	3,000	-	0%	0%	3,000	N/A
Amount due from an affiliated company	1,117	455	0%	0%	662	145%
Total current assets	12,684,726	9,431,171	30%	21%	3,253,555	34%
Non-current assets						
Property and equipment, net	26,866,578	32,939,887	64%	74%	(6,073,309)	-18%
Contract acquisition costs, net	863,872	915,965	2%	2%	(52,093)	-6%
Other intangible assets, net	5,436	7,176	0%	0%	(1,740)	-24%
Other non-current assets	1,270,048	1,462,673	3%	3%	(192,625)	-13%
Deferred tax asset, net	-	881	0%	0%	(881)	-100%
Total non-current assets	29,005,934	35,326,582	70%	79%	(6,320,648)	-18%
Total assets	41,690,660	44,757,753	100%	100%	(3,067,093)	-7%
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable	139,270	150,806	0%	0%	(11,536)	-8%
Accrued expenses, other payables and other current liabilities	5,414,657	8,203,747	13%	18%	(2,789,090)	-34%
Current portion of obligations under finance lease	1,524,893	1,401,702	4%	3%	123,191	9%
Amount due to immediate holding company	-	7,357	0%	0%	(7,357)	-100%
Amounts due to affiliated companies	1,282,040	609,951	3%	1%	672,089	110%
Income tax payable	160	170	0%	0%	(10)	-6%
Total current liabilities	8,361,020	10,373,733	20%	23%	(2,012,713)	-19%
Non-current liabilities						
Long-term debt, net	14,848,500	14,782,352	36%	33%	66,148	0%
Non-current portion of obligations under finance lease	13,061,462	12,744,835	31%	28%	316,627	2%
Deferred rent liabilities	219,258	176,508	1%	0%	42,750	24%
Retirement liabilities	41,644	23,617	0%	0%	18,027	76%
Other non-current liabilities	43,485	48,638	0%	0%	(5,153)	-11%
Deferred tax liability, net	81,188	-	0%	0%	81,188	N/A
Total non-current liabilities	28,295,537	27,775,950	68%	62%	519,587	2%
Equity						
Capital stock	5,662,897	5,643,355	14%	13%	19,542	0%
Additional paid-in capital	22,076,822	21,932,963	53%	49%	143,859	1%
Share-based compensation reserve	416,835	606,279	1%	1%	(189,444)	-31%
Equity reserve	(3,613,990)	(3,613,990)	-9%	-8%	-	0%
Accumulated deficit	(19,508,461)	(17,960,537)	-47%	-40%	(1,547,924)	9%
Total equity	5,034,103	6,608,070	12%	15%	(1,573,967)	-24%
Total equity and liabilities	41,690,660	44,757,753	100%	100%	(3,067,093)	-7%

Current assets

Cash and cash equivalents increased by ₱2,891.2 million, which is primarily the net result of operating cash inflows and the payments made for the capital expenditures and repayments of obligations under finance lease. Refer below to "Liquidity and Capital Sources" for cash flow analysis for the year ended December 31, 2016.

Restricted cash represents an escrow account that is restricted for foundation fees payable in accordance with the terms of the Regular/Provisional License. The increase during the year represented the foundation's contributed amount for the year ended December 31, 2016.

Accounts receivable, net, primarily attributable to casino, hotel and F&B receivables, increased by ₱107.6 million, which was mainly due to an increase in casino receivables associated with the improved casino revenues, partially offset by an increase in the allowance for doubtful debts made for the current year and the decrease in hotel receivables. Refer to Note 7 to the audited consolidated financial statements for the details and aging of the accounts receivable as of December 31, 2016.

Inventories of ₱230.4 million mainly consisted of gaming inventories, retail merchandise, food and beverage items and certain operating supplies.

Prepayments and other current assets increased by ₱128.3 million, which was primarily due to increases in (i) rental and other receivables, net of ₱52.0 million mainly as a result of insurance claims receivable; and (ii) creditable withholding tax of ₱44.6 million mainly arising from the disposals of property and equipment during the year. Refer to Note 8 to the audited consolidated financial statements for the nature and details of these assets.

Non-current assets

Property and equipment decreased by ₱6,073.3 million, mainly due to the disposals of ₱1,930.8 million property and equipment items as well as depreciation of ₱4,335.1 million for the operating equipment during the year; partially offset by additions to property and equipment of ₱448.3 million during the year.

Contract acquisition costs decreased by ₱52.1 million, solely due to the amortization for the year ended December 31, 2016.

Other intangible assets decreased by ₱1.7 million during the year as a result of amortization on the straight-line basis over the license term of 5 years from February 14, 2015, the opening date of the attraction.

Other non-current assets decreased by ₱192.6 million primarily due to a decrease in net input VAT receivable of ₱132.2 million mainly as a result of provisions for input VAT receivable of ₱271.9 million during the year ended December 31, 2016.

Current liabilities

Accounts payable of ₱139.3 million represented the payables to suppliers for products and services such as playing cards and marketing. The decrease in the balance was due to more settlements made to suppliers during the year.

Accrued expenses, other payables and other current liabilities decreased by ₱2,789.1 million, which mainly related to decreases in (i) accruals for acquisitions of property and equipment by ₱2,043.7 million as a result of settlements of construction payables during the year and (ii) escrow funds refundable to the Philippine Parties of ₱1,104.5 million. Refer to Note 13 to the audited consolidated financial statements for the nature and details of these items.

Current portion of obligations under finance lease represented building lease payments that are due within one year. The increase during the year was mainly due to (i) finance lease charges of ₱1,628.5 million recognized during the year, partially offset by (ii) lease payments made of ₱1,505.3 million during the year.

Amounts due to affiliated companies and the immediate holding company increased by ₱664.7 million, which primarily resulted from management fees and payroll expenses recharged from affiliates/the immediate holding company during the year. Refer to Note 17 to the audited consolidated financial statements for the nature and details of the related party transactions for the year ended December 31, 2016.

Non-current liabilities

Long-term debt of ₱14.8 billion represents the Senior Notes which will mature in 2019 and priced at par of 100% of the principal amount of ₱15.0 billion (net of ₱151.5 million in unamortized deferred financing costs). The increase during the year solely represented the amortization of deferred financing

costs of ₱66.1 million for the year.

The non-current portion of obligations under finance lease increase of ₱316.6 million mainly represented finance lease charges during the year.

Deferred rent liabilities increased by ₱42.8 million primarily due to effective rent recognized during the year.

Retirement liabilities increased by ₱18.0 million primarily due to such service costs recognized during the year.

Other non-current liabilities represented retail tenant deposits and other payables which are due beyond one year. The decrease was primarily due to partial settlements made on payables on property and equipment acquired in prior years, partially offset by bonus provisions made during the year.

Deferred tax liability, net, mainly represented the deferred tax charges on unrealized foreign exchange gains. Refer to Note 19 to the audited consolidated financial statements for the nature and details thereof.

Equity

Capital stock and additional paid-in capital increased by ₱19.5 million and ₱143.9 million, respectively, as of December 31, 2016 as compared to December 31, 2015, which was mainly due to 19,541,800 restricted shares being vested during the year ended December 31, 2016.

The share-based compensation reserve decreased by ₱189.4 million mainly due to a transfer of ₱163.4 million to capital stock/additional paid-in capital as a result of the 19,541,800 restricted shares vesting as mentioned above and the transfer of ₱36.5 million to the accumulated deficit as a result of the expiry of shared options during the year; partially offset by the recognition of share-based payments of ₱10.5 million during the year ended December 31, 2016.

The equity reserve consisted of the net difference between the cost of MCP to acquire MCE Holdings Group and the legal capital of the latter at the date of reverse acquisition, plus the retained earnings of MCP as of December 19, 2012, the date when MCP was acquired by Melco. The amount remained unchanged as of December 31, 2016 as compared to December 31, 2015.

The deficit increased by ₱1,547.9 million to ₱19,508.4 million as of December 31, 2016, from ₱17,960.5 million as of December 31, 2015, which was primarily due to the net loss by ₱1,581.3 million recognized during the year ended December 31, 2016, partially offset by the transfer of ₱36.5 million from the share-based compensation reserve as mentioned above.

Liquidity and Capital Sources

The table below shows the Group's audited consolidated cash flows for the years ended December 31, 2016 and 2015, respectively:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	% Change
<i>In thousands of Philippine peso, except % change data</i>			
Net cash provided by operating activities	6,451,799	1,142,886	465%
Net cash used in investing activities	(1,233,785)	(1,306,530)	-6%
Net cash used in financing activities	(2,621,257)	(167,819)	1462%
Effect of foreign exchange on cash and cash equivalents	294,428	140,525	110%
Net increase (decrease) in cash and cash equivalents	2,891,185	(190,958)	-1614%
Cash and cash equivalents at beginning of year	7,460,229	7,651,187	-2%
Cash and cash equivalents at end of year	10,351,414	7,460,229	39%

Cash and cash equivalents decreased by 39% as of December 31, 2016 compared to December 31, 2015 mainly due to the net effect of the following:

- For the year ended December 31, 2016, the Group recorded cash flow from operating activities of ₱6,451.8 million primarily attributable to the operating performance at City of Dreams Manila as discussed in the aforesaid sections.
- Net cash used in investing activities amounted to ₱1,233.8 million for the year ended December 31, 2016, which primarily includes: (i) capital expenditure payments of ₱2,113.0 million; (ii) advance payments and deposits for acquisitions of property and equipment of ₱78.6 million; and (iii) an increase in restricted cash of ₱197.5 million for the foundation fees payable; offset by (iv) proceeds from sales of property and equipment of ₱1,155.3 million.
- Net cash used in financing activities for the year ended December 31, 2016 mainly represented (i) repayments of obligations under finance lease of ₱1,623.2 million; (ii) interest and other finance fee payments for the Senior Notes of ₱985.3 million; and (iii) payments for transaction costs of issuance of capital stock of ₱12.8 million.

The table below shows the Group's capital sources as of December 31, 2016 and December 31, 2015.

	As of December 31, 2016	As of December 31, 2015	% Change
<i>In thousands of Philippine peso, except % change data</i>			
Long-term debt, net	14,848,500	14,782,352	0%
Equity	5,034,103	6,608,070	-24%
	19,882,603	21,390,422	-7%

Total long-term debt and equity decreased by 7% to ₱19,882.6 million as of December 31, 2016, from ₱21,390.4 million as of December 31, 2015. The decrease was mainly due to (i) the net loss of ₱1,581.3 million during the year ended December 31, 2016; partially offset by (ii) the recognition of the share-based compensation reserve of ₱10.5 million. There was no change in our gross indebtedness as of December 31, 2016 as compared to December 31, 2015.

Results for the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

(in thousands of Philippine peso, except per share and % change data)			VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	For the year ended December 31,	For the year ended December 31,	% to Revenues		% of Change in Prior Period	
	2015	2014	2015	2014	Inc / (Dec)	%
Net Operating Revenues						
Casino	11,901,497	299,991	87%	70%	11,601,506	3867%
Rooms	719,422	7,317	5%	2%	712,105	9732%
Food and beverage	677,380	26,154	5%	6%	651,226	2490%
Entertainment, retail and others	429,028	96,756	3%	22%	332,272	343%
Total net operating revenues	13,727,327	430,218	100%	100%	13,297,109	3091%
Operating costs and expenses						
Gaming tax and license fees	(3,404,915)	(64,077)	-25%	-15%	(3,340,838)	5214%
Inventories consumed	(784,678)	(27,918)	-6%	-6%	(756,760)	2711%
Employee benefit expenses	(3,980,364)	(2,796,583)	-29%	-650%	(1,183,781)	42%
Depreciation and amortization	(4,372,061)	(285,731)	-32%	-66%	(4,086,330)	1430%
Other expenses	(6,701,571)	(1,448,147)	-49%	-337%	(5,253,424)	363%
Payments to the Philippine Parties	(757,039)	(38,809)	-6%	-9%	(718,230)	1851%
Total operating costs and expenses	(20,000,628)	(4,661,265)	-146%	-1083%	(15,339,363)	329%
Operating loss	(6,273,301)	(4,231,047)	-46%	-983%	(2,042,254)	48%
Non-operating income (expenses)						
Interest income	14,203	42,887	0%	10%	(28,684)	-67%
Interest expenses, net of capitalized interest	(2,720,953)	(1,915,097)	-20%	-445%	(805,856)	42%
Amortization of deferred financing costs	(61,828)	(54,235)	0%	-13%	(7,593)	14%
Other finance fees	(47,832)	(44,776)	0%	-10%	(3,056)	7%
Foreign exchange losses, net	(30,691)	(101,013)	0%	-23%	70,322	-70%
Total non-operating expenses, net	(2,847,101)	(2,072,234)	-21%	-482%	(774,867)	37%
Loss before income tax	(9,120,402)	(6,303,281)	-66%	-1465%	(2,817,121)	45%
Income tax expense	(23,729)	-	0%	0%	(23,729)	N/A
Net loss	(9,144,131)	(6,303,281)	-67%	-1465%	(2,840,850)	45%
Other comprehensive income	-	-	0%	0%	-	N/A
Total comprehensive loss	(9,144,131)	(6,303,281)	-67%	-1465%	(2,840,850)	45%
Basic/diluted loss per share	(P 1.82)	(P 1.35)	0%	0%	(P 0.47)	35%

City of Dreams Manila had a soft opening on December 14, 2014 and a grand opening on February 2, 2015. As we only had half a month resort operations for the year ended December 31, 2014, our financial data presented above may not be comparable year-to-year.

Total comprehensive loss for the year ended December 31, 2015 was ₱9,144.1 million, an increase of ₱2,840.8 million, or 45%, from ₱6,303.3 million for the year ended December 31, 2014, which primarily related to the increase in total operating costs and expenses arising from the full year resort operations in 2015, as well as the interest expenses (net of capitalized interest) as a result of lower interest capitalization since the project completion in the first quarter of 2015, partially offset by operating revenues generated and decrease in the foreign exchange losses during the year.

Revenue

Total net operating revenues were ₱13,727.3 million for the year ended December 31, 2015, representing an increase of ₱13,297.1 million or 3,091%, from ₱430.2 million for the year ended December 31, 2014. The increase in total net operating revenues was attributable to the full year of resort operations in 2015.

Total net operating revenues for the year ended December 31, 2015 were comprised of ₱11,901.5 million of casino revenues, representing 87% of total net operating revenues, and ₱1,825.8 million of non-casino revenues. Total net operating revenues for the year ended December 31, 2014 of ₱430.2 million were comprised of ₱300.0 million of casino revenues, representing 70% of the total net operating revenues, and ₱130.2 million of non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2015 were ₱11,901.5 million, representing 87% of total net operating revenues, including VIP gaming revenues, mass table games and gaming machine revenues. Rolling chip volume for the year ended December 31, 2015 was ₱150.6 billion. Rolling chip win rate (calculated before discounts and commissions) was 2.3%. Our expected win rate was 2.7% to 3.0%. In the mass market table games segment, mass market table games drop was ₱20.1 billion for the year ended December 31, 2015. The mass market table games hold percentage was 26.3% for the year ended December 31, 2015. The average number of table games and average number of gaming machines for the year ended December 31, 2015 were 263 and 1,709, respectively. Average net win per table game per day and average net win per gaming machine per day for the year ended December 31, 2015 were ₱93,525 and ₱7,782, respectively. Casino revenues for the year ended December 31, 2014 were ₱300.0 million, representing 70% of the total net operating revenues and included mass tables games and gaming machines revenues.

Rooms. Room revenues for the year ended December 31, 2015 were ₱719.4 million, representing 5% of total net operating revenues, from Crown Towers Hotel, Nobu Hotel and Hyatt City of Dreams Manila. City of Dreams Manila's average daily rate, occupancy rate and REVPAR were ₱8,702, 85.9% and ₱7,471, respectively. Room revenues for the year ended December 31, 2014 were ₱7.3 million, representing 2% of total net operating revenues, mainly from Nobu Hotel and Hyatt City of Dreams Manila.

Food, beverage and others. Food, beverage and other revenues for the year ended December 31, 2015 included food and beverage revenues of ₱677.4 million and entertainment, retail and other revenues of ₱429.0 million. Other non-casino revenues for the year ended December 31, 2014 included food and beverage revenues of ₱26.2 million and entertainment, retail and other revenues of ₱96.8 million.

Operating costs and expenses

Total operating costs and expenses were ₱20,000.6 million for the year ended December 31, 2015, representing an increase of ₱15,339.3 million, over the ₱4,661.3 million for the year ended December 31, 2014. The increase in operating costs was attributable to the full year of resort operations in 2015.

Gaming tax and license fees for the years ended December 31, 2015 and 2014 amounted to ₱3,404.9 million and ₱64.1 million respectively. The increase was in line with the increased casino revenues. Refer to Note 2 to the audited consolidated financial statements for the nature and details thereof.

Inventories consumed for the years ended December 31, 2015 and 2014 amounted to ₱784.7 million and ₱27.9 million, respectively. The increase was in line with the full year operation of the resort.

Employee benefit expenses for the year ended December 31, 2015 amounted to ₱3,980.4 million as compared to ₱2,796.6 million for the year ended December 31, 2014. The increase was in line with the full year operation of the resort. Refer to Note 15 to the audited consolidated financial statements for the nature and details of such expenses.

Depreciation and amortization for the year ended December 31, 2015 and 2014 amounted to ₱4,372.0 million and ₱285.7 million, respectively. The increase was primarily due to more property and equipment being put into use upon grand opening during the year ended December 31, 2015.

Other expenses for the year ended December 31, 2015 amounted to ₱6,701.6 million, as compared to ₱1,448.1 million for the year ended December 31, 2014. The increase was primarily attributable to the opening of the property. Refer to Note 16 to the audited consolidated financial statements for the nature and details thereof.

Payments to the Philippine Parties represented the agreed-upon payments to PLAI calculated in accordance with the Operating Agreement dated March 13, 2013 and related supplementary agreements.

Non-operating expenses, net

Interest income was ₱14.2 million for the year ended December 31, 2015 as compared to ₱42.9 million for the year ended December 31, 2014. The decrease was due to less deposits being placed at the bank during the year ended December 31, 2015 compared to the same period in 2014.

Interest expenses (net of capitalized interest), mainly represented by interest expenses on Senior Notes and obligations under finance lease in relation to the Lease Agreement of the building with Belle, amounted to ₱2,721.0 million for the year ended December 31, 2015 as compared to ₱1,915.1 million for the year ended December 31, 2014. The increase was primarily due to lower interest capitalization of ₱82.7 million (2014: ₱734.1 million) as the project moved to completion after the first quarter of 2015.

Amortization of deferred financing costs amounted to ₱61.8 million and ₱54.2 million for the years ended December 31, 2015 and 2014, respectively, representing deferred financing costs capitalized for the Senior Notes effective from January 2014.

Other finance fees amounted to ₱47.8 million and ₱44.8 million for the years ended December 31, 2015 and 2014, respectively, representing the gross receipt taxes in relation to interest payments on the Senior Notes issued in January 2014.

The net foreign exchange losses of ₱30.7 million for the year ended December 31, 2015 was mainly due to the translation of foreign currency denominated bank balances and payables at the year-end closing rate. Because the Philippine peso fluctuated against the H.K. dollar and U.S. dollar during the year ended December 31, 2015, foreign exchange losses decreased by ₱70.3 million from ₱101.0 million for the year ended December 31, 2014 as a result of the foreign exchange revaluation on foreign currencies payables/USD denominated bank accounts during the year.

Net loss

As a result of the foregoing, the Group incurred a net loss of ₱9,144.1 million for the year ended December 31, 2015, as compared to a net loss of ₱6,303.3 million for the year ended December 31, 2014.

Financial Condition and Balance Sheet

The consolidated balance sheet of the Group as of December 31, 2015 with variances against December 31, 2014 is discussed, as set out below:

(in thousands of Philippine peso, except per share and % change data)			VERTICAL ANALYSIS		HORIZONTAL ANALYSIS	
	December 31,	December 31,	% to Total Assets		% of Change in Prior Period	
	2015	2014	2015	2014	Inc / (Dec)	%
ASSETS						
Current assets						
Cash and cash equivalents	7,460,229	7,651,187	17%	16%	(190,958)	-2%
Restricted cash	42,525	2,230,850	0%	5%	(2,188,325)	-98%
Accounts receivable, net	1,283,575	24,719	3%	0%	1,258,856	5093%
Inventories	268,819	194,609	1%	0%	74,210	38%
Prepayments and other current assets	194,423	184,957	0%	0%	9,466	5%
Amount due from a shareholder	5,588	5,425	0%	0%	163	3%
Amount due from ultimate holding company	175,557	-	0%	0%	175,557	N/A
Amount due from an affiliated company	455	-	0%	0%	455	N/A
Total current assets	9,431,171	10,291,747	21%	22%	(860,576)	-8%
Non-current assets						
Property and equipment, net	32,939,887	32,830,332	74%	69%	109,555	0%
Contract acquisition costs, net	915,965	968,058	2%	2%	(52,093)	-5%
Other intangible assets, net	7,176	8,698	0%	0%	(1,522)	-17%
Other non-current assets	1,462,673	3,624,180	3%	8%	(2,161,507)	-60%
Deferred tax asset, net	881	23,729	0%	0%	(22,848)	-96%
Total non-current assets	35,326,582	37,454,997	79%	78%	(2,128,415)	-6%
Total assets	44,757,753	47,746,744	100%	100%	(2,988,991)	-6%
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable	150,806	160,219	0%	0%	(9,413)	-6%
Accrued expenses, other payables and other current liabilities	8,203,747	4,631,506	18%	10%	3,572,241	77%
Current portion of obligations under finance lease	1,401,702	1,041,760	3%	2%	359,942	35%
Amount due to ultimate holding company	-	58,363	0%	0%	(58,363)	-100%
Amount due to immediate holding company	7,357	889,239	0%	2%	(881,882)	-99%
Amounts due to affiliated companies	609,951	834,384	1%	2%	(224,433)	-27%
Income tax payable	170	3,882	0%	0%	(3,712)	-96%
Total current liabilities	10,373,733	7,619,353	23%	16%	2,754,380	36%
Non-current liabilities						
Long-term debt, net	14,782,352	14,720,524	33%	31%	61,828	0%
Non-current portion of obligations under finance lease	12,744,835	12,378,968	28%	26%	365,867	3%
Deferred rent liabilities	176,508	122,131	0%	0%	54,377	45%
Retirement liabilities	23,617	-	0%	0%	23,617	N/A
Other non-current liabilities	48,638	18,357	0%	0%	30,281	165%
Total non-current liabilities	27,775,950	27,239,980	62%	57%	535,970	2%
Equity						
Capital stock	5,643,355	4,911,480	13%	10%	731,875	15%
Additional paid-in capital	21,932,963	19,647,157	49%	41%	2,285,806	12%
Share-based compensation reserve	606,279	759,248	1%	2%	(152,969)	-20%
Equity reserve	(3,613,990)	(3,613,990)	-8%	-8%	-	0%
Accumulated deficit	(17,960,537)	(8,816,484)	-40%	-18%	(9,144,053)	104%
Total equity	6,608,070	12,887,411	15%	27%	(6,279,341)	-49%
Total equity and liabilities	44,757,753	47,746,744	100%	100%	(2,988,991)	-6%

Current assets

Cash and cash equivalents decreased by ₱191.0 million, which is the net result of payments made for the capital and operating expenditures. Refer below to "Liquidity and Capital Sources" for the cash flow analysis for the year ended December 31, 2015.

Restricted cash as of December 31, 2015 represents an escrow account that is restricted for foundation fee payable in accordance with the terms of the Regular/Provisional License. Restricted cash as of December 31, 2014 represented the US\$50 million minimum requirement on the escrow account as required under the Regular/Provisional License granted by PAGCOR. Such account was released as approved by PAGCOR on May 7, 2015.

Accounts receivable, net, increased by ₱1,258.9 million, was mainly attributable to casino, hotel and F&B receivables, which is in line with the full year of operations. Refer to Note 7 to the audited consolidated financial statements for the details and aging of the accounts receivable as of December 31, 2015.

Inventories, which mainly consisted of gaming inventories, retail merchandise, food and beverage items and certain operating supplies, increased by ₱74.2 million in line with the increased business volumes after the resort opening.

Prepayments and other current assets increased by ₱9.5 million. Refer to Note 8 to the audited consolidated financial statements for the nature and details thereof.

The amount due from ultimate holding company of ₱175.6 million mainly represented the share-based compensation costs for MCP directors recharged to Melco for the years ended December 31, 2015, 2014 and 2013. Refer to Note 17 to the audited consolidated financial statements for the nature and details of related party transactions for the year ended December 31, 2015.

Non-current assets

Property and equipment increased by ₱109.6 million, mainly due to the additional capital expenditures in construction in progress of ₱1,741.3 million and acquisitions of operating equipment of ₱2,693.9 million incurred during the year ended December 31, 2015, which were partially offset by the depreciation of ₱4,325.6 million on the operating equipment during the year. During the year ended December 31, 2015, construction in progress of ₱5,746.2 million was transferred to operating equipment.

Contract acquisition costs decreased by ₱52.1 million, mainly due to amortization charges for the year ended December 31, 2015.

Other intangible assets represent the license fees incurred for the right to the use of certain third party trademarks for City of Dreams Manila. The balance decreased by ₱1.5 million during the year as a result of amortization on the straight-line basis over the license term of 5 years from February 14, 2015, the opening date of the attraction.

Other non-current assets decreased by ₱2,161.5 million primarily due to (i) the decrease in advance payments and deposits for acquisitions of property and equipment of ₱1,398.7 million as a result of capitalization of such costs to property and equipment during the year and (ii) a decrease in input VAT, net, of ₱858.0 million as a result of provisions for input VAT of ₱1,427.0 million during the year.

Current liabilities

Accounts payable of ₱150.8 million represented payables to suppliers for products and services such as playing cards and marketing.

Accrued expenses, other payables and other current liabilities increased by ₱3,572.2 million, which mainly related to increases in (i) gaming taxes and license fees of ₱1,624.3 million as a result of increased casino revenues; (ii) outstanding gaming chips and tokens of ₱1,219.3 million, which is in line with the increase in credit markers during the year and (iii) restricted cash refundable to the Philippine Parties of ₱1,104.5 million. Refer to Note 13 to the audited consolidated financial statements for the nature and details of such expenses.

Current portion of obligations under finance lease was comprised of the building lease portion. This represented lease payments that are due within one year. The increase during the year was mainly due to (i) finance lease charges of ₱1,500.3 million recognized during the year, partially offset by (ii) lease payments made amounting to ₱1,022.6 million during the year and (iii) reclassification of December scheduled installments ₱117.8 million to the unpaid portion of obligations under finance lease under accrued expenses.

Amounts due to affiliated companies, the ultimate holding company and the immediate holding company decreased by ₱1,164.7 million, primarily as a result of repayments made during the year. Refer to Note 17 to the audited consolidated financial statements for the nature and details of related party transactions for the year ended December 31, 2015.

Non-current liabilities

Long-term debt of ₱14.8 billion represents the Senior Notes which will mature in 2019 and are priced at par of 100% of the principal amount of ₱15.0 billion (net of ₱217.6 million in unamortized

deferred financing costs) and offered to certain primary institutional lenders through a private placement in the Philippines, issued on January 24, 2014. The increase during the year solely resulted from the amortization of deferred financing costs of ₱61.8 million.

Non-current portion of obligations under finance lease increase of ₱365.9 million, mainly representing finance lease charges during the year.

Deferred rent liabilities increased by ₱54.4 million primarily due to effective rent recognized during the year.

Retirement liabilities of ₱23.6 million represented the retirement costs recognized as of December 31, 2015 based on the provisions of Republic Act No. 7641, otherwise known as the "Retirement Pay Law." Refer to Note 22 to the audited consolidated financial statements for the details.

Other non-current liabilities represented retail tenant deposits and other payables which are due beyond one year. The increase was primarily arising from payables on property and equipment acquired during the year.

Equity

Capital stock and additional paid-in capital increased by ₱731.9 million and ₱2,285.8 million, respectively, as of December 31, 2015 as compared to December 31, 2014, mainly due to the issuance of (i) 693,500,000 common shares with a par value of ₱1 per share at a total consideration of ₱2,704.7 million and (ii) 38,375,178 restricted shares being vested during the year ended December 31, 2015.

The share-based compensation reserve decreased by ₱152.9 million mainly due to the transfer of ₱329.6 million to capital stock/additional paid-in capital as a result of the 38,375,178 restricted shares vesting as mentioned above; partially offset by the recognition of share-based payments of ₱176.7 million during the year ended December 31, 2015.

The equity reserve consisted of the net difference between the cost of MCP acquiring MCE Holdings Group and the legal capital of the latter at the date of reverse acquisition, plus the retained earnings of MCP as of December 19, 2012, the date when MCP was acquired by Melco. The amount remained unchanged as of December 31, 2015 as compared to December 31, 2014.

The deficit increased by ₱9,144.0 million to ₱17,960.5 million as of December 31, 2015, from ₱8,816.5 million as of December 31, 2014, solely due to the net loss recognized during the year ended December 31, 2015.

Liquidity and Capital Sources

The table below shows the Group's audited consolidated cash flows for the year ended December 31, 2015 and 2014:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	% Change
<i>In thousands of Philippine peso, except % change data</i>			
Net cash provided by (used in) operating activities	1,142,866	(4,154,244)	-128%
Net cash used in investing activities	(1,306,530)	(15,476,149)	-92%
Net cash (used in) provided by financing activities	(167,819)	18,811,633	-101%
Effect of foreign exchange on cash and cash equivalents	140,525	(129,895)	-208%
Net decrease in cash and cash equivalents	(190,958)	(948,655)	-80%
Cash and cash equivalents at beginning of year	7,651,187	8,599,842	-11%
Cash and cash equivalents at end of year	7,460,229	7,651,187	-2%

Cash and cash equivalents decreased by 2% as of December 31, 2015 compared to December 31, 2014 mainly due to the net effect of the following:

- For the year ended December 31, 2015, the Group recorded cash flow from operating activities of ₱1,142.9 million primarily attributable to the full year of operating performance at City of Dreams Manila as discussed in the aforesaid sections.
- Net cash used in investing activities amounted to ₱1,306.5 million for the year ended December 31, 2015, which primarily included: (i) capital expenditure payments of ₱4,525.7 million; (ii) payment for other non-current assets of ₱62.2 million and (iii) advance payments and deposits for acquisitions of property and equipment of ₱6.6 million; partially offset by (iv) a net decrease in restricted cash of ₱2,188.3 million as discussed above; (v) escrow funds refundable to the Philippine Parties of ₱1,103.9 million in accordance with the Cooperation Agreement which allowed MCP to withdraw US\$25.0 million from the escrow account for its free use.
- Net cash used in financing activities for the year ended December 31, 2015 mainly represented: (i) repayments of obligations under finance lease of ₱1,079.5 million; (ii) interest and other finance fee payments for the Senior Notes of ₱985.3 million; and (iii) repayments of ₱804.2 million to the immediate holding company, partially offset by the net proceeds from issuance of capital stock of ₱2,701.2 million as discussed above.

The table below shows the Group's capital sources as of December 31, 2015 and December 31, 2014.

	As of December 31, 2015	As of December 31, 2014	% Change
In thousands of Philippine peso, except % change data			
Long-term debt, net	14,782,352	14,720,524	0%
Equity	6,608,070	12,887,411	-49%
	21,390,422	27,607,935	-23%

Total long-term debt and equity decreased by 23% to ₱21,390.4 million as of December 31, 2015, from ₱27,607.9 million as of December 31, 2014. The decrease was mainly due to (i) the net loss of ₱9,144.1 million during the year ended December 31, 2015; (ii) the recognition of the share-based compensation reserves of ₱152.9 million; partially offset by (iii) the increase in capital stock and additional paid-in capital of ₱3,017.7 million; and (iv) the amortization of deferred financing costs of ₱61.8 million. There were no other changes in our indebtedness as of December 31, 2015 as compared to December 31, 2014.

On January 24, 2014, MCE Leisure completed the issuance of the Senior Notes, which was priced at par, with an interest rate of 5.00% per annum and a maturity date of January 24, 2019. The interest on Senior Notes includes a tax gross up provision requiring MCE Leisure to pay without any deduction or withholding for or on account of tax. The net proceeds from the issuance of the Senior Notes were used for the further development of City of Dreams Manila.

The Senior Notes are general obligations of MCE Leisure, ranked equally with all of MCE Leisure's existing and future senior indebtedness (save and except for any statutory preferences or priority), and senior to all of MCE Leisure's existing and future subordinated indebtedness. The Senior Notes were guaranteed by MCE, MCP and all present and future direct and indirect subsidiaries of MCP (subject to certain limited exceptions) on a senior basis. In addition, the Senior Notes were secured by pledge of shares of all present and future direct and indirect subsidiaries of MCP.

On June 24, 2014, MCP and MCE Investments completed another placing and subscription transaction (the "**2014 Placing and Subscription Transaction**") under which MCE Investments offered and sold in a private placement to various institutional investors 485,177,000 common shares of MCP with par value of ₱1 per share, at the offer price of ₱11.30 per share (the "**2014 Offer**"). MCE Investments then used the proceeds from the 2014 Offer to subscribe to an equivalent number of common shares of MCP at the subscription price of ₱11.30 per share. The aggregate net proceeds

from aforementioned equity transactions, after deducting the underwriting commissions and other expenses of ₱106.6 million, was ₱5,375.9 million.

Significant Accounting Judgments, Estimates and Assumptions

Please refer to Note 4 to the audited consolidated financial statements (Appendix I) for details.

Recent changes in Accounting Standards

Please refer to Note 3 to the audited consolidated financial statements (Appendix I) for discussion of recent changes in accounting standards.

Risks Related to Financial Instruments

The Group has financial assets and financial liabilities such as cash and cash equivalents, restricted cash, accounts receivable, security deposits, other deposits and receivables, amount due from a shareholder, amount due from ultimate holding company, amount due from an intermediate holding company, amount due from/to the immediate holding company, amount due from an affiliated company, accounts payable, accrued expenses, other payables and other current liabilities, obligations under finance lease, long-term debt, amounts due to affiliated companies, and other non-current liabilities which arise directly from its operations.

The main risks arising from the Group's financial instruments as of and for the year ended December 31, 2016 are interest rate risk, credit risk, liquidity risk and foreign exchange risk. Management reviews and approves policies for managing each of these risks.

Financial Assets and Liabilities – Fair value of Financial Instruments

Please refer to Note 26 to the audited consolidated financial statements (Appendix I) for details.

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 flows to fund the development of City of Dreams Manila. We are a growing company with significant financial needs. We expect to have significant capital expenditures in the future as we continue to develop City of Dreams Manila.

We have relied and intend in the future to rely on our operating cash flows 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, 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, issuance of stocks, sale-and-leaseback transactions or other similar activities.

Any other future developments may be subject to further financing and a number of other factors, many of which are beyond our control.

As of December 31, 2016, we had a shareholder loan facility of US\$340.0 million and a credit facility of ₱2,350.0 million remains available for future drawdowns, subject to certain conditions precedent. For further details, refer to Note 21 to the audited consolidated financial statements included in this annual report.

As of December 31, 2016, we had capital commitments contracted for, but not provided, mainly for the acquisitions of property and equipment for City of Dreams Manila totaling ₱202.9 million.

There were no material off-balance sheet transactions, arrangement, obligations, and other relationships of the Company with unconsolidated entities or other persons that the Company is aware of during the reporting year.

4. Business Development and Corporate History

The Company was incorporated and registered as Interphil Laboratories, Inc. with the SEC on November 6, 1974. The name of Interphil Laboratories, Inc. was changed to Manchester International Holdings Unlimited Corporation on July 10, 2008, and approved by the SEC on November 21, 2008.

On February 19, 2013, the shareholders of MCP approved the declassification of the ₱900 million authorized capital stock of MCP, consisting of 60% Class A shares and 40% Class B shares to a single class of common stock, the denial of pre-emptive rights, and the increase in MCP's authorized capital stock from ₱900 million divided into 900 million shares to ₱5.9 billion divided into 5.9 billion shares with a par value of ₱1.00 per share.

On March 5, 2013, the SEC approved the declassification of the capital stock of MCP to a single class of common stock and the denial of pre-emptive rights. On April 8, 2013, the SEC also approved the increase in authorized share capital stock of MCP.

On March 5, 2013, the SEC approved the amendments to the articles of incorporation of the Company for the change of its corporate name from Manchester International Holdings Unlimited Corporation to Melco Crown (Philippines) Resorts Corporation and its registered office address from Canlubang Industrial Estate, Bo. Pittland, Cabuyao, Laguna to 10th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City, which were approved by the shareholders of MCP on February 19, 2013.

On March 20, 2013, MCP entered into a subscription and share sale agreement (the "**Subscription and Share Sale Agreement**") with MCE Investments under which MCE Investments subscribed for 2,846,595,000 common shares of MCP with a par value of ₱1.00 per share at a total consideration of ₱2,846,595,000.00 (the "**Share Subscription Transaction**"). The Share Subscription Transaction, which was subject to the SEC's approval for the increase in MCP's authorized capital stock as mentioned above, was completed on April 8, 2013.

On April 24, 2013, MCP and MCE Investments completed a placing and subscription transaction (the "**Placing and Subscription Transaction**"), under which MCE Investments offered and sold in a private placement to various institutional investors 981,183,700 common shares of MCP with a par value of ₱1.00 per share, at the offer price of ₱14.00 per share (the "**Offer**") with an over-allotment option (the "**Over-allotment Option**") of up to 117,075,000 common shares of MCP with a par value of ₱1.00 per share, at the offer price of ₱14.00 per share granted to a stabilizing agent (the "**Stabilizing Agent**"). On May 23, 2013, the Stabilizing Agent exercised the Over-allotment Option and subscribed to 36,024,600 common shares of MCP. MCE Investments then used the proceeds from the Offer and Over-allotment Option to subscribe to an equivalent number of common shares of MCP at the subscription price of ₱14.00 per share.

On June 24, 2014, MCP and MCE Investments completed the 2014 Placing and Subscription Transaction, whereby MCE Investments sold 485,177,000 shares of MCP with a par value of ₱1.00 per share, at an offer price of ₱11.30 per share in a private placement to various institutional investors. MCE Investments then used the proceeds from the 2014 Offer to subscribe to an equivalent number of shares of MCP at a subscription price of ₱11.30 per share.

On November 23, 2015, MCE Investments subscribed to an additional 693,500,000 common shares of MCP, with a par value of ₱1.00 per share, at a subscription price of ₱3.90 per share, or a total subscription price of ₱2,704,650,000.00.

As of December 31, 2015, the ultimate holding company of MCP was Melco, a company incorporated in the Cayman Islands with its American Depositary Shares traded on the NASDAQ Global Select Market in the United States of America. Melco, in turn, is majority held, through wholly-owned subsidiaries, by Melco International, a Hong Kong-listed company, and Crown Resorts Limited ("**Crown**"), an Australian-listed corporation.

As of December 31, 2016, for accounting purposes, the Company's ultimate holding company is Melco International and Melco became one of the Company's intermediate holding companies due to the completion of the shares repurchase by Melco from a subsidiary of Crown followed by cancellation of

such shares and with certain changes in the composition of the board of directors of Melco in May 2016.

As of December 31, 2016, Melco, through its subsidiaries, MCE Investments and MCE Investments No.2, held an indirect ownership in MCP of 72.83%.

On February 1, 2017, the Board of Directors of the Company approved the change of the Company's name to Melco Resorts and Entertainment (Philippines) Corporation (such change was also approved by our stockholders at the Special Stockholders' Meeting on April 7, 2017), subject to the approval of the SEC.

On February 16, 2017, Melco International completed further acquisition of shares of Melco from Crown and as a result, Melco International became the sole majority shareholder of Melco and the Company's ultimate holding company for all purposes.

The Company is principally engaged in acquiring investments and securities and was further authorized to provide financing to its group companies, as approved by the SEC on July 25, 2013. The primary purpose of its subsidiary, MCE Leisure, is to develop and operate tourist facilities, including hotel casino entertainment complexes with hotel, retail and amusement areas and themed development components and to engage in casino gaming activities.

Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (Not Ordinary)

None for any of the companies above.

Basis of Preparation of Financial and Non-financial Information

On March 20, 2013, pursuant to the terms of the Subscription and Share Sale Agreement, MCP entered into a deed of assignment with MCE Investments under which MCP acquired all equity interests of MCE Investments in MCE Holdings consisting of 147,894,500 issued and outstanding common shares with a par value of ₱1.00 per share as of March 20, 2013, at a consideration of ₱7,198,590,000.00 (the "**Asset Acquisition Transaction**"). MCE Holdings holds 100% direct ownership interests in MCE Holdings No. 2, which in turn holds 100% direct ownership interests in MCE Leisure. As a result of the Asset Acquisition Transaction, MCE Holdings Group became wholly-owned subsidiaries of MCP.

Because MCP did not meet the definition of a business, the MCE Holdings Group was deemed to be the accounting acquirer for accounting purposes. The acquisition was accounted for similar to a reverse acquisition following the guidance provided by PFRS. In a reverse acquisition, the legal parent, MCP is identified as the acquiree for accounting purposes because based on the substance of the transaction, the legal subsidiary, MCE Holdings Group is adjudged to be the entity that gained control over the legal parent. Accordingly, the consolidated financial statements of MCP have been prepared as a continuation of the financial statements of the MCE Holdings Group. The MCE Holdings Group has accounted for the acquisition of MCP on December 19, 2012, which was the date when Melco, through MCE Investments and MCE Investments No.2, acquired control of MCP.

5. Market Price of and Dividends on Issuer's Common Equity and Related Stockholder Matters

Market Information. All of the Company's issued shares are listed and traded in the PSE. The following table indicates the high and low trading prices of the Company's shares in the PSE for the fiscal year 2015, 2016 and first quarter of 2017.

		HIGH	LOW
2017			
	First Quarter	6.85	3.75
2016			
	First Quarter	2.99	1.15
	Second Quarter	3.85	2.04
	Third Quarter	4.70	3.20
	Fourth Quarter	4.55	3.61
2015			
	First Quarter	13.40	8.70
	Second Quarter	10.56	5.10
	Third Quarter	8.22	3.71
	Fourth Quarter	4.20	1.86

Shareholders. The Company has a single class of common shares. As of April 30, 2017:

- (a) the percentage ownership of stockholders of record of the total outstanding shares of the Company was 15.78% Filipino and 84.22% Foreign;
- (b) the number of shares outstanding of the Company is 5,662,897,278; and
- (c) the number of shareholders of the Company is 425.

The following are the Company's top 20 shareholders as of April 30, 2017:

	NAME	NO. OF SHARES HELD	% TO TOTAL OUTSTANDING SHARES
1	MCE (Philippines) Investments Limited	3,415,000,196*	60.30%
2	PCD Nominee Corporation (Non-Filipino)	1,180,678,106	20.85%
3	PCD Nominee Corporation (Filipino)	850,480,390	15.02%
4	MCE (Philippines) Investments No.2 Corporation	173,837,068	03.07%
5	F. Yap Securities, Inc.	38,355,100	00.68%
6	Jose Cuisia	187,500	00.00%
7	Victor Sy	187,500	00.00%
8	Lumen Tiaoqui	150,000	00.00%
9	Josephine T. Willer	118,750	00.00%
10	Alexander S. Araneta	116,250	00.00%
11	Jose Marcel Enriquez Panlilio	112,500	00.00%
12	Bernard Ong and/or Conchita Ong	100,000	00.00%
13	Mary Angeli F. Basilio	100,000	00.00%
14	Elena B. Alikpala	82,500	00.00%
15	Rosa T. Cabrera	75,000	00.00%
16	Rafael Uyguanco	75,000	00.00%
17	Ramon Cojuangco, Jr.	71,250	00.00%
18	Mario C. Tan	67,500	00.00%
19	Van Tan	65,000	00.00%
20	Judy Tan Reynolds	62,500	00.00%
	TOTAL	5,659,922,110	99.95%

*Does not include the 535,440,000 shares lodged with the Philippine Depository and Trust Corporation.

Dividends Per Share. No dividend was declared for the year ended December 31, 2016.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction.

Pursuant to the Subscription and Share Sale Agreement, on March 20, 2013, the Company issued and MCE Investments subscribed to 2,846,595,000 common shares at the subscription price per share equivalent to the par value of ₱1.00 per share out of the increase in authorized capital stock of the Company from ₱900 million divided into 900 million shares to ₱5.9 billion divided into 5.9 billion shares, which increase in capital stock was approved by the SEC on April 8, 2013. The subscription of shares pursuant to an increase in capital stock is an exempt transaction under section 10.1 (i) of the SRC.

Furthermore, pursuant to the Placing and Subscription Transaction, on April 24, 2013, a total of 981,183,700 shares of stock were offered and sold by MCE Investments by way of a private placement to various institutional investors, including the grant of the Over-allotment Option of up to 117,075,000 shares to the Stabilizing Agent. MCE Investments then used the proceeds of the placing transaction to subscribe to an equivalent number of 981,183,700 shares in the Company. The Stabilizing Agent exercised the Over-allotment Option on May 23, 2013 and subscribed to 36,024,600 common shares of MCP. MCE Investments then used the proceeds from the Over-allotment Option to subscribe to an equivalent number of 36,024,600 shares of the Company. The offer and the subscription of new shares as a result of the Placing and Subscription Transaction is an exempt transaction under section 10.1 (k) and (l) of the SRC.

On February 19, 2013, MCP shareholders approved the Plan to grant shares and options to qualified employees, directors, officers and other qualified persons at an exercise price and vesting periods to be determined by the Compensation Committee of the Board of Directors. On April 12, 2013, the SEC resolved that the issuance of the 131,578,947 common shares under the Plan was exempt from registration requirements under section 10.2 of the SRC.

On June 21, 2013, MCP's shareholders approved the amendment of the SIP made in order to comply with the relevant provisions of the HKLR since Melco, an affiliate of the Company, is listed on the HKSE. The amendments include, but not limited to, additional provisions for compliance with HKLR requirements (i) when awards are granted to "connected persons" (as such term is defined under HKLR); and (ii) on restriction on timing of grant of awards. On June 24, 2013, additional 44,214,138 common shares were granted exemption from registration by the SEC under section 10.2 of the SRC. On May 18, 2015, the shareholders of MCP approved the further amendment of the SIP to remove HKLR compliance provisions as a result of the delisting of Melco from the HKSE, which was submitted to the SEC for approval. Prior to the said SEC approval, the SIP was again amended to reincorporate the HKLR compliance provisions following the consolidation of MCP into the group of Melco International as its subsidiary for accounting and listing rules purposes. The amendments were approved by MCP's shareholders on December 5, 2016 and by the SEC on March 14, 2017.

On June 28, 2013, 181,239,503 underlying shares related to shares and options under the SIP were granted, and MCP has filed a request for exemption for the issuance of the additional 5,446,418 common shares. On August 12, 2013, additional 5,446,418 common shares were granted exemption from registration by the SEC under section 10.2 of the SRC.

On April 22, 2014, the Board of Directors of MCP approved the issuance of an additional 13,585,772 shares to eligible employees, directors, officers and other qualified persons under the Company's SIP. On May 30, 2014, the SEC resolved that the issuance of the 13,585,772 common shares under the Plan was exempt from registration requirements under section 10.2 of the SRC.

On June 24, 2014, MCP and MCE Investments completed the 2014 Placing and Subscription Transaction, where a total of 485,177,000 shares of MCP were offered and sold by MCE Investments by way of a private placement to various institutional investors. MCE Investments then used the proceeds of the placing transaction to subscribe to an equivalent number of 485,177,000 shares in MCP. The offer and the subscription of new shares as a result of the 2014 Placing and Subscription Transaction is an exempt transaction under sections 10.1 (k) and (l) of the SRC.

On August 25, 2015, the Board approved the issuance of an additional 45,000,000 shares to eligible employees, consultants and directors of the Company, its parent and subsidiaries under the Company's SIP. The SEC approved the issuance of such additional shares on September 29, 2015.

On November 19, 2015, the Board of Directors of the Company approved the subscription by MCE Investments, and MCE Investments subscribed, to an additional 693,500,000 common shares of MCP, with a par value of ₱1.00 per share, at a subscription price of ₱3.90 per share, or a total subscription price of ₱2,704,650,000. The issuance of the additional shares as a result of the subscription is an exempt transaction under section 10.1 (k) of the SRC.

6. Discussion on Compliance with Leading Practice on Corporate Governance

The Company has adopted a Manual of Corporate Governance ("**Manual**") which was filed with and duly approved by the SEC. In accordance with the provisions of the Manual, the Company performs an annual assessment of the compliance of its Board of Directors with the provisions of the Manual. In addition, the Company regularly updates its Annual Corporate Governance Report as required by the SEC.

The Company requires its directors and management to attend and participate in training programs and seminars on good corporate governance, to keep themselves abreast with the leading practices on the matter.

7. Undertaking to Provide Annual Report

The Company undertakes to provide each stockholder, without charge, with a copy of its Annual Report upon written request to the Company addressed to the attention of Marissa T. Academia, Corporate Secretary, City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City 1701.

PART II

PROXY

**MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(CORPORATE STOCKHOLDERS)**

_____ (the "**Principal**") hereby nominates, constitutes, and appoints _____ (the "**Proxy**") as proxy, to represent the Principal and vote _____ common shares of the capital stock of MELCO CROWN (PHILIPPINES) RESORTS CORPORATION (the "**Corporation**") registered in the Principal's name as proxy of the Principal, at the Annual Stockholders' Meeting on June 6, 2017 at 2:30 pm at City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines, and at any adjournments thereof, for the purpose of acting on the following matters:

1. Approval of the Minutes of the Last Stockholders' Meetings held on June 20, 2016, December 5, 2016 and April 7, 2017.

Yes No Abstain

2. Approval of the Audited Consolidated Financial Statements of the Group for the Year Ended December 31, 2016

Yes No Abstain

3. Election of the Members of the Board of Directors

	No. of Votes
Clarence Yuk Man Chung	_____
Jose. F. Buenaventura	_____
Frances Marie T. Yuyucheng	_____
Johann M. Albano	_____
Maria Marcelina O. Cruzana	_____
John William Crawford (Independent)	_____
Alec Yiu Wa Tsui (Independent)	_____

4. Appointment of External Auditor

Yes No Abstain

5. Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting Held on June 20, 2016

Yes No Abstain

6. At the Proxy's discretion, the Proxy is authorized to vote upon such other matters that may properly be brought before the stockholders

Yes No

The Proxy is hereby designated to do and perform every legal act and thing whatever requisite or necessary to be done in and about the premises as fully to all intents and purposes as the Principal might or could lawfully do, and confirm all that the Proxy shall lawfully do or cause to be done by virtue hereof.

NAME OF CORPORATE STOCKHOLDER

By: _____

Name:

Position:

PROXY

**MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(INDIVIDUAL STOCKHOLDER)**

I, _____, of legal age, and with address at _____, being a stockholder of _____ common shares (the "**Shares**") of the capital stock of MELCO CROWN (PHILIPPINES) RESORTS CORPORATION (the "**Corporation**"), do hereby name and appoint _____ as my proxy for the Shares, to represent me and vote the Shares at the Annual Stockholders' Meeting on June 6, 2017 at 2:30 pm at City of Dreams Manila, Asean Avenue cor. Roxas Boulevard, Brgy. Tambo, Parañaque City, 1701 Philippines, and at any adjournments thereof, for the purpose of acting on the following matters:

1. Approval of the Minutes of the Last Stockholders' Meetings held on June 20, 2016, December 5, 2016 and April 7, 2017.
 Yes No Abstain

2. Approval of the Audited Consolidated Financial Statements of the Group for the Year Ended December 31, 2016
 Yes No Abstain

3. Election of the Members of the Board of Directors

	No. of Votes
Clarence Yuk Man Chung	_____
Jose. F. Buenaventura	_____
Frances Marie T. Yuyucheng	_____
Johann M. Albano	_____
Maria Marcelina O. Cruzana	_____
John William Crawford (Independent)	_____
Alec Yiu Wa Tsui (Independent)	_____

4. Appointment of External Auditor
 Yes No Abstain

5. Ratification of Actions Taken by the Board of Directors and Officers Since the Annual Stockholders' Meeting Held on June 20, 2016
 Yes No Abstain

6. At the Proxy's discretion, the Proxy is authorized to vote upon such other matters that may properly be brought before the stockholders
 Yes No

I hereby give and grant unto my said Proxy full power and authority to do and perform every legal act and thing whatever requisite or necessary to be done in and about the premises as fully to all intents and purposes as I might or could lawfully do, and confirm all that my said Proxy shall lawfully do or cause to be done by virtue hereof.

Signed on _____.

SIGNATURE OF STOCKHOLDER
OVER PRINTED NAME

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Parañaque City on May 2, 2017.

**MELCO CROWN (PHILIPPINES) RESORTS
CORPORATION**

By:


MARISSA T. ACADEMIA
Corporate Secretary



Melco Crown Philippines

May 2, 2017

SECURITIES AND EXCHANGE COMMISSION

Corporate Governance & Finance Department
PICC Complex, Roxas Boulevard
Pasay City 1307

Attention : **Atty. Justina F. Callangan**
Acting Director, Corporate Governance & Finance Department

Copy to : **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets and Securities Regulation Department

Subject : Certification of Independent Director

Dear Director Callangan:

In compliance with the Notice of the Securities and Exchange Commission dated October 20, 2006, we submit the attached Certifications executed by Mr. Alec Y.W. Tsui and Mr. John William Crawford, who were appointed as independent directors of Melco Crown (Philippines) Resorts Corporation (“MCP”) on December 19, 2012 and February 1, 2017, respectively.

Since the Certifications were executed in Hong Kong and may take time to be notarized or consularized, the Corporation undertakes to submit the notarized Certifications as soon as practicable.

Thank you.

Very truly yours,

**MELCO CROWN (PHILIPPINES)
RESORTS CORPORATION**

By

Marissa T. Academia
Corporate Secretary

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ALEC Y.W. TSUI**, British, of legal age with address at Unit 606, 6th Fl, FWD Financial Centre, 308 Des Voeux Road Central, Sheung Wan, Hong Kong, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Melco Crown (Philippines) Resorts Corporation (the “**Corporation**”) and have been its independent director since December 19, 2012.

2. I am affiliated with the following companies or organizations:

Company	Position	Period of Service
Industrial and Commercial Bank of China (Asia) Limited	Independent Non-Executive Director	From August 22, 2000 to present
WAG Financial Services Group Limited	Director	From August 20, 2001 to present
Partners Insight Limited	Director	From March 31, 2002 to present
Top Growth Assets Limited	Director	From April 1, 2002 to present
WAG (Greater China) Limited	Director	From April 1, 2002 to present
WAG Management Consultancy Limited	Director	From June 1, 2002 to present
Alliance Best Investments Limited	Director	From June 18, 2002 to present
COSCO Shipping International (Hong Kong) Company Limited	Independent Non-Executive Director	From February 5, 2004 to present
WAG Worldsec Management Consultancy Limited	Director	From April 28, 2006 to present
Melco Resorts & Entertainment Limited	Independent Non-Executive Director	From December 18, 2006 to present
Pacific Online Limited	Independent Non-Executive Director	From November 23, 2007 to present
ATA Inc.	Independent Non-Executive Director	From January 29, 2008 to present
Summit Ascent Holdings Limited	Independent Non-Executive Director	From March 25, 2011 to present
Melco Crown (Philippines) Resorts Corporation	Independent Director	From December 19, 2012 to present
Kangda International Environmental Company Limited	Independent Non-Executive Director	From October 30, 2013 to present
Zhuhai Da Heng Qin Company Ltd	Independent Non-Executive Director	From December 20, 2013 to present

DTXS Silk Road Investment Holdings Company Limited	Independent Non-Executive Director	From December 8, 2015 to present
--	------------------------------------	----------------------------------

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulation Code (“SRC”), its Implementing Rules and Regulations (“IRR”) and other issuances by the Securities and Exchange Commission (“SEC”).

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC, its IRR, Code of Corporate Governance and other SEC issuances

6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this April 24, 2017, at Hong Kong


ALEC Y.W. TSUI
Affiant

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOHN WILLIAM CRAWFORD**, Canadian, of legal age, with address at G/F, 22 Consort Rise Pokfulam, Hong Kong, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Melco Crown (Philippines) Resorts Corporation (the “**Corporation**”) and have been its independent director since February 1, 2017.

2. I am affiliated with the following companies or organizations:

Company	Position	Period of Service
Melco Resorts & Entertainment Limited	Independent Non-Executive Director	From January 12, 2017 to present
Entertainment Gaming Asia Inc.	Independent Non-Executive Director	From November 14, 2007 to present
Regal Portfolio Management Limited	Independent Non-Executive Director	From February 20, 2006 to present
International Quality Education Limited	Chairman	From February 22, 2002 to present
Crawford Consultants Limited	Managing Director	From February 20, 1998 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulation Code (“**SRC**”), its Implementing Rules and Regulations (“**IRR**”) and other issuances by the Securities and Exchange Commission (“**SEC**”).

4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC, its IRR, Code of Corporate Governance and other SEC issuances.

6. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this April 21, 2017 at Hong Kong.


JOHN WILLIAM CRAWFORD
Affiant